

IDAHO

2017

LEGISLATIVE BUDGET BOOK

FISCAL YEAR 2018



A PUBLICATION
OF THE LEGISLATIVE SERVICES OFFICE
BUDGET AND POLICY ANALYSIS

FIRST REGULAR SESSION • SIXTY-FOURTH LEGISLATURE

First Regular Session, Sixty-Fourth Legislature

Idaho Legislative Budget Book For Fiscal Year 2018

This *Legislative Budget Book* is the primary reference document used by the Joint Senate Finance and House Appropriations Committee, in setting the Idaho State Budget. The publication is also available online at:

<http://legislature.idaho.gov/budget/publications.htm>

Section I of this document contains statewide summary reports, charts, graphs and historical tables.

Section II provides a detailed description of agency budget requests for the Executive Branch, which includes twenty executive departments and the seven offices for statewide elected officials, the Judicial Branch and the Legislative Branch. Also included is the Governor's recommendation that provides the Legislature with a side-by-side comparison of each agency's budget request and the Governor's budget recommendation; in a single, inclusive document. Policy oversight is emphasized in this document by grouping and displaying minor programs at the agency or divisional level, and clearly displaying and comparing the key policy budget decisions that need to be made. Detail objects of expenditures (personnel costs, operating expenditures, capital outlay, and trustee & benefit payments) are de-emphasized to allow the use of larger fonts with fewer pages.

Supporting Agency Profile Documents include other analyses intended to lend context to the discussion of each agency's budget.

A comprehensive database, and numerous working files, also support the information contained in this document. These enable the Legislature's Budget and Policy Analysis staff to provide an extensive amount of fiscal information to legislative leadership, members of JFAC, germane committees and the Legislature as a whole.

A Publication of the Legislative Services Office

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Serving Idaho's Citizen Legislature

Joint Senate Finance House Appropriations Committee



FIRST REGULAR SESSION OF THE SIXTY-FOURTH IDAHO LEGISLATURE

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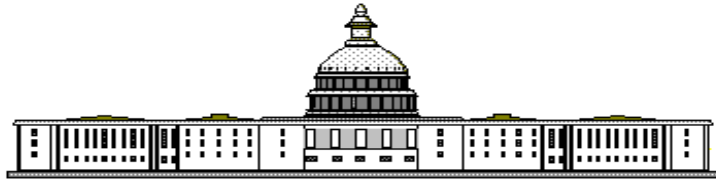
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Amberlee Honsaker
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Senate Finance
House Appropriations

Budget and Policy Analysis

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Shane Winslow, IT Systems Coordinator	334-4738

Idaho Legislative Budget Book

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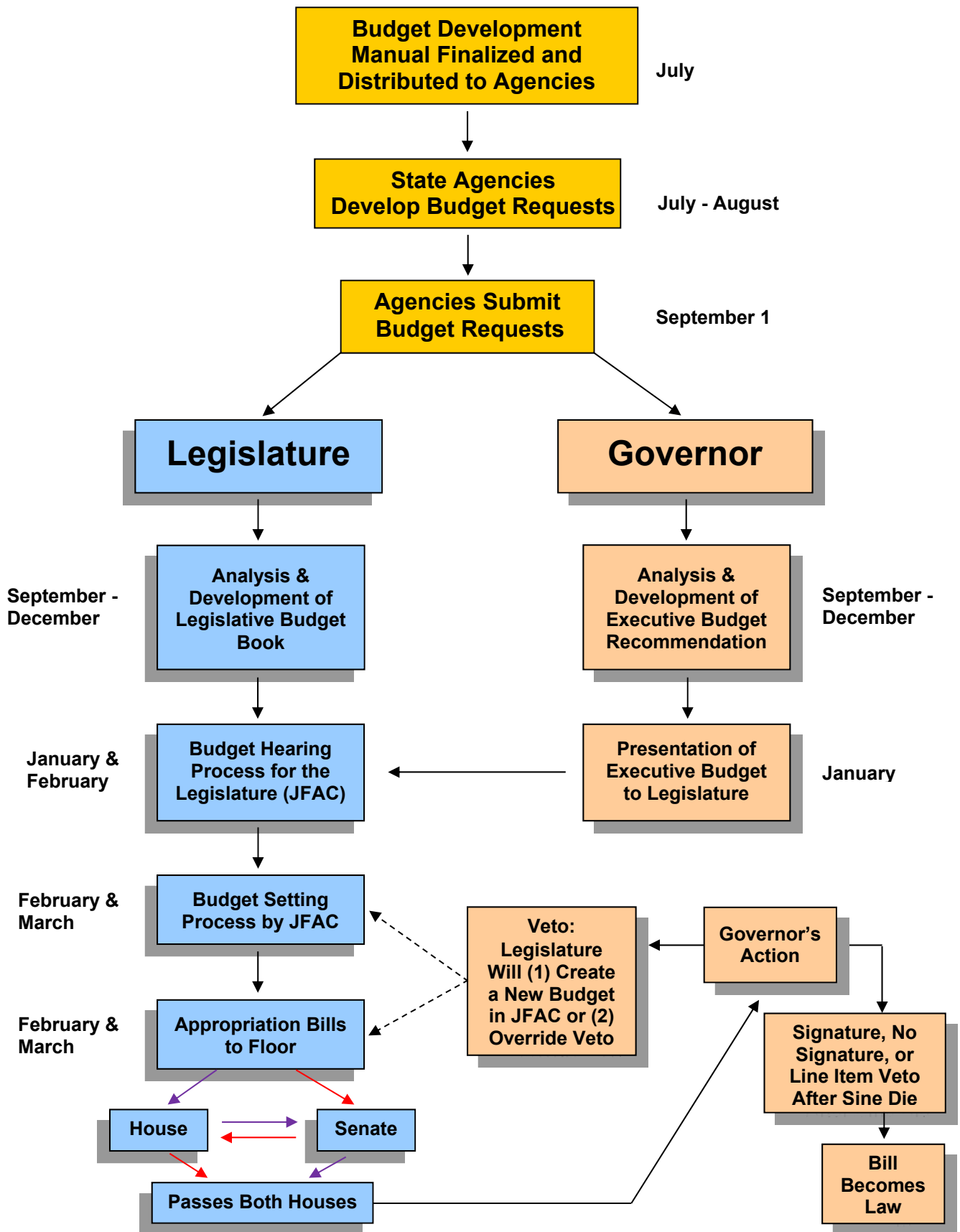
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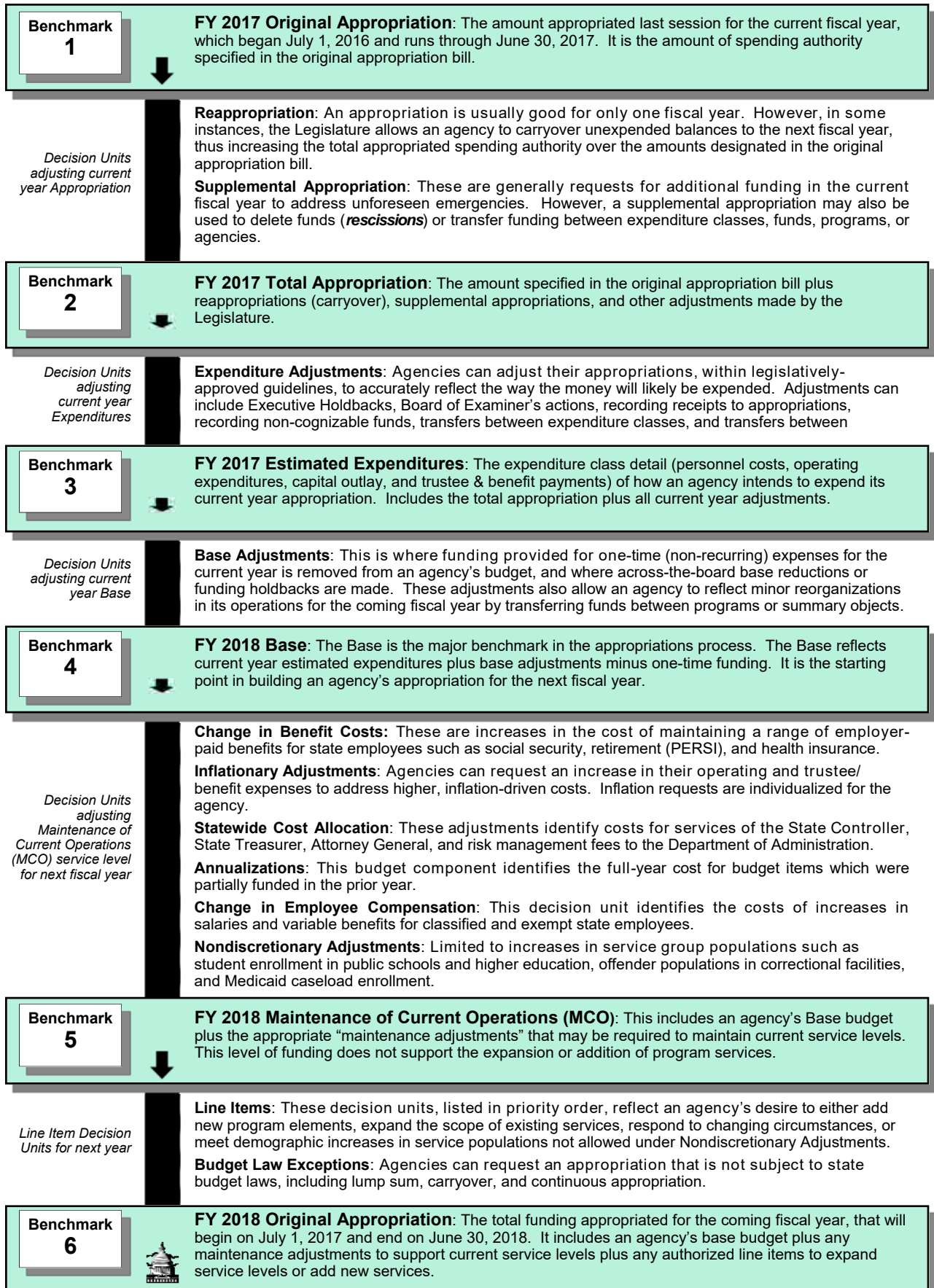
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Annual State of Idaho Budget Process



The Idaho Decision Unit (DU) Budget Model



General Fund Summary

FISCAL YEAR 2017

<u>REVENUES</u>	<u>Orig Est/Current Law & Request</u>	<u>Governor's Rec</u>
1. Beginning Balance	\$ 50,456,300	\$ 50,456,300
2. Reappropriation (including bucket funds)	7,004,400	7,004,400
3. After Year-End Cash Reversions	19,112,600	19,112,600
4. Total Cash Balance	76,573,300	76,573,300
5. DFM Sine Die Est (4.9% increase from FY16 forecast)	3,340,372,000	
6. DFM Revised Rev Est (5.4% increase from FY16 actual)		3,354,545,000
7. H347 Hand Tool Sales Tax Exemption	(81,100)	
8. H348 Vessel Sales to Non-Residents	20,300	
9. H357 STEM Action Center Income Tax Credit	(25,000)	
10. H386 Expand Production Exemption	(125,000)	
11. H425 Federal Tax Conformity	(28,669,000)	
12. H461 Court Fees/Surcharge	2,898,500	
13. H494 Court Fines/Fees	(19,500)	
14. H540 Sales Tax Exemption, Wildfire Aircraft	(88,500)	
15. Total Revenues	3,314,282,700	3,354,545,000
16. Total Revenues and Cash Balance	\$ 3,390,856,000	\$ 3,431,118,300
 <u>TRANSFERS</u>		
17. 2016 Legislative Session Transfers	\$ (44,700,400)	\$ (44,700,400)
18. Deficiency Warrants	(381,000)	(381,000)
19. Total Transfers	\$ (45,081,400)	\$ (45,081,400)
20. NET REVENUES AND TRANSFERS	\$ 3,345,774,600	\$ 3,386,036,900
 <u>EXPENDITURES</u>		
21. FY 2017 Original Appropriation	\$ 3,272,991,000	\$ 3,272,991,000
22. Reappropriations	7,004,400	7,004,400
Net Supplementals/Rescissions:		
23. Dept of Health & Welfare	(4,978,500)	(4,566,500)
24. Catastrophic Health Care Program	(4,945,100)	(4,945,100)
25. Dept of Correction	(3,652,000)	(3,652,000)
26. ISP Brand Board	250,000	250,000
27. Dept of Agriculture	1,026,900	699,000
28. Idaho Historical Society		1,000,000
29. Dept of Administration	526,600	526,600
30. Secretary of State	2,222,200	2,222,200
31. Total Supplementals/Rescissions	(9,549,900)	(8,465,800)
32. FY 2017 Total Appropriation	\$ 3,270,445,500	\$ 3,271,529,600
33. FY 2017 ESTIMATED ENDING BALANCE	\$ 75,329,100	\$ 114,507,300

General Fund Summary

FISCAL YEAR 2018

<u>REVENUES</u>	<u>Agency Request</u>	<u>Governor's Rec</u>
1. Estimated Beginning Balance	\$ 114,507,300	\$ 114,507,300
2. DFM Orig Rev Est (4.6% increase from FY17 forecast)	3,507,437,000	3,507,437,000
3. Proposed Executive Legislation with Fiscal Impact		(1,645,100)
4. Total Revenues	<u>3,507,437,000</u>	<u>3,505,791,900</u>
5. Total Revenues and Estimated Beginning Cash	\$ 3,621,944,300	\$ 3,620,299,200
 <u>TRANSFERS</u>		
6. Budget Stabilization Fund §57-814 IC	(33,545,500)	(33,545,500)
7. Wolf Control Fund - Wolf Depredation Control Board	(400,000)	(400,000)
8. Idaho Opportunity Fund - Dept of Commerce	(3,000,000)	(3,000,000)
9. Indirect Cost Recovery Fund - Dept of Commerce		31,800
10. Workforce Development Training Fund - Dept of Labor		(5,000,000)
11. Perm Bldg Fund - ISU Gale Life Science Bldg Remodel		(5,000,000)
12. Perm Bldg Fund - H&W State Hospital West & South Remodel		(10,296,200)
13. Perm Bldg Fund - BSU Center for Materials Science		(10,000,000)
14. Perm Bldg Fund - LCSC Career-Technical Education Bldg		(10,000,000)
15. Perm Bldg Fund - UI Ctr for Ag, Food, & Environment (CAFE)		(10,000,000)
16. Net Transfers	<u>(36,945,500)</u>	<u>(87,209,900)</u>
17. NET REVENUES AND TRANSFERS	\$ 3,584,998,800	\$ 3,533,089,300
 <u>EXPENDITURES</u>		
18. FY 2017 Estimated Expenditures	\$ 3,270,445,500	\$ 3,271,529,600
19. FY 2018 Base Budget	3,228,569,300	3,228,536,200
Maintenance Costs:		
20. Benefit Changes	11,329,100	7,936,500
21. Inflationary Adjustments	1,976,200	804,400
22. Replacement Items	18,984,500	11,361,100
23. Statewide Cost Allocation	345,000	345,000
24. Annualizations	2,886,600	2,858,400
25. Change in Employee Compensation	6,344,000	18,528,200
26. Public Schools CEC Classified & Administrators	2,238,800	6,716,200
27. Military Compensation	49,900	
28. Nondiscretionary Adjustments	88,400,700	86,076,400
29. Endowment Adjustments	<u>(10,324,800)</u>	<u>(10,324,800)</u>
30. FY 2018 Program Maintenance	\$ 3,350,799,300	\$ 3,352,837,600
Other Budget Requests:		
31. Education:	91,033,000	66,186,000
32. Health and Human Services:	34,129,400	20,627,400
33. Public Safety:	14,648,900	14,017,400
34. Natural Resources:	2,960,600	2,321,000
35. Economic Development:	6,819,000	9,826,200
36. General Government:	9,359,100	52,116,200
37. Omnibus Decisions	<u>847,400</u>	<u>847,300</u>
38. FY 2018 Subtotal	3,510,596,700	3,518,779,100
39. Cash Transfers	<u>(3,400,000)</u>	<u>(53,696,200)</u>
40. FY 2018 Total	\$ 3,507,196,700	\$ 3,465,082,900
41. FY 2018 ESTIMATED ENDING BALANCE	\$ 77,802,100	\$ 68,006,400

General Fund Revenue Collections & Estimates

Source	Actual			
	FY 2011	FY 2012	FY 2013	FY 2014
Individual Income Tax	\$1,152,651,023	\$1,206,406,502	\$1,284,323,929	\$1,329,264,582
% change	8.5%	4.7%	6.5%	3.5%
Corporate Income Tax	168,949,756	187,014,165	198,659,090	188,291,424
% change	74.1%	10.7%	6.2%	(5.2%)
Sales Tax	972,379,787	1,027,344,323	1,109,828,539	1,145,731,785
% change	1.7%	5.7%	8.0%	3.2%
Cigarette Tax	14,400,000	11,606,159	13,077,000	3,695,604
Tobacco Tax	8,475,496	8,925,455	10,013,026	9,883,755
Beer Tax	1,971,078	1,944,126	1,927,751	1,890,918
Wine Tax	3,210,700	3,454,070	3,908,678	4,134,639
Liquor Distribution	<u>14,761,400</u>	<u>17,248,000</u>	<u>20,925,004</u>	<u>24,210,000</u>
Product Taxes subtotal	42,818,675	43,177,810	49,851,459	43,814,916
% change	4.0%	0.8%	15.5%	(12.1%)
Kilowatt-Hour Tax	2,429,958	2,981,630	1,919,852	1,839,874
Mine License	1,536,080	2,024,672	531,466	518,734
State Treasurer Int.	(430,721)	(604,324)	355,696	(365,532)
Judicial Branch	5,116,112	4,849,395	4,591,958	4,355,631
Insurance Prem. Tax	54,117,538	56,579,661	55,621,675	59,356,420
State Police	1,523,631	1,557,070	127,729	0
Secretary of State	2,412,976	2,427,979	2,537,965	2,701,683
Unclaimed Property	4,512,890	8,887,995	6,997,488	5,654,952
Estate Tax	521,357	(21,984)	63,000	303,825
Other	<u>35,940,000</u>	<u>45,088,374</u>	<u>34,875,345</u>	<u>33,961,030</u>
Misc. Revenue Subtotal	107,679,820	123,770,468	107,622,174	108,326,617
% change	(0.7%)	14.9%	(13.0%)	0.7%
Total General Fund Collections	\$2,444,479,100	\$2,587,713,300	\$2,750,285,200	\$2,815,429,300
% change	7.9%	5.9%	6.3%	2.4%
Expenditures	2,450,172,200	2,505,098,200	2,693,784,300	2,767,974,900
% change	4.7%	2.2%	7.5%	2.8%
Collections-Expenditures	(5,693,100)	82,615,100	56,500,900	47,454,400
Beginning Balance:	1,536,100	69,942,500	139,052,900	82,784,900
Net Transfers In (Out):	74,094,700	(13,526,100)	(112,766,200)	(78,250,800)
Adjustments:	<u>4,800</u>	<u>21,400</u>	<u>(2,700)</u>	<u>1,586,300</u>
Total Ending Balance	69,942,500	139,052,900	82,784,900	53,574,800

Sources: Legislative Fiscal Reports and the Division of Financial Management

General Fund Revenue Collections & Estimates

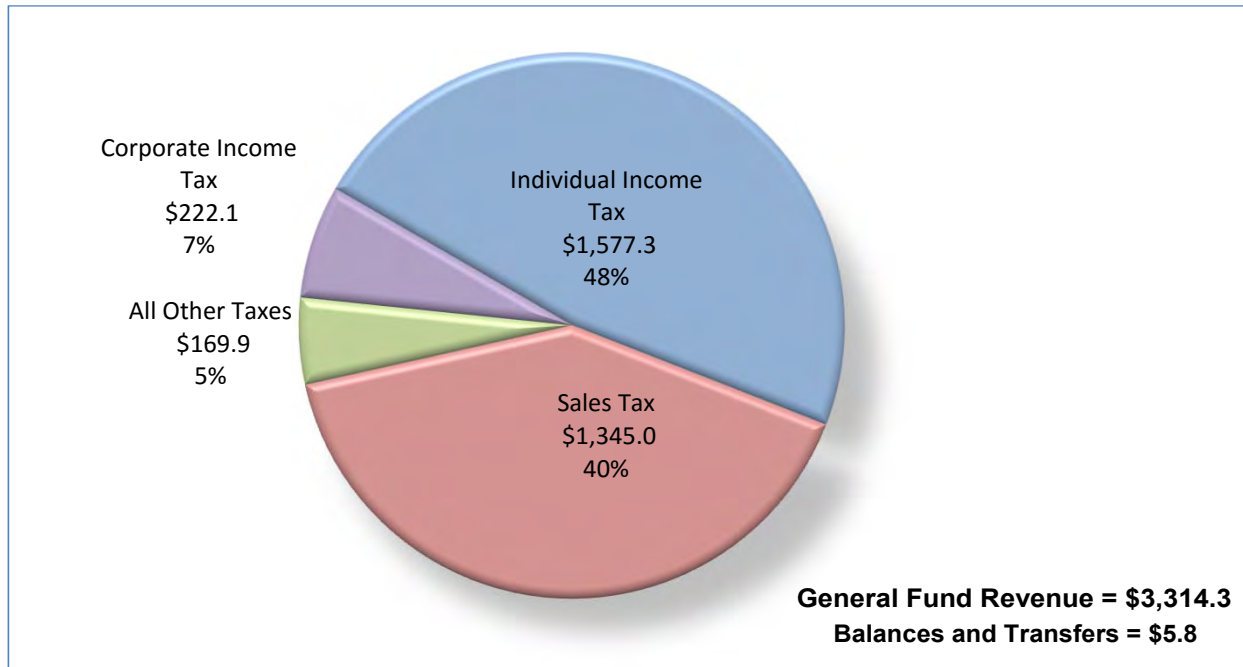
Source	Actual		Governor's Forecast	
	FY 2015	FY 2016	FY 2017	FY 2018
Individual Income Tax	\$1,470,856,952	\$1,513,168,519	\$1,590,851,700	\$1,666,778,000
% change	10.7%	2.9%	5.1%	4.8%
Corporate Income Tax	215,402,876	186,869,097	202,458,400	215,894,000
% change	14.4%	(13.2%)	8.3%	6.6%
Sales Tax	1,218,769,691	1,303,027,519	1,379,670,000	1,447,141,000
% change	6.4%	6.9%	5.9%	4.9%
Cigarette Tax	3,337,597	7,899,996	9,947,500	7,306,000
Tobacco Tax	10,504,522	11,595,623	11,430,900	11,679,000
Beer Tax	1,911,292	1,934,403	1,991,000	2,016,000
Wine Tax	4,237,620	4,481,223	4,677,000	4,856,000
Liquor Distribution	<u>25,480,000</u>	<u>25,890,004</u>	<u>28,880,000</u>	<u>30,184,000</u>
Product Taxes subtotal	45,471,031	51,801,249	56,926,400	56,041,000
% change	3.8%	13.9%	9.9%	(1.6%)
Kilowatt-Hour Tax	1,917,809	1,876,626	1,900,000	2,000,000
Mine License	69,318	(247,401)	500,000	600,000
State Treasurer Int.	(1,571,264)	324,425	(482,400)	2,119,000
Judicial Branch	6,141,488	6,251,398	9,013,400	9,143,000
Insurance Prem. Tax	61,747,055	72,123,281	73,007,700	69,616,000
State Police	(3,171)	0	0	0
Secretary of State	2,764,659	2,781,488	3,209,500	3,410,000
Unclaimed Property	6,293,300	9,928,448	6,500,000	6,500,000
Estate Tax	(1)	276	0	0
Other	<u>28,905,769</u>	<u>35,789,042</u>	<u>30,990,300</u>	<u>28,195,000</u>
Misc. Revenue Subtotal	106,264,962	128,827,583	124,638,500	121,583,000
% change	(1.9%)	21.2%	(3.3%)	(2.5%)
Total General Fund Collections	\$3,056,765,500	\$3,183,694,000	*\$3,354,545,000	*\$3,507,437,000
% change	8.6%	4.2%	5.4%	4.6%
Expenditures	2,880,066,900	3,045,916,100	3,271,529,600	3,465,082,900
% change	4.0%	5.8%	7.4%	5.9%
Collections-Expenditures	176,698,600	137,777,900	83,015,400	42,354,100
Beginning Balance:	53,574,800	44,946,500	50,456,300	114,507,300
Net Transfers In (Out):	(185,326,500)	(132,268,000)	(45,081,400)	(87,209,900)
Adjustments:	(400)	(100)	26,117,000	(1,645,100)
Total Ending Balance	44,946,500	50,456,300	\$114,507,300	\$68,006,400

**Total Collections Forecasts are rounded*

FY 2017 General Fund Revenue & Appropriations

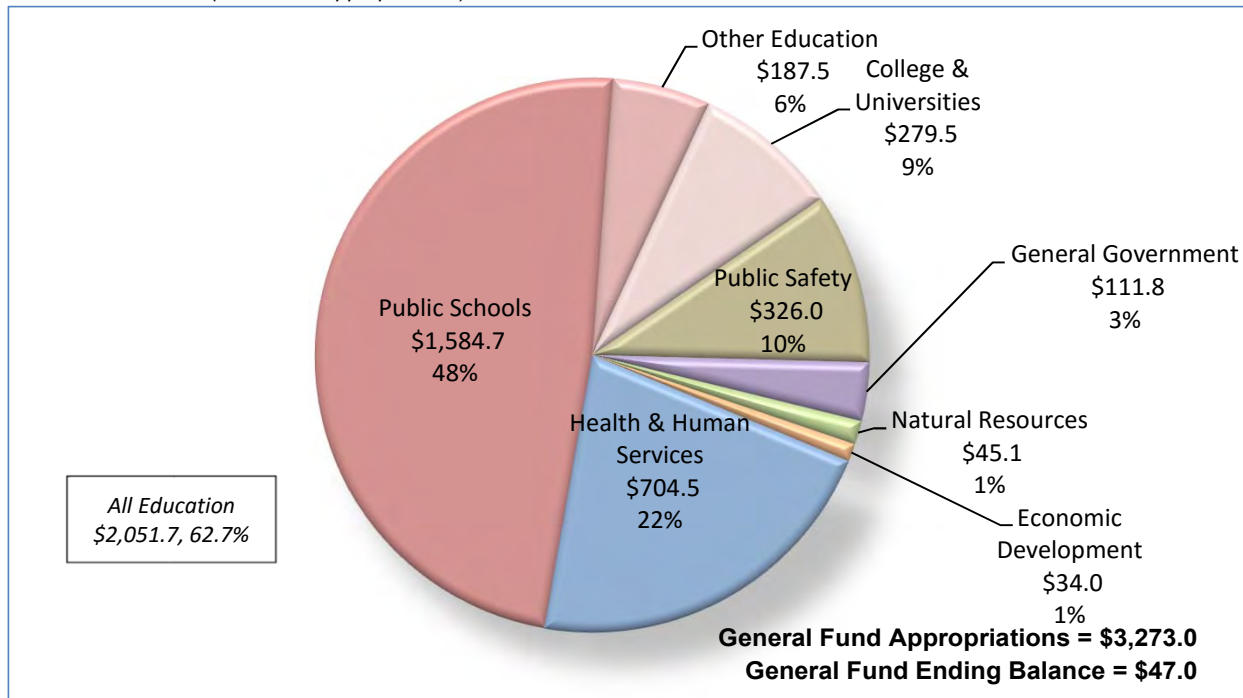
"Where the money comes from . . ."

Dollars In Millions (Percent of Revenue)



"Where the money goes . . ."

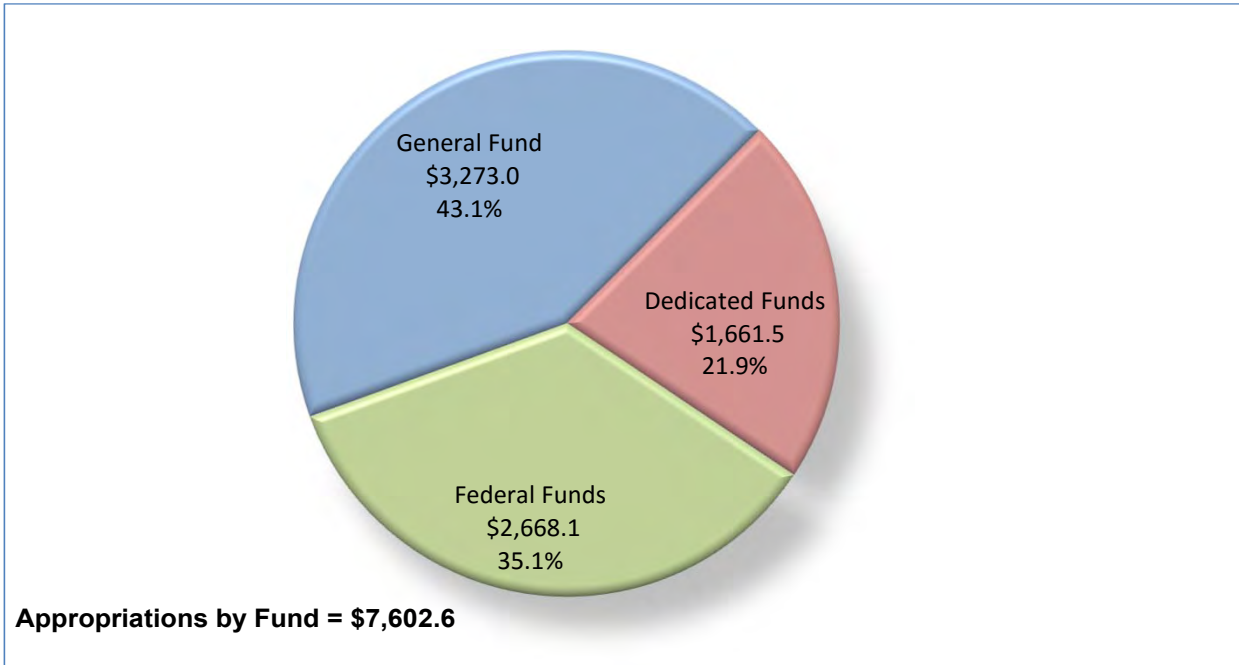
Dollars In Millions (Percent of Appropriations)



FY 2017 All Appropriations by Fund & Function

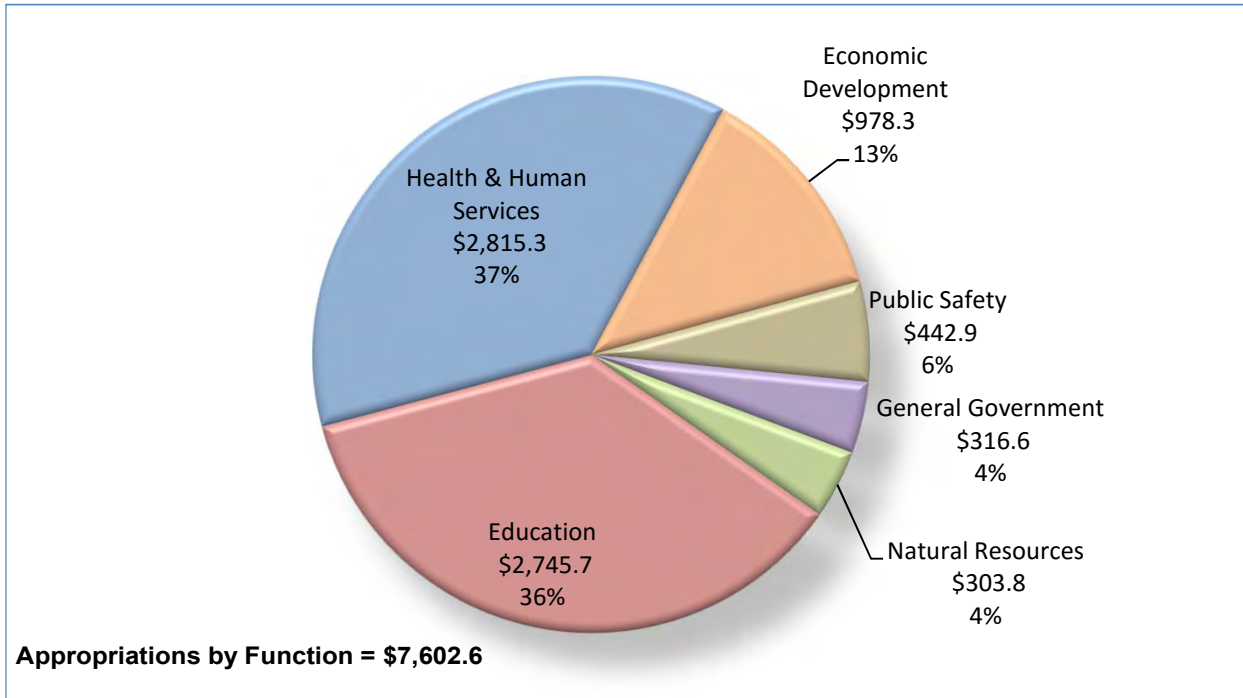
"Where the money comes from . . ."

Dollars In Millions (Percent of Revenue)



"Where the money goes . . ."

Dollars In Millions (Percent of Appropriations)



FY 2018 Agency Request by Decision Unit

Decision Unit	FTP	Gen	Ded	Fed	Total		
FY 2017 Original Appropriation	18,929.93	3,272,991,000	1,661,499,200	2,668,133,000	7,602,623,200		
Reappropriation	0.00	7,004,400	406,849,100	53,004,500	466,858,000		
Supplementals	19.00	6,330,800	24,036,900	20,439,800	50,807,500		
Rescissions	0.00	(15,880,700)	0	(16,138,300)	(32,019,000)		
Deficiency Warrants	0.00	381,000	0	0	381,000		
Cash Transfers & Adjustments	0.00	(381,000)	0	0	(381,000)		
FY 2017 Total Appropriation	18,948.93	3,270,445,500	2,092,385,200	2,725,439,000	8,088,269,700		
Noncognizable Funds and Transfers	95.06	0	14,186,400	800,000	14,986,400		
FY 2017 Estimated Expenditures	19,043.99	3,270,445,500	2,106,571,600	2,726,239,000	8,103,256,100		
Removal of One-Time Expenditures	(4.50)	(44,341,800)	(608,774,400)	(101,177,400)	(754,293,600)		
Base Adjustments	39.91	2,465,600	3,688,000	3,841,200	9,994,800		
FY 2018 Base	19,079.40	3,228,569,300	1,501,485,200	2,628,902,800	7,358,957,300		
Benefit Costs	0.00	11,329,100	7,964,700	3,677,900	22,971,700		
Inflationary Adjustments	0.00	1,976,200	1,915,800	177,400	4,069,400		
Replacement Items	0.00	18,984,500	58,523,100	4,044,500	81,552,100		
Statewide Cost Allocation	0.00	345,000	9,200	177,000	531,200		
Annualizations	(2.00)	2,886,600	57,000	362,600	3,306,200		
Change in Employee Compensation	0.00	6,344,000	4,740,800	2,099,900	13,184,700		
Public Schools Admin/Cassified CEC	0.00	2,238,800	0	0	2,238,800		
Military Compensation	0.00	49,900	47,700	213,100	310,700		
Nondiscretionary Adjustments	0.00	88,400,700	15,742,200	35,327,000	139,469,900		
Endowment Adjustments	0.00	(10,324,800)	10,213,000	0	(111,800)		
FY 2018 Program Maintenance	19,077.40	3,350,799,300	1,600,698,700	2,674,982,200	7,626,480,200		
Line Items by Functional Area							
Education	103.76	91,033,000	(1,076,900)	1,862,000	91,818,100		
Health and Human Services	34.95	34,129,400	217,900	17,788,200	52,135,500		
Public Safety	48.00	14,648,900	1,427,100	(148,400)	15,927,600		
Natural Resources	38.30	2,960,600	11,452,200	3,191,600	17,604,400		
Economic Development	46.00	6,819,000	39,788,800	13,233,300	59,841,100		
General Government	52.00	9,359,100	24,851,300	22,043,600	56,254,000		
Omnibus Decisions	0.00	847,400	268,100	76,300	1,191,800		
Cash Transfers	0.00	(3,400,000)	(2,266,000)	0	(5,666,000)		
FY 2018 Total	19,400.41	3,507,196,700	1,675,361,200	2,733,028,800	7,915,586,700		
Percent Change from Orig. Appropriation	2.5%	7.2%	0.8%	2.4%	4.1%		
Percent Change from Total Appropriation	2.4%	7.2%	(19.9%)	0.3%	(2.1%)		
FY 2018 Total Agency Request							
	FTP	Pers Costs	Oper Exp	Cap Out	T/B Pymts	Lump Sum	Total
General	9,173.21	820,171,200	237,876,100	13,491,800	730,132,200	1,669,212,300	3,470,883,600
OT	0.00	629,900	9,768,200	25,755,000	160,000	0	36,313,100
Fund Total:	9,173.21	820,801,100	247,644,300	39,246,800	730,292,200	1,669,212,300	3,507,196,700
Dedicated	8,288.75	588,052,900	368,784,500	120,702,200	389,551,700	88,343,700	1,555,435,000
OT	0.00	175,300	6,413,500	101,819,200	658,100	10,860,100	119,926,200
Fund Total:	8,288.75	588,228,200	375,198,000	222,521,400	390,209,800	99,203,800	1,675,361,200
Federal	1,938.45	266,255,700	230,233,000	257,798,100	1,672,342,200	264,115,000	2,690,744,000
OT	0.00	0	9,615,300	28,319,500	3,350,000	1,000,000	42,284,800
Fund Total:	1,938.45	266,255,700	239,848,300	286,117,600	1,675,692,200	265,115,000	2,733,028,800
Total:	19,400.41	1,675,285,000	862,690,600	547,885,800	2,796,194,200	2,033,531,100	7,915,586,700

FY 2018 Governor's Rec by Decision Unit

Decision Unit	FTP	Gen	Ded	Fed	Total		
FY 2017 Original Appropriation	18,929.93	3,272,991,000	1,661,499,200	2,668,133,000	7,602,623,200		
Reappropriation	0.00	7,004,400	406,849,100	53,004,500	466,858,000		
Supplementals	19.00	7,414,900	24,086,900	20,473,900	51,975,700		
Rescissions	0.00	(15,880,700)	0	(16,138,300)	(32,019,000)		
Deficiency Warrants	0.00	381,000	0	0	381,000		
Cash Transfers & Adjustments	0.00	(381,000)	0	0	(381,000)		
FY 2017 Total Appropriation	18,948.93	3,271,529,600	2,092,435,200	2,725,473,100	8,089,437,900		
Noncognizable Funds and Transfers	95.06	0	16,896,700	800,000	17,696,700		
Expenditure Adjustments	0.00	0	(2,710,300)	0	(2,710,300)		
FY 2017 Estimated Expenditures	19,043.99	3,271,529,600	2,106,621,600	2,726,273,100	8,104,424,300		
Removal of One-Time Expenditures	(4.50)	(45,459,000)	(608,774,400)	(101,233,500)	(755,466,900)		
Base Adjustments	39.91	2,465,600	3,813,100	3,841,200	10,119,900		
FY 2018 Base	19,079.40	3,228,536,200	1,501,660,300	2,628,880,800	7,359,077,300		
Benefit Costs	0.00	7,936,500	5,456,100	2,588,200	15,980,800		
Inflationary Adjustments	0.00	804,400	1,915,800	17,800	2,738,000		
Replacement Items	0.00	11,361,100	58,402,300	3,635,100	73,398,500		
Statewide Cost Allocation	0.00	345,000	9,200	177,000	531,200		
Annualizations	(2.00)	2,858,400	57,200	343,700	3,259,300		
Change in Employee Compensation	0.00	18,528,200	13,497,000	6,013,200	38,038,400		
Public Schools Admin/Cassified CEC	0.00	6,716,200	0	0	6,716,200		
Nondiscretionary Adjustments	0.00	86,076,400	15,742,200	35,327,000	137,145,600		
Endowment Adjustments	0.00	(10,324,800)	9,991,300	0	(333,500)		
FY 2018 Program Maintenance	19,077.40	3,352,837,600	1,606,731,400	2,676,982,800	7,636,551,800		
Line Items by Functional Area							
Education	62.51	66,186,000	3,925,500	1,400,000	71,511,500		
Health and Human Services	28.95	20,627,400	234,900	17,098,400	37,960,700		
Public Safety	45.00	14,017,400	1,355,400	(167,500)	15,205,300		
Natural Resources	38.30	2,321,000	9,943,800	3,202,100	15,466,900		
Economic Development	41.00	9,826,200	32,022,900	22,237,500	64,086,600		
General Government	27.00	52,116,200	23,431,900	22,000,000	97,548,100		
Omnibus Decisions	0.00	847,300	268,100	76,400	1,191,800		
Cash Transfers	0.00	(53,696,200)	23,040,200	0	(30,656,000)		
FY 2018 Total	19,320.16	3,465,082,900	1,700,954,100	2,742,829,700	7,908,866,700		
Percent Change from Orig. Appropriation	2.1%	5.9%	2.4%	2.8%	4.0%		
Percent Change from Total Appropriation	2.0%	5.9%	(18.7%)	0.6%	(2.2%)		
FY 2018 Total Recommendation							
	FTP	Pers Costs	Oper Exp	Cap Out	T/B Pymts	Lump Sum	Total
General	9,095.13	818,554,200	235,234,000	12,260,900	703,125,700	1,671,156,100	3,440,330,900
OT	1.00	54,200	8,818,300	15,769,500	110,000	0	24,752,000
Fund Total:	9,096.13	818,608,400	244,052,300	28,030,400	703,235,700	1,671,156,100	3,465,082,900
Dedicated	8,281.75	592,626,200	361,576,600	120,702,200	389,486,700	88,343,700	1,552,735,400
OT	0.00	175,300	7,051,500	125,797,100	5,658,100	9,536,700	148,218,700
Fund Total:	8,281.75	592,801,500	368,628,100	246,499,300	395,144,800	97,880,400	1,700,954,100
Federal	1,942.28	268,745,900	230,251,200	257,798,100	1,672,342,800	264,115,000	2,693,253,000
OT	0.00	0	17,321,600	27,905,100	3,350,000	1,000,000	49,576,700
Fund Total:	1,942.28	268,745,900	247,572,800	285,703,200	1,675,692,800	265,115,000	2,742,829,700
Total:	19,320.16	1,680,155,800	860,253,200	560,232,900	2,774,073,300	2,034,151,500	7,908,866,700

FY 2017 Deficiency Warrants And Supplemental Requests

Func Area/Dept/Div	Request			Gov's Rec		
	FTP	General	Total	FTP	General	Total
Part A: Deficiency Warrants						
Economic Development						
Department of Agriculture						
1. Pest Control Deficiency Warrants	0.00	342,600	342,600	0.00	342,600	342,600
General Government						
Office of the Governor						
Military Division						
2. HAZMAT Deficiency Warrants	0.00	38,400	38,400	0.00	38,400	38,400
Total:	0.00	381,000	381,000	0.00	381,000	381,000
Part B: Supplementals						
Education						
State Board of Education						
Division of Career Technical Education						
1. Addl Career & Tech Student Org Mgr	4.00	0	0	4.00	0	0
2. CTE Teacher Education	2.00	0	0	2.00	0	0
3. Transfer Funds to State Leadership	0.00	0	0	0.00	0	0
Vocational Rehabilitation						
4. Deaf Awareness Day Event	0.00	0	3,000	0.00	0	3,000
Health and Human Services						
Catastrophic Health Care Program						
5. Reduce Excess General Fund Appro	0.00	(4,945,100)	(4,945,100)	0.00	(4,945,100)	(4,945,100)
Department of Health and Welfare						
Child Welfare						
6. Increased Demand for Services	0.00	868,100	868,100	0.00	868,100	868,100
7. Salary Increases - FLSA Changes	0.00	33,100	55,100	0.00	0	0
Indirect Support Services						
8. Additional Enhanced Federal Funds	0.00	0	1,360,000	0.00	0	1,360,000
Division of Medicaid						
9. KW Lawsuit Compliance	2.00	186,600	373,200	2.00	186,600	373,200
10. Home and Community Based Service	3.00	84,200	168,300	3.00	84,200	168,300
11. MMIS Contract Operations: T-MSIS	0.00	29,900	298,800	0.00	0	0
12. Evaluation of Inpatient Hospital Svcs	0.00	25,000	50,000	0.00	0	0
13. Additional Receipt Authority	0.00	0	10,000,000	0.00	0	10,000,000
14. Hospital Cost Settlements	0.00	(6,063,100)	(21,200,000)	0.00	(6,063,100)	(21,200,000)
15. Non Emergency Medical Transportati	0.00	(398,600)	(1,400,000)	0.00	(398,600)	(1,400,000)
Mental Health Services						
16. Jeff D Lawsuit Agreement	11.00	127,700	255,400	11.00	127,700	255,400
Psychiatric Hospitalization						
17. Projected Budget Shortfall	0.00	0	0	0.00	500,000	500,000
Public Health Services						
18. Expanded Access Program	0.00	128,600	128,600	0.00	128,600	128,600
19. Ryan White HIV/AIDS Grant	0.00	0	509,300	0.00	0	509,300
20. Prescription Drug Grant	0.00	0	432,400	0.00	0	432,400
Substance Abuse Treatment & Prevention						
21. Access to Recovery Federal Grant	0.00	0	1,500,000	0.00	0	1,500,000
Division of Welfare						
22. Unfunded FTP Transfer to Medicaid	(5.00)	0	0	(5.00)	0	0

FY 2017 Deficiency Warrants And Supplemental Requests

Func Area/Dept/Div	Request			Gov's Rec		
	FTP	General	Total	FTP	General	Total
Public Safety						
Department of Correction						
Management Services						
23. Offender Mgmt System Eval	0.00	250,000	250,000	0.00	250,000	250,000
24. Attorney Fees for Balla Lawsuit	0.00	263,500	263,500	0.00	263,500	263,500
County & Out-of-State Placement						
25. Bed Utilization	0.00	(4,289,400)	(4,289,400)	0.00	(4,289,400)	(4,289,400)
Correctional Alternative Placement						
26. Bed Utilization	0.00	(184,500)	(184,500)	0.00	(184,500)	(184,500)
Community-Based Substance Abuse Treatment						
27. SUD Services	0.00	0	36,500	0.00	0	36,500
Medical Services						
28. Contract Healthcare Services	0.00	308,400	308,400	0.00	308,400	308,400
Idaho State Police						
Brand Inspection						
29. Animal Identification Software	0.00	250,000	250,000	0.00	250,000	250,000
Natural Resources						
Department of Fish and Game						
30. Emergency Winter Feeding	0.00	0	300,000	0.00	0	300,000
Economic Development						
Department of Agriculture						
31. Methyl Bromide Project	0.00	526,900	526,900	0.00	199,000	549,000
32. Animal Tracking Software	0.00	500,000	500,000	0.00	500,000	500,000
Department of Labor						
33. AmeriCorps Career Advisors	0.00	0	80,000	0.00	0	80,000
Public Utilities Commission						
34. Pipeline Safety Overhead	0.00	0	100,000	0.00	0	100,000
Self-Governing Agencies						
Division of Building Safety						
35. Damage Prevention Board	0.00	0	0	0.00	0	50,000
Idaho State Historical Society						
36. Museum Exhibit Design	0.00	0	0	0.00	1,000,000	1,000,000
Medical Boards						
37. DHW Contract Supplemental	0.00	0	60,000	0.00	0	60,000
Public Defense Commission						
38. PD Workload Study	0.00	0	0	0.00	0	0
Regulatory Boards						
39. Board Salary Stipend	0.00	0	65,000	0.00	0	65,000
40. Supplemental for Records Specialist	1.00	0	13,300	1.00	0	13,300
Idaho Transportation Department						
Contract Construction & Right-of-Way Acquisition						
41. H312 General Fund Surplus	0.00	0	10,965,600	0.00	0	10,965,600
42. Federal Highway Admin Funding	0.00	0	13,795,300	0.00	0	13,795,300
General Government						
Department of Administration						
43. Increased Firewall Capacity	0.00	515,000	545,000	0.00	515,000	545,000
44. Cybersecurity Penetration Test	0.00	11,600	52,600	0.00	11,600	52,600
Office of the Governor						
Office of Drug Policy						
45. Rx Drug Overdose Grant	0.00	0	21,000	0.00	0	21,000
Office of Energy and Mineral Resources						
46. Energy Program Salaries	0.00	0	50,000	0.00	0	50,000

FY 2017 Deficiency Warrants And Supplemental Requests

Func Area/Dept/Div	Request			Gov's Rec		
	FTP	General	Total	FTP	General	Total
Military Division						
47. Military Construction Projects	0.00	0	4,400,000	0.00	0	4,400,000
Secretary of State						
48. Business Entities IT Upgrade	1.00	2,222,200	2,222,200	1.00	2,222,200	2,222,200
Total:	19.00	(9,549,900)	18,788,500	19.00	(8,465,800)	19,956,700
Grand Total:	19.00	(9,168,900)	19,169,500	19.00	(8,084,800)	20,337,700

FTP All Funds Summary by Agency

	FY 2016 Actual	FY 2017 Orig App	FY 2018 Request	Chg From FY 2017 Orig	FY 2018 Gov's Rec	Chg From FY 2017
1 Education						
Public School Support						
Agricultural Research & Extension Service	292.74	297.01	301.44	4.43	301.44	4.43
College and Universities	4,246.08	4,386.83	4,587.13	200.30	4,558.88	172.05
Community Colleges						
Education, Office of the State Board of	25.75	28.75	30.75	2.00	31.25	2.50
Health Education Programs	23.80	24.80	24.80		25.80	1.00
Career Technical Education	523.46	563.46	588.46	25.00	575.96	12.50
Idaho Public Television	60.00	64.48	66.48	2.00	65.48	1.00
Special Programs	38.13	42.13	44.13	2.00	44.13	2.00
Superintendent of Public Instruction	142.00	142.00	142.00		142.00	
Vocational Rehabilitation	152.50	152.50	153.50	1.00	152.50	
Total Education	5,504.46	5,701.96	5,938.69	236.73	5,897.44	195.48
2 Health and Human Services						
Catastrophic Health Care Program						
Health and Welfare, Department of	2,637.76	2,672.43	2,709.38	36.95	2,703.38	30.95
Medicaid, Division of	208.00	209.00	217.00	8.00	217.00	8.00
Public Health Districts						
State Independent Living Council	4.00	4.00	4.00		4.00	
Total Health and Human Services	2,849.76	2,885.43	2,930.38	44.95	2,924.38	38.95
3 Public Safety						
Correction, Department of	2,005.85	2,005.85	2,034.85	29.00	2,034.85	29.00
Judicial Branch	312.00	322.00	334.00	12.00	334.00	12.00
Juvenile Corrections, Department of	410.00	412.00	414.00	2.00	412.00	
Police, Idaho State	560.50	575.85	586.85	11.00	585.85	10.00
Total Public Safety	3,288.35	3,315.70	3,369.70	54.00	3,366.70	51.00
4 Natural Resources						
Environmental Quality, Department of	368.00	372.00	382.00	10.00	382.00	10.00
Fish and Game, Department of	558.00	558.00	558.00		558.00	
Land, Board of Commissioners	290.15	294.80	310.85	16.05	312.85	18.05
Parks and Recreation, Department of	164.19	164.69	170.44	5.75	170.44	5.75
Water Resources, Department of	152.00	155.00	160.00	5.00	158.00	3.00
Total Natural Resources	1,532.34	1,544.49	1,581.29	36.80	1,581.29	36.80
5 Economic Development						
Agriculture, Department of	214.80	217.75	222.75	5.00	222.75	5.00
Commerce, Department of	46.00	43.00	43.00		43.00	
Finance, Department of	64.00	64.00	67.00	3.00	67.00	3.00
Industrial Commission	138.25	138.25	138.25		138.25	
Insurance, Department of	73.50	73.50	76.50	3.00	76.50	3.00
Labor, Department of	700.00	700.00	700.00		700.00	
Public Utilities Commission	52.00	52.00	52.00		52.00	
Self-Governing Agencies	721.12	743.70	778.70	35.00	773.70	30.00
Transportation Department, Idaho	1,698.70	1,678.00	1,678.00		1,678.00	
Total Economic Development	3,708.37	3,710.20	3,756.20	46.00	3,751.20	41.00
6 General Government						
Administration, Department of	139.50	138.00	140.00	2.00	140.00	2.00
Permanent Building Fund						
Attorney General	202.60	205.60	229.60	24.00	207.60	2.00
State Controller	95.00	95.00	95.00		95.00	
Governor, Office of the	734.92	749.55	768.55	19.00	765.55	16.00
Legislative Branch	72.00	72.00	73.00	1.00	73.00	1.00
Lieutenant Governor	3.00	3.00	3.00		3.00	
Revenue and Taxation, Department of	452.00	456.00	460.00	4.00	460.00	4.00
Secretary of State	27.00	27.00	29.00	2.00	29.00	2.00
State Treasurer	26.00	26.00	26.00		26.00	
Total General Government	1,752.02	1,772.15	1,824.15	52.00	1,799.15	27.00
Statewide Total:	18,635.30	18,929.93	19,400.41	470.48	19,320.16	390.23

General Fund Request Comparison by Agency

	FY 2017 Approp	FY 2018 Request	Amount Change	Percent Change
1 Education				
Public School Support	1,584,669,400	1,690,300,600	105,631,200	6.7%
Agricultural Research & Extension Service	30,516,700	32,036,400	1,519,700	5.0%
College and Universities	279,546,500	304,243,700	24,697,200	8.8%
Community Colleges	36,919,000	43,056,100	6,137,100	16.6%
Education, Office of the State Board of	3,477,000	4,520,200	1,043,200	30.0%
Health Education Programs	13,514,000	14,098,500	584,500	4.3%
Career Technical Education	62,057,600	66,849,300	4,791,700	7.7%
Idaho Public Television	3,022,100	3,295,400	273,300	9.0%
Special Programs	15,430,100	20,640,500	5,210,400	33.8%
Superintendent of Public Instruction	14,184,800	14,915,500	730,700	5.2%
Vocational Rehabilitation	8,336,100	8,862,100	526,000	6.3%
Total Education	2,051,673,300	2,202,818,300	151,145,000	7.4%
2 Health and Human Services				
Catastrophic Health Care Program	18,000,000	17,999,500	(500)	0.0%
Health and Welfare, Department of	157,492,500	195,722,500	38,230,000	24.3%
Medicaid, Division of	519,607,200	538,131,800	18,524,600	3.6%
Public Health Districts	9,289,500	9,274,200	(15,300)	(0.2%)
State Independent Living Council	124,100	214,000	89,900	72.4%
Total Health and Human Services	704,513,300	761,342,000	56,828,700	8.1%
3 Public Safety				
Correction, Department of	215,229,500	217,298,700	2,069,200	1.0%
Judicial Branch	42,415,900	49,140,600	6,724,700	15.9%
Juvenile Corrections, Department of	40,967,500	41,826,200	858,700	2.1%
Police, Idaho State	27,352,500	30,167,100	2,814,600	10.3%
Total Public Safety	325,965,400	338,432,600	12,467,200	3.8%
4 Natural Resources				
Environmental Quality, Department of	17,908,000	19,185,100	1,277,100	7.1%
Fish and Game, Department of				
Land, Board of Commissioners	5,344,900	5,676,100	331,200	6.2%
Parks and Recreation, Department of	3,336,700	3,336,800	100	0.0%
Water Resources, Department of	18,530,400	19,298,900	768,500	4.1%
Total Natural Resources	45,120,000	47,496,900	2,376,900	5.3%
5 Economic Development				
Agriculture, Department of	11,175,800	11,894,400	718,600	6.4%
Commerce, Department of	5,713,800	6,749,400	1,035,600	18.1%
Finance, Department of				
Industrial Commission				
Insurance, Department of				
Labor, Department of	389,600	338,300	(51,300)	(13.2%)
Public Utilities Commission				
Self-Governing Agencies	16,673,300	18,623,600	1,950,300	11.7%
Transportation Department, Idaho				
Total Economic Development	33,952,500	37,605,700	3,653,200	10.8%
6 General Government				
Administration, Department of	7,665,700	7,660,500	(5,200)	(0.1%)
Permanent Building Fund				
Attorney General	22,699,900	25,014,200	2,314,300	10.2%
State Controller	7,524,400	8,334,600	810,200	10.8%
Governor, Office of the	20,640,700	24,054,600	3,413,900	16.5%
Legislative Branch	12,756,700	12,790,500	33,800	0.3%
Lieutenant Governor	170,000	172,300	2,300	1.4%
Revenue and Taxation, Department of	35,727,900	36,183,500	455,600	1.3%
Secretary of State	3,175,600	3,887,000	711,400	22.4%
State Treasurer	1,405,600	1,404,000	(1,600)	(0.1%)
Total General Government	111,766,500	119,501,200	7,734,700	6.9%
Statewide Total	3,272,991,000	3,507,196,700	234,205,700	7.2%

General Fund Recommendation Comparison by Agency

	FY 2017 Approp	FY 2018 Gov's Rec	Amount Change	Percent Change
1 Education				
Public School Support	1,584,669,400	1,686,083,700	101,414,300	6.4%
Agricultural Research & Extension Service	30,516,700	31,263,300	746,600	2.4%
College and Universities	279,546,500	285,590,200	6,043,700	2.2%
Community Colleges	36,919,000	39,272,200	2,353,200	6.4%
Education, Office of the State Board of	3,477,000	9,585,600	6,108,600	175.7%
Health Education Programs	13,514,000	15,594,200	2,080,200	15.4%
Career Technical Education	62,057,600	64,176,300	2,118,700	3.4%
Idaho Public Television	3,022,100	3,327,600	305,500	10.1%
Special Programs	15,430,100	18,682,800	3,252,700	21.1%
Superintendent of Public Instruction	14,184,800	14,994,500	809,700	5.7%
Vocational Rehabilitation	8,336,100	8,391,500	55,400	0.7%
Total Education	2,051,673,300	2,176,961,900	125,288,600	6.1%
2 Health and Human Services				
Catastrophic Health Care Program	18,000,000	17,999,500	(500)	0.0%
Health and Welfare, Department of	157,492,500	182,423,600	24,931,100	15.8%
Medicaid, Division of	519,607,200	538,085,900	18,478,700	3.6%
Public Health Districts	9,289,500	9,342,800	53,300	0.6%
State Independent Living Council	124,100	214,700	90,600	73.0%
Total Health and Human Services	704,513,300	748,066,500	43,553,200	6.2%
3 Public Safety				
Correction, Department of	215,229,500	218,331,700	3,102,200	1.4%
Judicial Branch	42,415,900	49,822,500	7,406,600	17.5%
Juvenile Corrections, Department of	40,967,500	41,745,900	778,400	1.9%
Police, Idaho State	27,352,500	29,501,500	2,149,000	7.9%
Total Public Safety	325,965,400	339,401,600	13,436,200	4.1%
4 Natural Resources				
Environmental Quality, Department of	17,908,000	19,401,100	1,493,100	8.3%
Fish and Game, Department of				
Land, Board of Commissioners	5,344,900	5,701,300	356,400	6.7%
Parks and Recreation, Department of	3,336,700	3,357,900	21,200	0.6%
Water Resources, Department of	18,530,400	18,700,800	170,400	0.9%
Total Natural Resources	45,120,000	47,161,100	2,041,100	4.5%
5 Economic Development				
Agriculture, Department of	11,175,800	11,490,900	315,100	2.8%
Commerce, Department of	5,713,800	5,730,500	16,700	0.3%
Finance, Department of				
Industrial Commission				
Insurance, Department of				
Labor, Department of	389,600	341,200	(48,400)	(12.4%)
Public Utilities Commission				
Self-Governing Agencies	16,673,300	18,240,900	1,567,600	9.4%
Transportation Department, Idaho				
Total Economic Development	33,952,500	35,803,500	1,851,000	5.5%
6 General Government				
Administration, Department of	7,665,700	7,677,400	11,700	0.2%
Permanent Building Fund				
Attorney General	22,699,900	23,147,700	447,800	2.0%
State Controller	7,524,400	8,375,700	851,300	11.3%
Governor, Office of the	20,640,700	23,704,900	3,064,200	14.8%
Legislative Branch	12,756,700	12,865,600	108,900	0.9%
Lieutenant Governor	170,000	172,900	2,900	1.7%
Revenue and Taxation, Department of	35,727,900	36,420,800	692,900	1.9%
Secretary of State	3,175,600	3,909,200	733,600	23.1%
State Treasurer	1,405,600	1,414,100	8,500	0.6%
Total General Government	111,766,500	117,688,300	5,921,800	5.3%
Statewide Total	3,272,991,000	3,465,082,900	192,091,900	5.9%

All Funds Request Comparison by Agency

	FY 2017 Approp	FY 2018 Request	Amount Change	Percent Change
1 Education				
Public School Support	1,926,504,100	2,043,276,800	116,772,700	6.1%
Agricultural Research & Extension Service	30,540,700	32,060,400	1,519,700	5.0%
College and Universities	556,661,900	580,007,900	23,346,000	4.2%
Community Colleges	37,519,000	43,656,100	6,137,100	16.4%
Education, Office of the State Board of	12,681,000	7,964,800	(4,716,200)	(37.2%)
Health Education Programs	13,831,200	14,407,700	576,500	4.2%
Career Technical Education	71,849,200	76,218,100	4,368,900	6.1%
Idaho Public Television	9,294,600	9,684,700	390,100	4.2%
Special Programs	18,154,500	24,764,800	6,610,300	36.4%
Superintendent of Public Instruction	40,890,800	41,549,500	658,700	1.6%
Vocational Rehabilitation	27,791,900	29,044,600	1,252,700	4.5%
Total Education	2,745,718,900	2,902,635,400	156,916,500	5.7%
2 Health and Human Services				
Catastrophic Health Care Program	18,000,000	17,999,500	(500)	0.0%
Health and Welfare, Department of	552,839,700	590,941,200	38,101,500	6.9%
Medicaid, Division of	2,233,804,500	2,307,573,500	73,769,000	3.3%
Public Health Districts	10,039,500	9,274,200	(765,300)	(7.6%)
State Independent Living Council	649,200	737,800	88,600	13.6%
Total Health and Human Services	2,815,332,900	2,926,526,200	111,193,300	3.9%
3 Public Safety				
Correction, Department of	245,149,800	241,363,300	(3,786,500)	(1.5%)
Judicial Branch	67,525,600	72,024,100	4,498,500	6.7%
Juvenile Corrections, Department of	52,465,400	52,135,700	(329,700)	(0.6%)
Police, Idaho State	77,765,900	77,992,600	226,700	0.3%
Total Public Safety	442,906,700	443,515,700	609,000	0.1%
4 Natural Resources				
Environmental Quality, Department of	67,332,600	67,027,600	(305,000)	(0.5%)
Fish and Game, Department of	106,070,300	102,322,000	(3,748,300)	(3.5%)
Land, Board of Commissioners	60,200,800	54,607,100	(5,593,700)	(9.3%)
Parks and Recreation, Department of	41,968,100	45,090,900	3,122,800	7.4%
Water Resources, Department of	28,274,300	26,528,200	(1,746,100)	(6.2%)
Total Natural Resources	303,846,100	295,575,800	(8,270,300)	(2.7%)
5 Economic Development				
Agriculture, Department of	43,587,000	45,854,000	2,267,000	5.2%
Commerce, Department of	36,232,700	40,774,200	4,541,500	12.5%
Finance, Department of	8,170,300	8,346,900	176,600	2.2%
Industrial Commission	16,701,400	16,827,800	126,400	0.8%
Insurance, Department of	9,556,900	9,629,700	72,800	0.8%
Labor, Department of	104,819,200	104,827,700	8,500	0.0%
Public Utilities Commission	6,327,000	6,606,500	279,500	4.4%
Self-Governing Agencies	96,974,300	93,179,800	(3,794,500)	(3.9%)
Transportation Department, Idaho	655,885,100	663,738,700	7,853,600	1.2%
Total Economic Development	978,253,900	989,785,300	11,531,400	1.2%
6 General Government				
Administration, Department of	34,919,700	36,414,700	1,495,000	4.3%
Permanent Building Fund	26,729,700	26,513,600	(216,100)	(0.8%)
Attorney General	24,282,700	26,583,600	2,300,900	9.5%
State Controller	15,322,700	16,085,100	762,400	5.0%
Governor, Office of the	146,774,600	173,775,300	27,000,700	18.4%
Legislative Branch	15,337,000	15,356,300	19,300	0.1%
Lieutenant Governor	170,000	172,300	2,300	1.4%
Revenue and Taxation, Department of	43,228,700	43,720,700	492,000	1.1%
Secretary of State	3,175,600	3,887,000	711,400	22.4%
State Treasurer	6,624,000	15,039,700	8,415,700	127.0%
Total General Government	316,564,700	357,548,300	40,983,600	12.9%
Statewide Total	7,602,623,200	7,915,586,700	312,963,500	4.1%

All Funds Recommendation Comparison by Agency

	FY 2017 Approp	FY 2018 Gov's Rec	Amount Change	Percent Change
1 Education				
Public School Support	1,926,504,100	2,039,059,900	112,555,800	5.8%
Agricultural Research & Extension Service	30,540,700	31,287,300	746,600	2.4%
College and Universities	556,661,900	563,495,700	6,833,800	1.2%
Community Colleges	37,519,000	39,872,200	2,353,200	6.3%
Education, Office of the State Board of	12,681,000	18,037,200	5,356,200	42.2%
Health Education Programs	13,831,200	15,905,800	2,074,600	15.0%
Career Technical Education	71,849,200	73,559,200	1,710,000	2.4%
Idaho Public Television	9,294,600	9,634,300	339,700	3.7%
Special Programs	18,154,500	22,807,200	4,652,700	25.6%
Superintendent of Public Instruction	40,890,800	41,723,900	833,100	2.0%
Vocational Rehabilitation	27,791,900	28,040,200	248,300	0.9%
Total Education	2,745,718,900	2,883,422,900	137,704,000	5.0%
2 Health and Human Services				
Catastrophic Health Care Program	18,000,000	17,999,500	(500)	0.0%
Health and Welfare, Department of	552,839,700	578,700,100	25,860,400	4.7%
Medicaid, Division of	2,233,804,500	2,306,610,200	72,805,700	3.3%
Public Health Districts	10,039,500	9,342,800	(696,700)	(6.9%)
State Independent Living Council	649,200	741,100	91,900	14.2%
Total Health and Human Services	2,815,332,900	2,913,393,700	98,060,800	3.5%
3 Public Safety				
Correction, Department of	245,149,800	242,525,300	(2,624,500)	(1.1%)
Judicial Branch	67,525,600	72,786,400	5,260,800	7.8%
Juvenile Corrections, Department of	52,465,400	52,059,700	(405,700)	(0.8%)
Police, Idaho State	77,765,900	77,577,500	(188,400)	(0.2%)
Total Public Safety	442,906,700	444,948,900	2,042,200	0.5%
4 Natural Resources				
Environmental Quality, Department of	67,332,600	67,408,700	76,100	0.1%
Fish and Game, Department of	106,070,300	102,766,000	(3,304,300)	(3.1%)
Land, Board of Commissioners	60,200,800	55,068,900	(5,131,900)	(8.5%)
Parks and Recreation, Department of	41,968,100	43,445,400	1,477,300	3.5%
Water Resources, Department of	28,274,300	26,012,100	(2,262,200)	(8.0%)
Total Natural Resources	303,846,100	294,701,100	(9,145,000)	(3.0%)
5 Economic Development				
Agriculture, Department of	43,587,000	44,922,500	1,335,500	3.1%
Commerce, Department of	36,232,700	39,779,600	3,546,900	9.8%
Finance, Department of	8,170,300	8,431,800	261,500	3.2%
Industrial Commission	16,701,400	16,938,200	236,800	1.4%
Insurance, Department of	9,556,900	9,660,800	103,900	1.1%
Labor, Department of	104,819,200	97,786,300	(7,032,900)	(6.7%)
Public Utilities Commission	6,327,000	6,572,900	245,900	3.9%
Self-Governing Agencies	96,974,300	102,486,900	5,512,600	5.7%
Transportation Department, Idaho	655,885,100	665,751,500	9,866,400	1.5%
Total Economic Development	978,253,900	992,330,500	14,076,600	1.4%
6 General Government				
Administration, Department of	34,919,700	36,541,200	1,621,500	4.6%
Permanent Building Fund	26,729,700	51,809,800	25,080,100	93.8%
Attorney General	24,282,700	24,726,300	443,600	1.8%
State Controller	15,322,700	16,188,300	865,600	5.6%
Governor, Office of the	146,774,600	173,520,600	26,746,000	18.2%
Legislative Branch	15,337,000	15,450,000	113,000	0.7%
Lieutenant Governor	170,000	172,900	2,900	1.7%
Revenue and Taxation, Department of	43,228,700	44,005,700	777,000	1.8%
Secretary of State	3,175,600	3,909,200	733,600	23.1%
State Treasurer	6,624,000	13,745,600	7,121,600	107.5%
Total General Government	316,564,700	380,069,600	63,504,900	20.1%
Statewide Total	7,602,623,200	7,908,866,700	306,243,500	4.0%

General Fund Three-Year Summary by Agency

	FY 2016 Total Approp	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	<i>FY 2018 Gov's Rec</i>
1 Education					
Public School Support	1,475,784,000	1,474,165,900	1,584,669,400	1,690,300,600	1,686,083,700
Agricultural Research & Extension Service	28,736,200	28,736,200	30,516,700	32,036,400	31,263,300
College and Universities	258,776,400	258,775,900	279,546,500	304,243,700	285,590,200
Community Colleges	33,961,000	33,961,000	36,919,000	43,056,100	39,272,200
Education, Office of the State Board of	2,441,500	2,390,500	3,477,000	4,520,200	9,585,600
Health Education Programs	12,795,300	12,661,700	13,514,000	14,098,500	15,594,200
Career Technical Education	56,204,600	56,190,200	62,057,600	66,849,300	64,176,300
Idaho Public Television	2,314,000	2,322,900	3,022,100	3,295,400	3,327,600
Special Programs	9,836,700	9,696,600	15,430,100	20,640,500	18,682,800
Superintendent of Public Instruction	10,371,600	9,971,500	14,184,800	14,915,500	14,994,500
Vocational Rehabilitation	7,557,800	7,558,300	8,336,100	8,862,100	8,391,500
Total Education	1,898,779,100	1,896,430,700	2,051,673,300	2,202,818,300	2,176,961,900
2 Health and Human Services					
Catastrophic Health Care Program	15,049,000	10,103,900	18,000,000	17,999,500	17,999,500
Health and Welfare, Department of	146,795,600	143,025,600	157,492,500	195,722,500	182,423,600
Medicaid, Division of	501,599,400	485,541,800	519,607,200	538,131,800	538,085,900
Public Health Districts	8,719,200	8,719,200	9,289,500	9,274,200	9,342,800
State Independent Living Council	100,000	99,900	124,100	214,000	214,700
Total Health and Human Services	672,263,200	647,490,400	704,513,300	761,342,000	748,066,500
3 Public Safety					
Correction, Department of	205,698,000	201,956,300	215,229,500	217,298,700	218,331,700
Judicial Branch	39,743,600	39,690,200	42,415,900	49,140,600	49,822,500
Juvenile Corrections, Department of	39,910,700	38,585,700	40,967,500	41,826,200	41,745,900
Police, Idaho State	25,581,400	25,780,100	27,352,500	30,167,100	29,501,500
Total Public Safety	310,933,700	306,012,300	325,965,400	338,432,600	339,401,600
4 Natural Resources					
Environmental Quality, Department of	16,449,600	16,449,600	17,908,000	19,185,100	19,401,100
Fish and Game, Department of					
Land, Board of Commissioners	5,662,600	5,577,800	5,344,900	5,676,100	5,701,300
Parks and Recreation, Department of	5,086,100	3,978,300	3,336,700	3,336,800	3,357,900
Water Resources, Department of	12,646,600	12,644,900	18,530,400	19,298,900	18,700,800
Total Natural Resources	39,844,900	38,650,600	45,120,000	47,496,900	47,161,100
5 Economic Development					
Agriculture, Department of	10,889,900	10,888,900	11,175,800	11,894,400	11,490,900
Commerce, Department of	5,568,700	5,564,400	5,713,800	6,749,400	5,730,500
Finance, Department of					
Industrial Commission					
Insurance, Department of					
Labor, Department of	320,700	320,200	389,600	338,300	341,200
Public Utilities Commission					
Self-Governing Agencies	10,226,300	9,902,200	16,673,300	18,623,600	18,240,900
Transportation Department, Idaho					
Total Economic Development	27,005,600	26,675,700	33,952,500	37,605,700	35,803,500
6 General Government					
Administration, Department of	8,924,700	8,831,000	7,665,700	7,660,500	7,677,400
Permanent Building Fund					
Attorney General	21,318,200	20,543,200	22,699,900	25,014,200	23,147,700
State Controller	6,959,700	6,902,500	7,524,400	8,334,600	8,375,700
Governor, Office of the	18,536,500	18,164,400	20,640,700	24,054,600	23,704,900
Legislative Branch	12,268,200	12,156,500	12,756,700	12,790,500	12,865,600
Lieutenant Governor	163,600	162,900	170,000	172,300	172,900
Revenue and Taxation, Department of	32,709,900	32,554,800	35,727,900	36,183,500	36,420,800
Secretary of State	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
State Treasurer	1,415,300	1,319,000	1,405,600	1,404,000	1,414,100
Total General Government	108,013,400	105,883,600	111,766,500	119,501,200	117,688,300
Statewide Total	3,056,839,900	3,021,143,300	3,272,991,000	3,507,196,700	3,465,082,900

All Funds Three-Year Summary by Agency

	FY 2016 Total Approp	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov's Rec
1 Education					
Public School Support	1,814,311,900	1,773,189,300	1,926,504,100	2,043,276,800	2,039,059,900
Agricultural Research & Extension Service	28,761,800	28,736,200	30,540,700	32,060,400	31,287,300
College and Universities	663,381,300	509,649,100	556,661,900	580,007,900	563,495,700
Community Colleges	34,561,000	34,561,000	37,519,000	43,656,100	39,872,200
Education, Office of the State Board of	7,073,400	4,787,100	12,681,000	7,964,800	18,037,200
Health Education Programs	13,298,700	12,839,400	13,831,200	14,407,700	15,905,800
Career Technical Education	67,901,600	61,541,300	71,849,200	76,218,100	73,559,200
Idaho Public Television	8,699,300	7,774,400	9,294,600	9,684,700	9,634,300
Special Programs	11,920,100	11,402,700	18,154,500	24,764,800	22,807,200
Superintendent of Public Instruction	33,839,000	25,175,900	40,890,800	41,549,500	41,723,900
Vocational Rehabilitation	25,443,700	24,247,100	27,791,900	29,044,600	28,040,200
Total Education	2,709,191,800	2,493,903,500	2,745,718,900	2,902,635,400	2,883,422,900
2 Health and Human Services					
Catastrophic Health Care Program	15,049,000	16,677,200	18,000,000	17,999,500	17,999,500
Health and Welfare, Department of	517,742,700	484,965,300	552,839,700	590,941,200	578,700,100
Medicaid, Division of	2,125,168,900	2,062,325,800	2,233,804,500	2,307,573,500	2,306,610,200
Public Health Districts	9,469,200	9,433,200	10,039,500	9,274,200	9,342,800
State Independent Living Council	609,100	301,200	649,200	737,800	741,100
Total Health and Human Services	2,668,038,900	2,573,702,700	2,815,332,900	2,926,526,200	2,913,393,700
3 Public Safety					
Correction, Department of	229,595,400	223,497,900	245,149,800	241,363,300	242,525,300
Judicial Branch	65,318,700	60,018,400	67,525,600	72,024,100	72,786,400
Juvenile Corrections, Department of	52,558,500	47,625,800	52,465,400	52,135,700	52,059,700
Police, Idaho State	70,810,300	65,826,500	77,765,900	77,992,600	77,577,500
Total Public Safety	418,282,900	396,968,600	442,906,700	443,515,700	444,948,900
4 Natural Resources					
Environmental Quality, Department of	64,620,900	49,408,700	67,332,600	67,027,600	67,408,700
Fish and Game, Department of	97,360,600	90,325,400	106,070,300	102,322,000	102,766,000
Land, Board of Commissioners	51,665,300	44,677,200	60,200,800	54,607,100	55,068,900
Parks and Recreation, Department of	43,025,500	30,829,300	41,968,100	45,090,900	43,445,400
Water Resources, Department of	21,168,100	16,721,800	28,274,300	26,528,200	26,012,100
Total Natural Resources	277,840,400	231,962,400	303,846,100	295,575,800	294,701,100
5 Economic Development					
Agriculture, Department of	41,721,400	35,079,000	43,587,000	45,854,000	44,922,500
Commerce, Department of	36,109,900	23,219,300	36,232,700	40,774,200	39,779,600
Finance, Department of	7,750,000	7,255,200	8,170,300	8,346,900	8,431,800
Industrial Commission	16,046,200	14,521,200	16,701,400	16,827,800	16,938,200
Insurance, Department of	9,028,500	7,293,900	9,556,900	9,629,700	9,660,800
Labor, Department of	94,387,000	65,751,200	104,819,200	104,827,700	97,786,300
Public Utilities Commission	6,174,100	5,449,000	6,327,000	6,606,500	6,572,900
Self-Governing Agencies	76,220,100	70,042,900	96,974,300	93,179,800	102,486,900
Transportation Department, Idaho	749,322,700	513,748,500	655,885,100	663,738,700	665,751,500
Total Economic Development	1,036,759,900	742,360,200	978,253,900	989,785,300	992,330,500
6 General Government					
Administration, Department of	36,301,200	32,042,800	34,919,700	36,414,700	36,541,200
Permanent Building Fund	93,789,800	29,300,300	26,729,700	26,513,600	51,809,800
Attorney General	22,796,000	21,626,800	24,282,700	26,583,600	24,726,300
State Controller	17,452,300	15,196,300	15,322,700	16,085,100	16,188,300
Governor, Office of the	142,326,400	123,810,200	146,774,600	173,775,300	173,520,600
Legislative Branch	15,450,000	13,582,500	15,337,000	15,356,300	15,450,000
Lieutenant Governor	163,600	162,900	170,000	172,300	172,900
Revenue and Taxation, Department of	39,659,000	39,110,800	43,228,700	43,720,700	44,005,700
Secretary of State	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
State Treasurer	5,766,600	5,496,600	6,624,000	15,039,700	13,745,600
Total General Government	379,422,200	285,578,500	316,564,700	357,548,300	380,069,600
Statewide Total	7,489,536,100	6,724,475,900	7,602,623,200	7,915,586,700	7,908,866,700

Change in Employee Compensation (CEC) FY 2014 to FY 2018

Section 67-5309C, Idaho Code, requires the Division of Human Resources (DHR) to conduct salary and benefit surveys within relevant labor markets and submit a recommendation of proposed changes and their estimated costs to the Governor. The Governor then must submit his own recommendations to the Legislature. The Legislature may accept, modify or reject his recommendations. Failure by the Legislature to act shall constitute approval of the Governor's recommendations.

FY 2018

The Governor recommends a 3% CEC to be distributed based on merit and that the pay structure for state employees be moved 3%. As this will result in a small number of employees being below the minimum of their pay grade, he recommends additional funding to adjust that pay to the minimum. He also includes funding for a 3% increase for judges and other appointed officials which will require statutory changes. The Governor's recommendation provides funding for a 7% increase for the cost of health insurance, for a total employer-paid premium of \$13,100 per eligible FTP. The Division of Human Resources recommends at least a 3% salary increase for state employees in its statutorily-required report on employee compensation and benefits. The report recommends that any increase be administered in accordance with the state's merit-based philosophy that is outlined in Idaho Code. They also recommend that the salary structure be shifted by at least 3% to move toward a policy rate that is 10% below the private sector average and within 5% of average of comparable public sectors. With the exception of the Attorney General, statewide elected officials will receive a 1.5% pay increase in January 2017, as authorized by the 2014 Legislature in Session Laws Chapter 356. The Attorney General's pay is matched to state district judges' pay.

FY 2017

The Legislature's Joint CEC Committee recommended a 3% ongoing merit-based increase, to be distributed at the discretion of each agency director. JFAC funded the recommendations. In addition, JFAC funded targeted pay increases at approximately 20 agencies where compensation issues were the greatest. The Legislature authorized and funded a 3% increase in the annual salary for appointed officials, as well. The salary for each of the three public utilities commissioners, four tax commissioners, and three industrial commissioners was statutorily increased by 3%. Employer health insurance premiums increased by \$1,240 per employee (a 9.3% increase over FY 2016). The increase is paid by the employer only. Employee premium costs will remain the same as in FY 2016. PERSI retirement contribution rates will remain at 11.32% for employers and 6.79% for employees.

FY 2016

The CEC Committee recommended an ongoing merit-based 3% salary increase for permanent state employees, to be distributed at the discretion of each agency head. The committee also directed DHR to change the minimum amounts on the classified pay schedule from 68% of policy to 70% of policy. JFAC funded the recommendations. The Legislature authorized and funded a 3% increase in the annual salary for appointed officials, as well, effective July 1, 2015. The salary for each of the public utilities commissioners, tax commissioners, and industrial

commissioners was statutorily increased by 3%. Employer health insurance premiums increased \$650 per employee (a 6% increase over FY 2015). The increase is paid by the employer only. Employee premium costs remained the same as in FY 2015). PERSI retirement contribution rates remained at 11.32% for employers and 6.79% for employees. In the fall of 2014, the PERSI Board unanimously voted to permanently eliminate two contribution rate increases that were scheduled to take effect in FY 2015 and FY 2016.

FY 2015

The CEC Committee met for the first time since 2008. Although the Governor's budget recommendation did not include funding for a CEC, the Legislature accepted the recommendations of the CEC Committee, which provided a merit increase of 2% for state employees (1% ongoing and 1% one-time). The Legislature also encouraged agencies to continue their use of salary savings and approved a health insurance premium increase of \$1,450 per employee (a 15.9% cost increase over FY 2014). The increase was paid by the employer. Employee premium costs also increased by an average of \$500 per employee. There was no increase in the PERSI retirement contribution rates. Statewide elected officials also received a pay increase. Beginning in 2015, the salaries of the Governor, Secretary of State, State Controller, State Treasurer, and Superintendent of Public Instruction increased by 1.5% annually. The Lt. Governor's salary increased by 18.4% in 2015, and will increase 1.5% annually for each of the next three years. In 2015, the Attorney General's salary increased to match that of district judges. Judicial branch salaries increased as follows: Supreme Court justices' by 10.7%, Court of Appeals judges' by 7.5%, district court judges' by 8.5%, and magistrate court judges' by 2.5%. Supreme Court justices' pay will increase 3.7% in FY 2017.

FY 2014

The 2013 Legislature took no action to increase funding for employee compensation. The Citizens' Committee on Legislative Compensation recommended a 2% salary increase for legislators that went into effect Dec. 1, 2012, and H692 from the 2010 session authorized a 1.7% pay increase for statewide elected officials in January 2014. The DHR hired Korn Ferry Hay Group to conduct an analysis of Idaho's total compensation (salary, health benefits, and retirement). They determined that Idaho's benefits were at market level, but because of lower than average salaries, Idaho lags 22% below the private sector and 11% below other states' government employees – on average – in total compensation. Although the Legislature did not fund a CEC, JFAC included intent language in each appropriation bill that encouraged agencies to use salary savings to provide merit increases for employees. The Legislature funded a 6% increase in the costs of employee health insurance.

Change in Employee Compensation (CEC) Twenty-Year Historical Comparison

Fiscal Year	Gen Fund Original Appropriation	% Chg	DHR Recommend*	Agency CEC Funded	Judges CEC Funded	CPI % Change
1997	1,412,652,700	4.7%	4.6%	3.0%	5.0%	2.3%
1998	1,438,904,600	1.9%	5.2%	0.0%	4.0%	1.7%
1999	1,610,815,500	11.9%	7.7%	5.0%	5.0%	2.0%
2000	1,674,713,100	4.0%	14.0%	3.0%	4.0%	3.7%
2001	1,804,038,100	7.7%	0.0%	3.5%	3.5%	3.3%
2002	2,044,295,100	13.3%	0.0%	4.5%	4.5%	1.1%
2003	1,967,895,400	-3.7%	0.0%	0.0%	0.0%	2.1%
2004	2,004,053,000	1.8%	1.0%	0.0%	0.0%	3.3%
2005	2,082,138,300	3.9%	6.8%	3.0%	2.0%	2.5%
2006	2,180,928,300	4.7%	6.7%	1.0%	1.0%	4.3%
2007	2,593,723,500	18.9%	5.8%	3.0%	6.0%	2.7%
2008	2,820,674,400	8.8%	5.8%	5.0%	5.0%	5.0%
2009	2,959,283,400	4.9%	5.0%	3.0%	3.0%	-1.4%
2010	2,506,580,100	-15.3%	5.0%	-5.0%	0.0%	1.1%
2011	2,383,836,000	-4.9%	3.0%	0.0%	0.0%	3.6%
2012	2,528,960,600	6.1%	3.0%	0.0%	0.0%	1.7%
2013	2,702,105,700	6.8%	3.0%	2.0%	2.0%	1.8%
2014	2,781,023,800	2.9%	0.0%	0.0%	0.0%	2.1%
2015	2,936,096,600	5.6%	2.0%	2.0%	10.7%	0.1%
2016	3,071,860,500	4.6%	3.0%	3.0%	3.7%	1.0%
2017	3,272,991,000	6.5%	3.0%	3.0%	3.7%	NA
Avg Chg***		4.54%	4.03%	1.86%	3.00%	2.19%

* CEC rec. from the Personnel Commission (prior to FY 2001) or Div. of Human Resources (§67-5309C, Idaho Code).

Calendar Year	Statewide Elected		Attorney		
	Officials	General	Lt Gov	Governor	Legislators**
1997	0.0%	0.0%	0.0%	0.0%	0.0%
1998	0.0%	0.0%	0.0%	0.0%	0.0%
1999	11.1%	10.0%	8.8%	8.8%	0.0%
2000	3.3%	3.0%	3.0%	3.2%	19.4%
2001	3.2%	4.1%	2.9%	3.1%	0.0%
2002	0.0%	0.0%	0.0%	0.0%	6.0%
2003	0.0%	0.0%	0.0%	0.0%	0.0%
2004	0.0%	0.0%	0.0%	0.0%	0.0%
2005	0.0%	0.0%	0.0%	0.0%	0.0%
2006	3.1%	3.3%	2.8%	3.0%	0.0%
2007	4.0%	4.0%	4.0%	4.0%	0.0%
2008	3.0%	3.0%	3.0%	3.0%	2.9%
2009	2.9%	2.9%	2.9%	2.9%	0.0%
2010	3.0%	3.0%	3.0%	3.0%	0.0%
2011	-3.9%	-3.9%	-4.0%	-4.0%	0.0%
2012	4.1%	4.1%	4.1%	4.1%	5.0%
2013	6.1%	1.3%	15.5%	1.4%	0.0%
2014	1.7%	1.7%	1.7%	1.7%	2.0%
2015	1.5%	15.8%	18.4%	1.5%	0.0%
2016	1.5%	0.0%	1.5%	1.5%	1.5%
2017	1.5%	0.0%	1.5%	1.5%	1.5%
Avg Chg***	2.35%	2.76%	3.55%	2.26%	1.74%

**Legislators pay changes effective December 1, 2016 for two years (one term).

***Avg. change over 21 years (Elected Officials' increase for 2015 auth. by the 2014 Legislature, Session Laws Chapt 356).

Employer Contributions to Employee Benefit Costs, including Health Insurance and Variable Benefits

Employer-Paid Health Insurance per Eligible Employee			
	FY 2017 Appropriation	FY 2018 Projection, as of June 2016	FY 2018 Governor's Rec
Health Insurance (medical, dental)	\$12,577	\$13,918	\$13,945
Retiree Subsidy	\$194	\$275	\$344
Health Insurance Continuation Premium	\$126	\$137	\$60
Administrative Costs	\$49	\$50	\$50
Proposed Use of Reserve Funding	(\$706)	(\$920)	(\$1,299)
Annual Approp for Health Benefits	\$12,240	\$13,460	\$13,100

Variable Benefits as a % of Gross Salary:	
FICA - Social Security	6.20%
FICA - Medicare	1.45%
Unemployment Insurance	0.15%
Life Insurance	0.68%
Regular Retirement Rate (higher rates for police/fireman)	11.32%
Unused Sick Leave Benefit	0.65%
DHR Fees (paid by agencies with classified employees)	0.55%
Average Workers' Compensation Rate (rates vary by agency)	0.96%
Total Variable Benefits	21.96%

Examples for Hourly Rates of \$12/hour, \$20/hour, and \$32/hour			
Hourly rate	\$12	\$20	\$32
Annual Salary (hourly rate x 2080 hours)	\$24,960	\$41,600	\$66,560
Health Insurance	\$13,100	\$13,100	\$13,100
Variable Benefits (21.59% x Salary)	\$5,480	\$9,133	\$14,613
Benefit Costs for the Employer	\$18,580	\$22,233	\$27,713
Ratio of Benefit Costs to Salary	74%	53%	42%

Other Employer-Provided Benefits for State Employees

1. **Paid Holiday:** Ten days per year: §67-5302(13) and §59-1607(1), Idaho Code.
2. **Sick Leave:** 96 hours per 2,080 hours (approx. 12 days/year): §67-5333 and §59-1605, Idaho Code.
3. **Vacation:** Based on length of service (approx. 12 days/year for first five years, 15 days/year for next five years, 18 days/year for next five years, and 21 days/year thereafter): §67-5334 and §59-1606, Idaho Code.
4. **Life Insurance Basic Plan:** Employer-provided with no cost to the employee. Optional additional life insurance can be purchased by the employee.
5. **Short & Long Term Disability Program:** Employer-provided with no cost to the employee.
6. **PERSI Defined Benefit Retirement Plan:** Mandatory contributions by the employer and employee.

Employee Contributions to Their Own Benefit Costs

Employee-Paid Health Insurance Premiums

FY 2016: Employee-paid premiums did not change.

FY 2017: Employee-paid premiums did not change.

FY 2018: Employee-paid premiums are projected to increase \$84 - \$348 per year depending on plan type and number of enrolled dependents.

Projected Annual Plan Premiums for a Full-Time Employee (working 30 - 40 hours/week)

Plan Type	Employee	Employee & Spouse	Employee & Child	Employee & Children	Employee, Spouse & Child	Employee, Spouse & Children
PPO	\$648	\$1,632	\$1,128	\$1,512	\$2,040	\$2,340
Traditional	\$792	\$1,968	\$1,392	\$1,824	\$2,484	\$2,772
High Deductible	\$516	\$1,380	\$936	\$1,260	\$1,728	\$1,932

Variable Benefits as a % of Gross Salary:

FICA - Social Security	6.20% (to \$118,500)
FICA - Medicare	1.45%
Regular Retirement Rate (other rates for police/fire)	6.79%
Total Variable Benefits	14.44%

Examples for Hourly Rates of \$12/hour, \$20/hour, and \$32/hour

Hourly rate	\$12	\$20	\$32
Annual Salary (hourly rate x 2080 hours)	\$24,960	\$41,600	\$66,560
PPO Health & Dental Insurance	\$3,219	\$3,219	\$3,219
Variable Benefits (14.44% x Salary)	\$3,604	\$6,007	\$9,611
Benefit Costs for the Employee	\$6,823	\$9,226	\$12,830
Ratio of Benefit Costs to Salary	27%	22%	19%

Optional Employee-Paid Benefits

1. **Flexible Spending Account:** Employees can elect to set aside pre-tax dollars to pay for qualified out-of-pocket health and dependent care expenses.

2. **PERSI Choice Plan:** As part of the gain sharing program, whereby excess investment gains from the PERSI defined benefit fund are distributed to employees, employers, and retirees, the Choice Plan is an optional defined contribution 401(k) plan. The Choice Plan is in addition to, and separate from, the mandatory defined benefit retirement plan. No employer contribution: §59-1308, Idaho Code.

3. **Deferred Compensation 457 Plan:** Pre-tax savings plan, administered by Nationwide Retirement Services: §59-513, Idaho Code.

Twenty-Two Year History of General Fund

Original Appropriations: FY 1996 to FY 2017

Millions of Dollars

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare	Adult & Juv Corrections	All Other Agencies	Total Gen Fund
2017	\$1,584.7	\$279.5	\$187.5	\$2,051.7	\$677.1	\$256.2	\$288.0	\$3,273.0
2016	\$1,475.8	\$258.8	\$169.7	\$1,904.3	\$649.5	\$247.4	\$270.7	\$3,071.9
2015	\$1,374.6	\$251.2	\$153.7	\$1,779.5	\$637.3	\$243.3	\$276.0	\$2,936.1
2014	\$1,308.4	\$236.5	\$143.0	\$1,687.9	\$616.8	\$218.3	\$258.0	\$2,781.0
2013	\$1,279.8	\$228.0	\$138.0	\$1,645.7	\$610.2	\$205.5	\$240.7	\$2,702.1
2012	\$1,223.6	\$209.8	\$128.3	\$1,561.7	\$564.8	\$193.1	\$209.3	\$2,529.0
2011	\$1,214.3	\$217.5	\$129.9	\$1,561.7	\$436.3	\$180.7	\$205.1	\$2,383.8
2010*	\$1,231.4	\$253.3	\$141.2	\$1,625.8	\$462.3	\$186.8	\$231.7	\$2,506.6
2009	\$1,418.5	\$285.2	\$175.1	\$1,878.8	\$587.3	\$215.9	\$277.3	\$2,959.3
2008	\$1,367.4	\$264.2	\$166.2	\$1,797.7	\$544.8	\$201.2	\$276.9	\$2,820.7
2007*	\$1,291.6	\$243.7	\$148.4	\$1,683.7	\$502.4	\$178.0	\$229.7	\$2,593.7
2006	\$987.1	\$228.9	\$141.8	\$1,357.9	\$457.7	\$152.2	\$213.2	\$2,180.9
2005	\$964.7	\$223.4	\$138.3	\$1,326.3	\$407.6	\$142.8	\$205.5	\$2,082.1
2004	\$943.0	\$218.0	\$131.3	\$1,292.3	\$375.8	\$140.6	\$195.3	\$2,004.1
2003	\$920.0	\$213.6	\$130.4	\$1,264.0	\$359.6	\$145.0	\$199.3	\$1,967.9
2002	\$933.0	\$236.4	\$142.1	\$1,311.5	\$358.0	\$147.3	\$227.5	\$2,044.3
2001*	\$873.5	\$215.0	\$121.1	\$1,209.5	\$282.1	\$123.2	\$189.2	\$1,804.0
2000	\$821.1	\$202.0	\$110.4	\$1,133.4	\$270.7	\$108.5	\$162.1	\$1,674.7
1999	\$796.4	\$192.9	\$103.5	\$1,092.8	\$252.7	\$106.4	\$159.0	\$1,610.8
1998	\$705.0	\$178.6	\$94.4	\$978.0	\$236.6	\$90.3	\$134.0	\$1,438.9
1997	\$689.5	\$178.0	\$94.4	\$961.9	\$238.5	\$78.6	\$133.7	\$1,412.7
1996*	\$664.0	\$171.0	\$88.8	\$923.8	\$224.3	\$73.5	\$127.3	\$1,348.8

Percentage of Total

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare	Adult & Juv Corrections	All Other Agencies	Total
2017	48.4%	8.5%	5.7%	62.7%	20.7%	7.8%	8.8%	100%
2016	48.0%	8.4%	5.5%	62.0%	21.1%	8.1%	8.8%	100%
2015	46.8%	8.6%	5.2%	60.6%	21.7%	8.3%	9.4%	100%
2014	47.0%	8.5%	5.1%	60.7%	22.2%	7.8%	9.3%	100%
2013	47.4%	8.4%	5.1%	60.9%	22.6%	7.6%	8.9%	100%
2012	48.4%	8.3%	5.1%	61.8%	22.3%	7.6%	8.3%	100%
2011	50.9%	9.1%	5.5%	65.5%	18.3%	7.6%	8.6%	100%
2010*	49.1%	10.1%	5.6%	64.9%	18.4%	7.5%	9.2%	100%
2009	47.9%	9.6%	5.9%	63.5%	19.8%	7.3%	9.4%	100%
2008	48.5%	9.4%	5.9%	63.7%	19.3%	7.1%	9.8%	100%
2007*	49.8%	9.4%	5.7%	64.9%	19.4%	6.9%	8.9%	100%
2006	45.3%	10.5%	6.5%	62.3%	21.0%	7.0%	9.8%	100%
2005	46.3%	10.7%	6.6%	63.7%	19.6%	6.9%	9.9%	100%
2004	47.1%	10.9%	6.6%	64.5%	18.8%	7.0%	9.7%	100%
2003	46.8%	10.9%	6.6%	64.2%	18.3%	7.4%	10.1%	100%
2002	45.6%	11.6%	7.0%	64.2%	17.5%	7.2%	11.1%	100%
2001*	48.4%	11.9%	6.7%	67.0%	15.6%	6.8%	10.5%	100%
2000	49.0%	12.1%	6.6%	67.7%	16.2%	6.5%	9.7%	100%
1999	49.4%	12.0%	6.4%	67.8%	15.7%	6.6%	9.9%	100%
1998	49.0%	12.4%	6.6%	68.0%	16.4%	6.3%	9.3%	100%
1997	48.8%	12.6%	6.7%	68.1%	16.9%	5.6%	9.5%	100%
1996*	49.2%	12.7%	6.6%	68.5%	16.6%	5.4%	9.4%	100%

2010* Moved Deaf/Blind School from "Other Education" to "Public Schools"; Historical Society and Libraries to "All Other Agencies".

2007* Adjusted for H1 of 2006 Special Session which increased Public Schools General Fund by \$250,645,700.

2001* Moved Department of Environmental Quality and Veterans Services from H&W to "All Other Agencies".

1996* Moved Juvenile Corrections from Health and Welfare to "Adult & Juv Corrections".

Twenty-Two Year History of General Fund

Change from Previous Original Appropriations: FY 1996 to FY 2017

Millions of Dollars

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare	Adult & Juv Corrections	All Other Agencies	Total Gen Fund
2017	\$108.9	\$20.8	\$17.7	\$147.4	\$27.6	\$8.8	\$17.4	\$201.1
2016	\$101.2	\$7.6	\$16.0	\$124.7	\$12.2	\$4.2	(\$5.3)	\$135.8
2015	\$66.2	\$14.7	\$10.8	\$91.7	\$20.5	\$25.0	\$18.0	\$155.1
2014	\$28.5	\$8.6	\$5.0	\$42.1	\$6.7	\$12.8	\$17.3	\$78.9
2013	\$56.2	\$18.1	\$9.7	\$84.1	\$45.3	\$12.4	\$31.4	\$173.1
2012	\$9.3	(\$7.7)	(\$1.7)	(\$0)	\$128.5	\$12.4	\$4.2	\$145.1
2011	(\$17.1)	(\$35.8)	(\$11.2)	(\$64.1)	(\$26.0)	(\$6.1)	(\$26.6)	(\$122.7)
2010*	(\$187.2)	(\$31.9)	(\$34.0)	(\$253.0)	(\$125.0)	(\$29.2)	(\$45.6)	(\$452.7)
2009	\$51.2	\$20.9	\$8.9	\$81.1	\$42.4	\$14.8	\$4	\$138.6
2008	\$75.8	\$20.5	\$17.8	\$114.1	\$42.5	\$23.2	\$47.2	\$227.0
2007*	\$304.5	\$14.8	\$6.5	\$325.8	\$44.7	\$25.8	\$16.5	\$412.8
2006	\$22.4	\$5.6	\$3.6	\$31.5	\$50.1	\$9.4	\$7.7	\$98.8
2005	\$21.7	\$5.4	\$6.9	\$34.0	\$31.7	\$2.1	\$10.2	\$78.1
2004	\$23.0	\$4.4	\$9	\$28.4	\$16.2	(\$4.4)	(\$4.0)	\$36.2
2003	(\$13.0)	(\$22.9)	(\$11.7)	(\$47.5)	\$1.6	(\$2.2)	(\$28.2)	(\$76.4)
2002	\$59.5	\$21.5	\$21.0	\$102.0	\$75.9	\$24.1	\$38.3	\$240.3
2001*	\$52.4	\$13.0	\$10.7	\$76.1	\$11.4	\$14.7	\$27.1	\$129.3
2000	\$24.7	\$9.0	\$6.8	\$40.6	\$18.1	\$2.1	\$3.2	\$63.9
1999	\$91.4	\$14.3	\$9.1	\$114.8	\$16.1	\$16.1	\$25.0	\$171.9
1998	\$15.5	\$6	\$1	\$16.1	(\$1.9)	\$11.7	\$3	\$26.3
1997	\$25.5	\$7.1	\$5.5	\$38.1	\$14.2	\$5.2	\$6.4	\$63.9
1996*	\$43.5	\$6.5	\$1.0	\$51.0	(\$2.7)	\$23.2	\$13.1	\$84.6

Percent Change from Previous Original Appropriations

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare	Adult & Juv Corrections	All Other Agencies	Total
2017	7.4%	8.0%	10.5%	7.7%	4.3%	3.5%	6.4%	6.5%
2016	7.4%	3.0%	10.4%	7.0%	1.9%	1.7%	(1.9%)	4.6%
2015	5.1%	6.2%	7.5%	5.4%	3.3%	11.4%	7.0%	5.6%
2014	2.2%	3.8%	3.6%	2.6%	1.1%	6.2%	7.2%	2.9%
2013	4.6%	8.6%	7.6%	5.4%	8.0%	6.4%	15.0%	6.8%
2012	0.8%	(3.5%)	(1.3%)	(0.0%)	29.5%	6.9%	2.1%	6.1%
2011	(1.4%)	(14.1%)	(8.0%)	(3.9%)	(5.6%)	(3.3%)	(11.5%)	(4.9%)
2010*	(13.2%)	(11.2%)	(19.4%)	(13.5%)	(21.3%)	(13.5%)	(16.4%)	(15.3%)
2009	3.7%	7.9%	5.4%	4.5%	7.8%	7.3%	0.1%	4.9%
2008	5.9%	8.4%	12.0%	6.8%	8.5%	13.0%	20.6%	8.8%
2007*	30.8%	6.5%	4.6%	24.0%	9.8%	17.0%	7.7%	18.9%
2006	2.3%	2.5%	2.6%	2.4%	12.3%	6.6%	3.8%	4.7%
2005	2.3%	2.5%	5.3%	2.6%	8.4%	1.5%	5.2%	3.9%
2004	2.5%	2.1%	0.7%	2.2%	4.5%	(3.0%)	(2.0%)	1.8%
2003	(1.4%)	(9.7%)	(8.2%)	(3.6%)	0.5%	(1.5%)	(12.4%)	(3.7%)
2002	6.8%	10.0%	17.4%	8.4%	26.9%	19.5%	20.2%	13.3%
2001*	6.4%	6.4%	9.7%	6.7%	4.2%	13.6%	16.7%	7.7%
2000	3.1%	4.7%	6.6%	3.7%	7.1%	2.0%	2.0%	4.0%
1999	13.0%	8.0%	9.7%	11.7%	6.8%	17.8%	18.7%	11.9%
1998	2.3%	0.3%	0.1%	1.7%	(0.8%)	14.9%	0.2%	1.9%
1997	3.8%	4.2%	6.2%	4.1%	6.3%	7.0%	5.0%	4.7%
1996*	7.0%	3.9%	1.1%	5.8%	(1.2%)	46.1%	11.4%	6.7%

2010* Moved Deaf/Blind School from "Other Education" to "Public Schools"; Historical Society and Libraries to "All Other Agencies".

2007* Adjusted for H1 of 2006 Special Session which increased Public Schools General Fund by \$250,645,700.

2001* Moved Department of Environmental Quality and Veterans Services from H&W to "All Other Agencies".

1996* Moved Juvenile Corrections from Health and Welfare to "Adult & Juv Corrections".

Budget Stabilization Fund

Date	Action	Section 57-814, Idaho Code	Balance
Apr 1984	Budget Reserve Fund Creation & General Fund Transfer (H747)	\$ 4,267,200	\$ 4,267,200
Jun 1984	Transfer from General Fund (H350)	1,490,300	5,757,500
Jul 1985	Transfer to General Fund (H350)	(5,757,500)	-
A/Jun 1989	Transfers from General Fund (S1332aaH)	12,000,000	12,000,000
Mar 1990	Transfer from General Fund (S1573)	38,000,000	50,000,000
Apr 1990	Interest earnings from Apr. 1989 to Mar. 1990 (See Note 1)	684,432	50,684,432
Apr 1990	Appropriation for local highway projects (H905)	(15,500,000)	35,184,432
Jun 1992	Transfer to General Fund (S1464)	(5,406,100)	29,778,332
Apr 1993	Transfer to Parks & Rec. for Oregon Trail Project (S1276)	(100,000)	29,678,332
Jul 1993	Transfer to General Fund for public schools (H463)	(3,000,000)	26,678,332
M/Apr 1994	Oregon Trail Rtn \$27,000 (H862)/Juv Justice Study (H992)	(73,000)	26,605,332
1993/1994	Transfers from Liquor Fund (H464)	6,255,800	32,861,132
Jun 1995	Partial return from juvenile justice study	26,763	32,887,895
Mar 1996	Transfer for North Idaho floods (Exec. Order #96-04)	(1,000,000)	31,887,895
J/Jun 1997	Transfer for Floods (Exec. Order #97-01)	(4,000,000)	27,887,895
Jul 1997	State Controller - Y2K appropriation (S1285)	(357,700)	27,530,195
Jun 1998	Transfers from General Fund (H572 and H443a)	8,500,000	36,030,195
Dec 1999	Deposits from tobacco settlement (S1002)	16,781,559	52,811,754
Feb 2000	Transfer tobacco settlements to Millennium Fund (S1296)	(16,781,559)	36,030,195
Jul 2000	American Trucking Settlement Out/Surplus In \$17,000,000	-	36,030,195
Dec 2000	Transfer to Disaster Emergency Fund (Exec. Order #00-17)	(1,000,000)	35,030,195
FY 2001	Quarterly transfers from General Fund to BSF (H569)	18,209,641	53,239,836
Aug 2001	Rainbow Gathering (Exec. Order 2001-09)	(150,000)	53,089,836
S/Dec 2001	Qtrly FY 2002 transfers from General Fund §57-814a	9,923,198	63,013,034
Feb 2002	Transfer to General Fund and Defer Remaining (S1301)	(9,923,000)	53,090,034
Jul 2002	Transfers to General Fund (S1517 of 2002 & S1195 of 2003)	(53,090,000)	34
S/D/M 2005	Qtrly FY 2005 transfers from General Fund §57-814a	15,728,258	15,728,292
Apr 2005	Transfer to Public Education Stabilization Fund (S1231)	(5,000,000)	10,728,292
Jun 2005	Qtrly FY 2005 transfer from General Fund §57-814a	5,242,753	15,971,045
S/Dec 2005	Qtrly FY 2006 transfers from General Fund §57-814a	11,338,458	27,309,503
Feb 2006	Transfer from General Fund (H409)	70,000,000	97,309,503
M/Jun 2006	Qtrly FY 2006 transfers from General Fund §57-814a	11,338,458	108,647,961
FY 2007	Qtrly FY 2007 transfers from General Fund §57-814a	12,917,610	121,565,571
FY 2008	Qtrly FY 2008 transfers from General Fund §57-814a	19,059,069	140,624,640
Jun 2009	FY 2009 Year-End Balancing (S1227)	(12,400,000)	128,224,640
Jul 2009	Trans to Gen Fund, Salary Approp (S1227) Elect Cons (H372a)	(63,899,568)	64,325,072
Jul 2010	FY 2010 Transfer to General Fund (S1445)	(33,505,000)	30,820,072
FY 2011	FY 2011 Transfers to GF, Appropriations net Reversions	(30,720,400)	99,672
FY 2012	FY 2012 SOS \$128,046 Reversion and Year-end Transfer	23,769,346	23,869,018
FY 2013	Qtrly FY 2013 transfers from General Fund §57-814a	25,877,133	49,746,151
Jun 2013	Transfer from General Fund (H345)	85,392,192	135,138,343
FY 2014	Qtrly FY 2014 transfers from General Fund §57-814a	2,375,764	137,514,107
FY 2014	Year-end Transfer from General Fund (H635)	24,000,000	161,514,107
FY 2015	Transfer from Gen Fund §57-814(2) (H312a) 1% of FY 2014	28,154,293	189,668,400
FY 2015	Transfer from General Fund §57-814(4) (H312a) Surplus	54,152,455	243,820,855
FY 2016	Transfer from General Fund §57-814(2) (H312a)	4,657,880	248,478,735
FY 2016	Transfer from General Fund §57-814(4) (H312a) Surplus	10,965,530	259,444,266
Note 1:	<i>Prior to April 1989, interest accrued to the General Fund. From April 1989 to March 1990 interest accrued to the fund. Since March 1990, interest has accrued to the Permanent Building Fund.</i>		

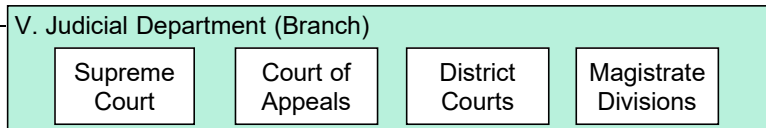
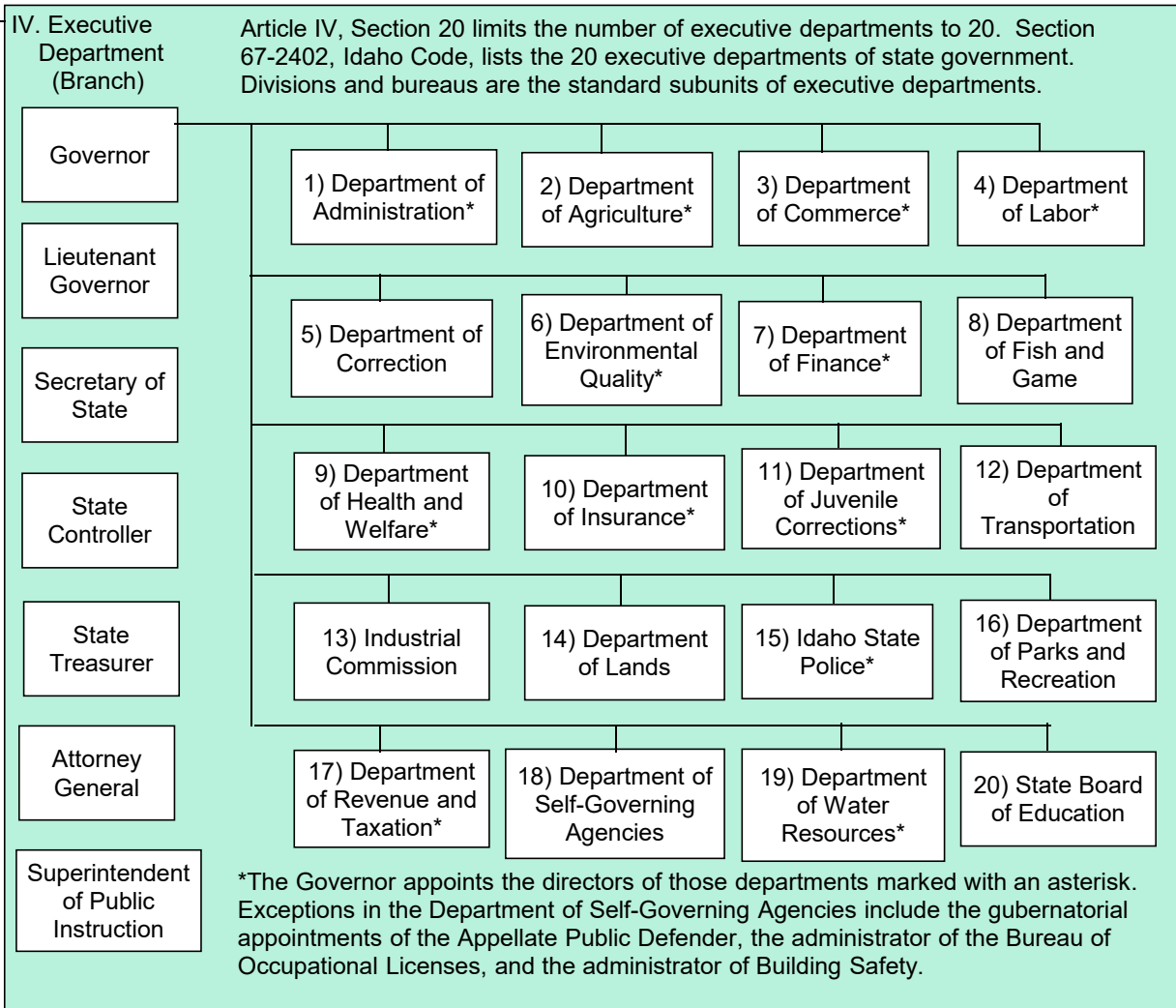
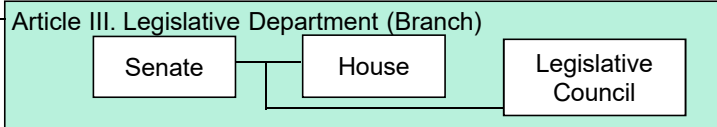
State of Idaho Major Reserve Fund Balances

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

In Millions of Dollars	Budget Stabilization Fund	Public Ed Stabilization Fund	Economic Recovery Reserve	Idaho Millennium Fund	Higher Ed Stabilization Fund	Emergency Funds	TOTAL
1. Balance June 30, 2003	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	(\$ 0.218)	(\$ 0.218)
2. Balance June 30, 2004	\$ 0.000	\$ 7.135	\$ 0.000	\$ 22.872	\$ 0.000	\$ 0.154	\$ 30.161
3. Balance June 30, 2005	\$ 15.971	\$ 12.135	\$ 22.044	\$ 44.677	\$ 0.000	\$ 0.132	\$ 94.960
4. Balance June 30, 2006	\$ 108.648	\$ 7.771	\$ 24.632	\$ 67.436	\$ 0.000	\$ 0.281	\$ 208.768
5. Balance June 30, 2007	\$ 121.566	\$ 109.030	\$ 2.657	\$ 64.079	\$ 0.000	\$ 0.875	\$ 298.207
6. Balance June 30, 2008	\$ 140.625	\$ 112.046	\$ 66.133	\$ 70.207	\$ 0.000	\$ 3.337	\$ 392.349
7. Balance June 30, 2009	\$ 128.225	\$ 17.979	\$ 68.101	\$ 74.206	\$ 0.000	\$ 0.720	\$ 289.231
8. Balance June 30, 2010	\$ 30.820	\$ 23.174	\$ 48.847	\$ 76.967	\$ 0.000	\$ 0.792	\$ 180.600
9. Balance June 30, 2011	\$ 0.100	\$ 11.154	\$ 0.054	\$ 74.589	\$ 0.000	\$ 3.339	\$ 89.235
10. Balance June 30, 2012	\$ 23.869	\$ 36.968	\$ 0.056	\$ 14.156	\$ 0.367	\$ 4.233	\$ 79.648
11. Balance June 30, 2013	\$ 135.138	\$ 49.049	\$ 0.057	\$ 15.492	\$ 0.942	\$ 3.424	\$ 204.103
12. Balance June 30, 2014	\$ 161.514	\$ 72.851	\$ 0.057	\$ 20.235	\$ 3.227	\$ 3.373	\$ 261.256
19. Balance June 30, 2015	\$ 243.821	\$ 90.948	\$ 0.057	\$ 25.409	\$ 3.492	\$ 2.795	\$ 366.522
FY 2016 Actuals							
20. Interest Earnings and Revenues		0.427	0.035	0.123	0.015	1.502	2.102
21. Transfers In (Out) S1190 ERRF		4.956	20.000	5.059	(0.443)	(0.001)	29.571
22. Disbursements		(7.780)		(0.805)		(1.728)	(10.313)
23. Transfers from GF §57-814 Δ 4.15%	4.658						4.658
24. End-of-Year Surplus Eliminator	10.966						10.966
25. Balance June 30, 2016	\$ 259.444	\$ 88.551	\$ 20.092	\$ 29.787	\$ 3.064	\$ 2.567	\$ 403.505
General Fund Revenue = \$ 3,183.7 8.1% 2.8% 0.6% 0.9% 0.1% 0.1% 12.7%							
The balance in Idaho's major reserve funds at the end of FY 2016 (line 25) was \$403.5 million or 12.7% of the FY 2016 General Fund Revenue Collections.							
* FY 2017 Estimates							
26. Interest Earnings and Revenues		0.317	0.059	0.298	0.029	0.577	1.280
27. Transfers In (Out)		2.332		5.000	5.730		13.062
28. Disbursements		(5.656)	(19.840)	(1.048)		(0.795)	(27.339)
29. Transfers from GF H312 of 2015 sunset	0.000						0.000
30. End-of-Year Transfers							0.000
31. Estimate* June 30, 2017	\$ 259.444	\$ 85.545	\$ 0.311	\$ 34.036	\$ 8.823	\$ 2.350	\$ 390.509
General Fund Revenue = \$ 3,354.5 7.7% 2.6% 0.0% 1.0% 0.3% 0.1% 11.6%							
The balance in Idaho's major reserve funds at the end of FY 2017 (line 31) is estimated to be \$390.5 million or 11.6% of the FY 2017 General Fund Revenue Estimate.							
* FY 2018 Estimates							
32. Interest Earnings and Revenues		0.855	0.003	0.338	0.088		1.285
33. Transfers In (Out)				5.000			5.000
34. Disbursements			0.000	(1.296)			(1.296)
35. Transfers from GF §57-814 Δ 5.37%	33.545						33.545
36. End-of-Year Transfers							0.000
37. Estimate* June 30, 2018	\$ 292.990	\$ 86.400	\$ 0.314	\$ 38.078	\$ 8.911	\$ 2.350	\$ 429.043
General Fund Revenue = \$ 3,507.4 8.4% 2.5% 0.0% 1.1% 0.3% 0.1% 12.2%							
The balance in Idaho's major reserve funds at the end of FY 2018 (line 37) is estimated to be \$429.0 million or 12.2% of the FY 2018 General Fund Revenue Estimate.							

State of Idaho Organizational Chart

Article II, Section 1, Idaho State Constitution: The powers of the government of this state are divided into three distinct departments, the legislative, executive and judicial; and no person or collection of persons charged with the exercise of powers properly belonging to one of these departments shall exercise any powers properly belonging to either of the others, except as in this constitution expressly directed or permitted.



The lines of responsibility are complicated by 181 boards, commissions, councils, committees, associations, and other structures authorized by the Idaho Constitution, statute, or executive order. See the Secretary of State's *Idaho Bluebook* for a full listing.

Idaho Legislative Budget Book

Education

2017 Legislative Session

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Idaho Legislative Budget Book

Public School Support

2017 Legislative Session

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Public School Support

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Administrators	83,290,600	83,179,900	86,798,500	90,045,400	90,045,400
Teachers	806,119,800	802,670,800	855,733,000	919,047,800	925,802,900
Operations	571,845,000	572,074,100	613,571,500	649,844,600	649,733,800
Children's Programs	282,074,600	247,184,800	296,015,800	302,491,600	297,791,100
Facilities	46,335,000	43,779,700	49,410,500	48,486,600	48,486,600
Central Services	15,785,700	15,771,500	14,662,500	22,109,000	16,315,800
Deaf & Blind, Educational Svcs for the	8,861,200	8,528,500	10,312,300	11,251,800	10,884,300
Total:	1,814,311,900	1,773,189,300	1,926,504,100	2,043,276,800	2,039,059,900
BY FUND CATEGORY					
General	1,475,784,000	1,474,165,900	1,584,669,400	1,690,300,600	1,686,083,700
Dedicated	74,189,400	73,128,800	77,496,200	88,637,700	88,637,700
Federal	264,338,500	225,894,600	264,338,500	264,338,500	264,338,500
Total:	1,814,311,900	1,773,189,300	1,926,504,100	2,043,276,800	2,039,059,900
Percent Change:		(2.3%)	8.6%	6.1%	5.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	812,000	798,500	0	8,786,000	8,418,500
Operating Expenditures	14,973,700	14,411,300	14,662,500	24,374,000	18,580,800
Capital Outlay	0	4,200	0	200,800	200,800
Trustee/Benefit	8,861,200	9,086,000	10,312,300	0	0
Lump Sum	1,789,665,000	1,748,889,300	1,901,529,300	2,009,916,000	2,011,859,800
Total:	1,814,311,900	1,773,189,300	1,926,504,100	2,043,276,800	2,039,059,900

Department Description

Provide state and federal funding to local school districts and public charter schools for public education, grades K-12, to meet the requirements of Article IX, Section 1, of the Idaho Constitution, which reads: "Legislature to establish system of free schools. The stability of a republican form of government depending mainly upon the intelligence of the people, it shall be the duty of the legislature of Idaho, to establish and maintain a general, uniform and thorough system of public, free common schools."

Public School Support

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	1,584,669,400	1,926,504,100	0.00	1,584,669,400	1,926,504,100
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	0.00	1,584,669,400	1,926,504,100	0.00	1,584,669,400	1,926,504,100
Removal of One-Time Expenditures	0.00	(2,634,800)	(2,634,800)	0.00	(2,634,800)	(2,634,800)
Base Adjustments	0.00	(741,700)	(741,700)	0.00	(741,700)	(741,700)
FY 2018 Base	0.00	1,581,292,900	1,923,127,600	0.00	1,581,292,900	1,923,127,600
Benefit Costs	0.00	167,200	167,200	0.00	114,700	114,700
Replacement Items	0.00	200,800	200,800	0.00	200,800	200,800
Public School Salary Change	0.00	2,238,800	2,238,800	0.00	6,716,200	6,716,200
Change in Employee Compensation	0.00	69,600	69,600	0.00	209,200	209,200
Nondiscretionary Adjustments	0.00	67,104,700	67,921,400	0.00	67,339,300	68,156,000
Endowment Adjustments	0.00	(10,324,800)	0	0.00	(10,324,800)	0
FY 2018 Program Maintenance	0.00	1,640,749,200	1,993,725,400	0.00	1,645,548,300	1,998,524,500
Line Items						
Administrators						
1. Administrators Addl 2% Salary Increase	0.00	1,730,400	1,730,400	0.00	0	0
Teachers						
1. Professional Development	0.00	2,500,000	2,500,000	0.00	6,000,000	6,000,000
2. Academic / Career Advisors	0.00	2,000,000	2,000,000	0.00	5,000,000	5,000,000
Operations						
1. Classroom Technology	0.00	8,000,000	8,000,000	0.00	10,000,000	10,000,000
2. Increase Discretionary Funding	0.00	11,609,500	11,609,500	0.00	0	0
3. Classified Staff Addl 6% Salary Increase	0.00	8,248,300	8,248,300	0.00	0	0
4. Increase IT Staffing	0.00	500,000	500,000	0.00	500,000	500,000
5. Health Benefits Indexed Inflation	0.00	0	0	0.00	15,000,000	15,000,000
Children's Programs						
1. Literacy Proficiency	0.00	2,000,000	2,000,000	0.00	0	0
2. Limited English Proficiency	0.00	1,130,000	1,130,000	0.00	0	0
3. Rural School Initiative	0.00	300,000	300,000	0.00	0	0
4. Multi-Cultural Grants	0.00	300,000	300,000	0.00	0	0
5. Content and Curriculum Transfer In	0.00	950,000	950,000	0.00	0	0
6. Mastery-Based Education Transfer Out	0.00	(300,000)	(300,000)	0.00	(300,000)	(300,000)
Central Services						
1. Increase in Wi-Fi Services	0.00	3,003,000	3,003,000	0.00	2,142,000	2,142,000
2. Idaho Reading Indicator Assessment	0.00	5,900,000	5,900,000	0.00	2,000,000	2,000,000
3. Content and Curriculum Transfer Out	0.00	(950,000)	(950,000)	0.00	0	0
4. Math Initiative	0.00	1,682,200	1,682,200	0.00	0	0
5. Mastery Based Education Transfer In	0.00	300,000	300,000	0.00	300,000	300,000
6. Remove \$ for School Evaluations	0.00	(750,000)	(750,000)	0.00	(750,000)	(750,000)
7. Increase English Language Curriculum	0.00	300,000	300,000	0.00	300,000	300,000
8. English / Literary Coach Positions	0.00	61,300	61,300	0.00	61,300	61,300
9. Evaluation Training Reduction	0.00	0	0	0.00	(300,000)	(300,000)
Educational Services for the Deaf & Blind						
1. Career Ladder Equivalence	0.00	832,100	832,100	0.00	378,300	378,300
2. Administrative Positions	0.00	204,600	204,600	0.00	203,800	203,800
FY 2018 Total	0.00	1,690,300,600	2,043,276,800	0.00	1,686,083,700	2,039,059,900
Chg from FY 2017 Orig Approp.	0.00	105,631,200	116,772,700	0.00	101,414,300	112,555,800
% Chg from FY 2017 Orig Approp.		6.7%	6.1%		6.4%	5.8%

Governor's Task Force for Improving Education

In December of 2012, Governor Otter directed the State Board of Education to oversee a collaborative effort to improve K-12 education in Idaho. This effort resulted in the *Task Force for Improving Education (K-12)*, a report released on September 6, 2013, that included 20 recommendations for structural change, fiscal stability, and for creating effective teachers and leaders.

The table below shows the funding appropriated during the past three fiscal years that is included in column a, which is the ongoing FY 2017 base. Column b shows the amount in the FY 2018 request from the Superintendent of Public Instruction and column c is the Governor's recommendation. Columns b and c include what is already in the base plus the new funds requested or recommended for FY 2018.

All Dollars in Millions		(a)	(b)	(c)
		FY 2017 Ongoing in Base	FY 2018 Supt. Ybarra Request	FY 2018 Governor's Recommendation
Structural Changes				
1	Mastery Based System	\$1.4	\$1.4	\$1.4
2	Idaho Core Standards			
3	Literacy Proficiency	11.4	19.3	13.4
4	Advanced Opportunities	6.0	7.0	7.0
5	Accountability for Student Outcomes			
6	Empower Autonomy			
7	Strategic Planning (see #18)			
8	Statewide Electronic Collaboration	3.0	3.0	3.0
9	Bandwidth / Wireless Infrastructure	2.7 ¹	6.5	5.6
10	Educator and Student Technology Devices	18.0	26.0	28.0
	Subtotal	\$42.5	\$63.2	\$58.4
Fiscal Stability, Effective Teachers and Leaders				
11	Restore Operational Funding to \$25,696/Unit	\$83.9 ²	\$83.9	\$83.9
12	Career Ladder Compensation	73.1	130.9	131.1
13	Enrollment Model of Funding			
14	Tiered Licensure			
15	Mentoring Program			
16	Job-Embedded Professional Learning	16.4	18.2	21.7
17	Site-Based Collaboration Teachers/Leaders			
18	Training Admins., Supts., School Boards	1.0	1.0	3.2 ³
19	Enhanced Pre-Service Teaching Opportunities			
20	Recommendations for Teacher Preparation			
	Subtotal	\$174.4	\$234.0	\$239.9
	Total	\$216.9	\$297.2	\$298.3

1. \$2.7 million was appropriated for broadband connectivity in the Superintendent of Public Instruction's budget. \$2.1 million has been appropriated for wireless technology each year for the past four years, but on a one-time basis, and therefore, does not show here as ongoing in the Base.

2. The goal of reaching \$25,696 per support unit was met with the addition of \$83.9 million above the maintenance level.

3. Of this amount, \$652,000 is in the Public Schools budget for continuous improvement planning and \$2.5 million is recommended in the Office of the State Board of Education's budget for administrator training on teacher evaluations.

Public School Support

Analyst: Headlee

FY 2017 Appropriation, FY 2018 Request, and FY 2018 Governor's Recommendation

Sources of Funds		FY 2017 Original Appropriation	FY 2018 Supt. Ybarra Request	FY 2018 Governor's Recommendation
General Fund		\$1,584,669,700	\$1,690,300,600	\$1,686,083,700
Dedicated Funds		77,496,200	88,637,700	88,637,700
Federal Funds		264,338,500	264,338,500	264,338,500
TOTAL FUNDS		\$1,926,504,400	\$2,043,276,800	\$2,039,059,900
	<i>General Fund Percent Change from Previous Year:</i>	7.4%	6.7%	6.4%
	<i>Total Funds Percent Change from Previous Year:</i>	8.2%	6.1%	5.8%
Statutory Distributions	Idaho Code			
1 Transportation	§33-1006	\$71,152,000	\$71,643,800	\$71,643,800
2 Border Contracts	§33-1002(2)(d), §33-1403	1,200,000	1,200,000	1,200,000
3 Exceptional Contracts/Tuition Equivalents	§33-1002(2)(e), §33-2004	5,065,600	5,390,900	5,390,900
4 Salary-based Apportionment	§33-1002(2)(g), §33-1004E	186,979,800	199,300,400	194,667,500
5 State Paid Employee Benefits	§33-1004F	35,470,000	37,468,400	36,600,000
6 Career Ladder Salaries	§33-1004B	673,145,000	721,786,400	722,964,400
7 Career Ladder Benefits	§33-1004B	127,695,600	136,840,200	135,917,300
8 Bond Levy Equalization	§33-906, -906A, -906B	22,400,000	20,500,000	20,500,000
9 Idaho Digital Learning Academy	§33-1020	8,365,300	9,135,800	9,115,300
10 Idaho Safe & Drug-Free Schools	§63-2506, -2552A(3), -3067	4,024,900	4,024,900	4,024,900
11 Math and Science Requirement	§33-1021	5,157,200	5,478,100	5,478,100
12 Advanced Opportunities	§33-4602	6,000,000	7,000,000	7,000,000
13 National Board Teacher Certification	§33-1004E(2)	90,000	90,000	90,000
14 Facilities (Lottery) & Interest Earned	§33-905, §67-7434	18,000,000	18,075,000	18,075,000
15 Facilities State Match (Genral Fund)	§33-1019	3,479,500	3,827,500	3,827,500
16 Facilities - Charter School Funding	§33-5208(5)	5,531,000	6,084,100	6,084,100
17 Leadership Awards/Premiums	§33-1002(2)(p)	16,645,200	17,353,100	17,353,100
18 Continuous Improvement Plans and Training	§33-320(4)	652,000	652,000	652,000
19 Mastery Based System	§33-1002(2)(t)	1,400,000	1,400,000	1,400,000
20 Online Class Portal Managed by SDE	§33-1024	150,000	150,000	150,000
21 Literacy Proficiency	§33-1002(2)(s)	9,100,000	11,100,000	9,100,000
22 Academic & College/Career Advisors	§33-1002(2)(s), -1212A	5,000,000	7,000,000	10,000,000
23 Innovation Schools	§33-5804(3)	100,000	100,000	100,000
24 Sub-total -- Statutory Requirements		\$1,206,803,100	\$1,285,600,600	\$1,281,333,900
Other Program Distributions				
25 Math Initiative		\$1,817,800	\$3,500,000	\$1,817,800
26 Remediation Based on Idaho Reading Indicator		2,316,200	8,216,200	4,316,200
27 Remediation Based on ISAT		5,456,300	5,456,300	5,456,300
28 Limited English Proficiency (LEP)		3,870,000	5,000,000	3,870,000
29 District IT Staffing		2,500,000	3,000,000	3,000,000
30 Classroom Technology		18,000,000	26,000,000	28,000,000
31 Wireless Infrastructure (Wi-Fi)		2,100,000	3,003,000	2,142,000
32 Evaluation Training and Development for Administrators		300,000	300,000	0
33 Student Achievement Assessments		1,758,500	1,758,500	1,758,500
34 Instructional Management Systems (IMS) State & Local		3,000,000	3,000,000	3,000,000
35 Prof. Development Distributed and Contracted		16,388,700	18,200,000	21,700,000
36 Content and Curriculum		4,250,000	4,550,000	4,550,000
37 Gifted/Talented Grants		1,000,000	1,000,000	1,000,000
38 Rural Schools Initiative		0	300,000	0
39 Multi-Cultural Grants		0	300,000	0
40 Health Insurance Indexed Inflation		0	0	15,000,000
41 Bureau of Services for the Deaf & Blind (Campus)		6,857,500	7,086,000	6,921,100
42 Bureau of Services for the Deaf & Blind (Outreach)		3,454,800	4,165,800	3,963,200
43 Federal Funds for Local School Districts		264,115,000	264,115,000	264,115,000
44 Sub-total -- Other Program Distributions		\$337,184,800	\$358,950,800	\$370,610,100
45 TOTAL CATEGORICAL EXPENDITURES (row 24 + row 44)		\$1,543,987,900	\$1,644,551,400	\$1,651,944,000
46 STATE DISCRETIONARY FUNDS (Total Funds - row 45)		\$382,516,500	\$398,725,400	\$387,115,900
47 ESTIMATED SUPPORT UNITS		14,886	15,065	15,065
48 STATE DISCRETIONARY \$ PER SUPPORT UNIT (row 46 / row 47)		\$25,696	\$26,467	\$25,696
	<i>Discretionary Funding per Support Unit, Change from Previous Year:</i>	6.5%	3.0%	0.0%

Public Schools Funding Formula Terminology

Support Units are the foundation of how schools in Idaho are funded, and are often thought of, and referred to, as classroom units. The state does not fund school districts based on the number of students; it funds them based on the number of support units. A school district generates support units based on the number of students it has in average daily attendance in various categories, such as kindergarten, elementary, and secondary. These student counts are then divided by a series of divisors found in Section 33-1002, Idaho Code. For example, a school district with 440 students categorized as secondary students (grades 7-12) would be assigned a divisor of 16.0, which means that the school district would receive 27.5 support units of funding. School districts with more students receive larger divisors, while smaller districts receive smaller divisors. As a result, a small district needs fewer students to generate a support unit of funding than a large district. Some of the reasons for this are that larger districts can usually operate more efficiently, with greater economies of scale than small districts, and that small districts still need to be able to offer students a thorough, comprehensive education, notwithstanding their smaller size and similar fixed costs as larger districts.

Staff Allowance establishes the number of staff positions to be funded by each support unit. Section 33-1004, Idaho Code, sets these levels at 1.021 for instructional staff, 0.079 for pupil services staff, 0.075 for administrative staff, and 0.375 for classified staff. Pupil services staff include positions such as school counselors, librarians, and special education instructors. The total staff allowance is 1.55.

A **Base Salary** is assigned for administrators at \$34,109 and for classified staff at \$20,421.

The **Experience/Education Index** provide a salary multiplier for administrative staff only (the classified staff portion of the formula ends with the base salary funding component). This component of the formula provides more funding for administrators with more experience and education than it does for those who are less experienced and educated. This table of multipliers, which runs from zero years of experience to 13+ years, includes seven different levels of educational achievement, and can be found in Section 33-1004A, Idaho Code.

Salary-Based Apportionment is the result of the multi-part funding formula that includes support units, base salaries, staff allowances, the experience/education index, and the career ladder.

The **Career Ladder** is a statewide salary reimbursement schedule for instructors and pupil services staff that is used to determine the amount of funding appropriated and allocated to school districts. Movement on the schedule is based on professional endorsements earned and evaluations by school district administrators. The career ladder salary schedule can be found in Section 33-1004B, Idaho Code.

State-Paid Employee Benefits include the employer's (school district) share of Public Employee Retirement System of Idaho (PERSI) contributions at 11.32% and Federal Insurance Contributions Act (FICA) taxes at 7.65%. These dollars are based on the salary that the state provides. If a school district employs more personnel or pays higher salaries than the state funds, then the additional PERSI and FICA costs are borne by the school district. State-Paid Employee Benefits also include unemployment insurance, budgeted for all school districts at \$1,000,000 for FY 2017.

Discretionary Funds are those dollars appropriated for public schools that are not needed to satisfy either the funding formula requirements of Idaho Code or line item earmarks in the appropriation bill. These dollars are added to salary-based apportionment and state-paid employee benefit funds. Discretionary funds can be spent in any way the district chooses, based on locally-established priorities.

Public Schools Funding Formula

At the core of Idaho's Public Schools funding system is a formula that determines the amount of money that each school district is entitled to receive for salaries, benefits, and discretionary funding. This formula is established in Section 33-1004E, Idaho Code. Salaries for instructors and pupil services staff are determined by the career ladder salary schedule in Section 33-1004B, Idaho Code.

- 1. Support Units
- multiplied by
- 2. Staff Allowance
- multiplied by
- 3. Base Salary
- multiplied by
- 4. Experience/Education Index
- = Salary-Based Apportionment**

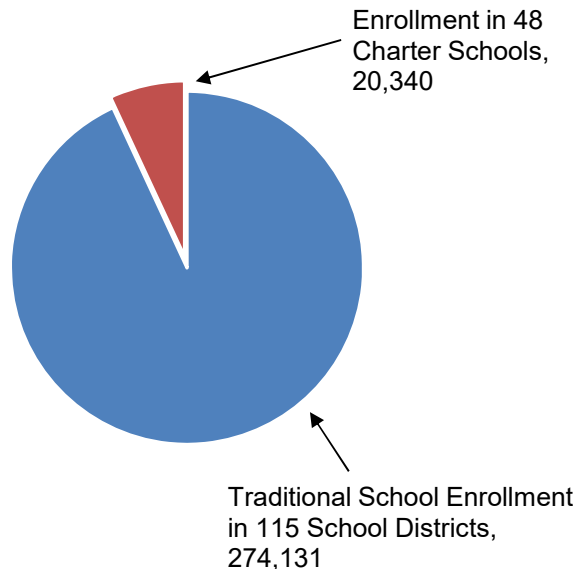
The product of the above calculation, which is done for each school district in the state, is called the district's salary-based apportionment. It is then multiplied by the state-paid employee benefits, which are currently 18.97% and include the employer costs for PERSI and FICA. The cost of unemployment insurance is then added.

- Salary-Based Apportionment
- multiplied by
- State-Paid Variable Benefit Rate at 18.97%
- plus
- Unemployment Insurance
- = State-Paid Employee Benefits**

The final step of the core funding formula is then calculated. To do this, the Legislature must first establish, in the Public Schools Division of Operations budget, the amount of discretionary funds that are available on a per unit basis. For example, in FY 2017, \$382,516,200 was available to be disbursed among an estimated 14,886 support units, resulting in \$25,696 per support unit.

- Available Discretionary Funds
- divided by
- Estimated Support Units
- = Per Unit Discretionary Funds**

**Traditional Public Schools & Public Charter Schools
Fall Enrollment was 294,471 Students During the
2015/2016 School Year**



During the 2015/2016 school year, fall enrollment at public charter schools was 20,340 or 6.9%, of the total statewide K-12 enrollment. Enrollment at charter schools has grown, on average, by about 1,200 students per year over the past 17 years. However, growth has slowed to about 600 students per year during the past four years.

School Year Metrics	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
Fall Enrollment	275,075	278,522	281,593	281,772	287,247	289,064	291,022	294,471	Not yet avail.
Avg. Daily Attendance	262,192	264,684	266,455	268,324	266,483	273,110	275,587	279,300	Not yet avail.
Mid-Term Support Units	13,935	14,094	14,217	14,278	14,330	14,555	14,683	14,862	Not yet avail.
Full-Term Support Units	13,864	14,049	14,147	14,200	14,278	14,472	14,601	14,806	Not yet avail.
Original Appropriation (in millions)									
General Fund	\$1,418.5	\$1,231.4	\$1,214.3	\$1,223.6	\$1,279.8	\$1,308.4	\$1,374.6	\$1,475.8	\$1,584.7
Dedicated Funds	62.4	64.1	91.1	68.5	66.9	74.6	86.8	74.2	77.5
Federal Funds	215.0	415.3	277.0	268.9	220.1	215.2	215.2	264.3	264.3
Total	\$1,695.9	\$1,710.8	\$1,582.4	\$1,561.0	\$1,566.8	\$1,598.2	\$1,676.6	\$1,814.3	\$1,926.5
General Fund % Change from Previous Year	3.7%	-13.2%	-1.4%	0.8%	4.6%	2.2%	5.1%	7.4%	7.4%
Total Funds % Change from Previous Year	3.1%	0.9%	-7.5%	-1.4%	0.4%	2.0%	4.9%	8.2%	6.2%
Discretionary Funds per Support Unit	\$25,696	\$25,459	\$26,011*	\$19,626	\$19,706	\$20,000	\$22,401	\$23,868	\$25,696

Sources:

<http://www.sde.idaho.gov/finance/index.html#attendance>

Legislative Fiscal Reports: <http://legislature.idaho.gov/budget/publications.htm>

* The discretionary funds / support unit for the 2010/2011 school year included \$59.9 million of one-time moneys to comply with American Recovery and Reinvestment Act (ARRA) maintenance of effort requirements.

Administrators

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	83,290,600	83,179,900	86,798,500	90,045,400	90,045,400
Percent Change:		(0.1%)	4.4%	3.7%	3.7%
BY OBJECT OF EXPENDITURE					
Lump Sum	83,290,600	83,179,900	86,798,500	90,045,400	90,045,400

Division Description

Provide state support for salaries and benefits of administrators (superintendents, assistant superintendents, principals, assistant principals, and program directors) in Idaho's 115 school districts and 48 public charter schools, grades K-12.

Administrators

Comparative Summary

Analyst: Headlee

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	86,798,500	86,798,500	0.00	86,798,500	86,798,500
FY 2018 Base	0.00	86,798,500	86,798,500	0.00	86,798,500	86,798,500
Public School Salary Change	0.00	865,200	865,200	0.00	2,595,600	2,595,600
Nondiscretionary Adjustments	0.00	651,300	651,300	0.00	651,300	651,300
FY 2018 Program Maintenance	0.00	88,315,000	88,315,000	0.00	90,045,400	90,045,400
1. Administrators Addl 2% Salary Increase	0.00	1,730,400	1,730,400	0.00	0	0
FY 2018 Total	0.00	90,045,400	90,045,400	0.00	90,045,400	90,045,400
Change from Original Appropriation	0.00	3,246,900	3,246,900	0.00	3,246,900	3,246,900
% Change from Original Appropriation		3.7%	3.7%		3.7%	3.7%

Administrators

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	0.00	86,798,500	0	0	86,798,500
FY 2018 Base					
Agency Request	0.00	86,798,500	0	0	86,798,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>86,798,500</i>	<i>0</i>	<i>0</i>	<i>86,798,500</i>

Public School Salary Change

Agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. For the Administrators Division, this includes salaries at \$728,400 and state-paid employee benefits at \$136,800.

Agency Request	0.00	865,200	0	0	865,200
<i>The Governor recommends a 3% base salary increase.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,595,600</i>	<i>0</i>	<i>0</i>	<i>2,595,600</i>

Nondiscretionary Adjustments

An estimated increase of 179 mid-term support units will require \$1,010,600 from the General Fund. Of this amount, \$850,800 is for salaries and \$159,800 is for state-paid employee benefits. Other adjustments include a decrease in the Administrators Division statewide education and experience index, requiring a reduction of \$236,700, and a reduction in unemployment insurance of \$122,600.

Agency Request	0.00	651,300	0	0	651,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>651,300</i>	<i>0</i>	<i>0</i>	<i>651,300</i>

FY 2018 Program Maintenance					
Agency Request	0.00	88,315,000	0	0	88,315,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>90,045,400</i>	<i>0</i>	<i>0</i>	<i>90,045,400</i>

1. Administrators Addl 2% Salary Increase

This request is for an additional 2% salary increase above the 1% salary change for administrators resulting in a base salary of \$35,132. This increase would require \$1,456,800 for salaries and \$273,600 for the state-paid employee benefits.

Agency Request	0.00	1,730,400	0	0	1,730,400
<i>The Governor recommends a 3% base salary increase in the maintenance area of the budget rather than here as a line item.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Total					
Agency Request	0.00	90,045,400	0	0	90,045,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>90,045,400</i>	<i>0</i>	<i>0</i>	<i>90,045,400</i>

Agency Request					
Change from Original App	0.00	3,246,900	0	0	3,246,900
% Change from Original App		3.7%			3.7%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>3,246,900</i>	<i>0</i>	<i>0</i>	<i>3,246,900</i>
<i>% Change from Original App</i>		<i>3.7%</i>			<i>3.7%</i>

Teachers

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	791,119,800	791,782,100	840,733,000	904,047,800	910,802,900
Federal	15,000,000	10,888,700	15,000,000	15,000,000	15,000,000
Total:	806,119,800	802,670,800	855,733,000	919,047,800	925,802,900
Percent Change:		(0.4%)	6.6%	7.4%	8.2%
BY OBJECT OF EXPENDITURE					
Lump Sum	806,119,800	802,670,800	855,733,000	919,047,800	925,802,900

Division Description

Provide state and federal funding support for teachers, teacher support staff salaries and benefits, and other programs specific to certificated instructors in Idaho's 115 school districts and 48 public charter schools, grades K-12.

Teachers

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	840,733,000	855,733,000	0.00	840,733,000	855,733,000
FY 2018 Base	0.00	840,733,000	855,733,000	0.00	840,733,000	855,733,000
Nondiscretionary Adjustments	0.00	58,814,800	58,814,800	0.00	59,069,900	59,069,900
FY 2018 Program Maintenance	0.00	899,547,800	914,547,800	0.00	899,802,900	914,802,900
1. Professional Development	0.00	2,500,000	2,500,000	0.00	6,000,000	6,000,000
2. Academic / Career Advisors	0.00	2,000,000	2,000,000	0.00	5,000,000	5,000,000
FY 2018 Total	0.00	904,047,800	919,047,800	0.00	910,802,900	925,802,900
Change from Original Appropriation	0.00	63,314,800	63,314,800	0.00	70,069,900	70,069,900
% Change from Original Appropriation		7.5%	7.4%		8.3%	8.2%

Teachers

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	840,733,000	0	15,000,000	855,733,000
FY 2018 Base					
Agency Request	0.00	840,733,000	0	15,000,000	855,733,000
Governor's Recommendation	0.00	840,733,000	0	15,000,000	855,733,000

Nondiscretionary Adjustments

Nondiscretionary adjustments include year three of the five-year phase-in of the career ladder compensation system for Idaho instructors. This system was created by H296 during the 2015 session. The amount requested for this year is \$57,786,000, which is consistent with H296's fiscal note. There is also a statutory increase of \$707,900 for leadership awards and premiums due to increased full-time equivalent instructional positions (FTP). These premiums are set in statute (Section 33-1004J, Idaho Code), which requires \$850 plus employer benefit costs, to be distributed to school districts and charter schools for each FTP. Lastly, there is an increase of \$320,900 for additional high school math and science requirements.

Agency Request	0.00	58,814,800	0	0	58,814,800
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The difference between the request and the Governor's recommendation is due to using updated data in the career ladder model.

Governor's Recommendation	0.00	59,069,900	0	0	59,069,900
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FY 2018 Program Maintenance					
Agency Request	0.00	899,547,800	0	15,000,000	914,547,800
Governor's Recommendation	0.00	899,802,900	0	15,000,000	914,802,900

1. Professional Development

This request would add \$2,500,000 to be distributed to school districts and charter schools for professional development needs. This amount, added to the existing \$13,000,000 in the base, would bring the total amount of funding distributed to \$15,500,000, which equates to approximately 3.25 instructional days of professional development per instructor each year. This approach provides the school districts and charter schools the flexibility to use these funds for their most pressing professional development needs.

Agency Request	0.00	2,500,000	0	0	2,500,000
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This funding would increase the professional development dollars in this division to \$19,000,000 and to \$21,700,000 for the entire budget.

Governor's Recommendation	0.00	6,000,000	0	0	6,000,000
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2. Academic / Career Advisors

This request would provide an additional \$2,000,000 for college and career advising to be distributed to school districts and charter schools for students in grades 8 through 12. This amount, added to the existing \$5,000,000 in the base, would bring the total amount distributed to \$7,000,000. This request would increase the level of advising for students using, or considering to use, advanced opportunities programs, dual-credit, credit-bearing exams, overload courses, and career technical education. The expected outcomes are for an increase in the number of students planning to continue their education beyond high school, including career technical education or post-secondary completion. If this request is approved, a change in the distribution formula in Section 33-1002, Idaho Code, would be required to assure an equitable distribution of funds among the districts and charter schools.

Agency Request	0.00	2,000,000	0	0	2,000,000
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Governor's Recommendation	0.00	5,000,000	0	0	5,000,000
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FY 2018 Total					
Agency Request	0.00	904,047,800	0	15,000,000	919,047,800
Governor's Recommendation	0.00	910,802,900	0	15,000,000	925,802,900

Teachers

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	63,314,800	0	0	63,314,800
% Change from Original App		7.5%		0.0%	7.4%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	70,069,900	0	0	70,069,900
% Change from Original App		8.3%		0.0%	8.2%

Operations

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	532,086,200	532,315,300	570,846,700	596,795,000	596,684,200
Dedicated	39,758,800	39,758,800	42,724,800	53,049,600	53,049,600
Total:	571,845,000	572,074,100	613,571,500	649,844,600	649,733,800
Percent Change:		0.0%	7.3%	5.9%	5.9%
BY OBJECT OF EXPENDITURE					
Lump Sum	571,845,000	572,074,100	613,571,500	649,844,600	649,733,800

Division Description

Provide state and federal funding in support of the operation of Idaho's 115 school districts and 48 charter schools, grades K-12. This division includes pupil transportation, salaries and benefits for classified staff, technology, and discretionary funds that can be used for any educational support services or general operations.

Operations

Comparative Summary

Analyst: Headlee

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	570,846,700	613,571,500	0.00	570,846,700	613,571,500
FY 2018 Base	0.00	570,846,700	613,571,500	0.00	570,846,700	613,571,500
Public School Salary Change	0.00	1,373,600	1,373,600	0.00	4,120,600	4,120,600
Nondiscretionary Adjustments	0.00	6,541,700	6,541,700	0.00	6,541,700	6,541,700
Endowment Adjustments	0.00	(10,324,800)	0	0.00	(10,324,800)	0
FY 2018 Program Maintenance	0.00	568,437,200	621,486,800	0.00	571,184,200	624,233,800
1. Classroom Technology	0.00	8,000,000	8,000,000	0.00	10,000,000	10,000,000
2. Increase Discretionary Funding	0.00	11,609,500	11,609,500	0.00	0	0
3. Classified Staff Addl 6% Salary Increase	0.00	8,248,300	8,248,300	0.00	0	0
4. Increase IT Staffing	0.00	500,000	500,000	0.00	500,000	500,000
5. Health Benefits Indexed Inflation	0.00	0	0	0.00	15,000,000	15,000,000
FY 2018 Total	0.00	596,795,000	649,844,600	0.00	596,684,200	649,733,800
Change from Original Appropriation	0.00	25,948,300	36,273,100	0.00	25,837,500	36,162,300
% Change from Original Appropriation		4.5%	5.9%		4.5%	5.9%

Operations

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	570,846,700	42,724,800	0	613,571,500
FY 2018 Base					
Agency Request	0.00	570,846,700	42,724,800	0	613,571,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>570,846,700</i>	<i>42,724,800</i>	<i>0</i>	<i>613,571,500</i>

Public School Salary Change

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. For the classified staff in the Operations Division, this includes salaries at \$1,156,200 and state-paid employee benefits at \$217,400.

Agency Request	0.00	1,373,600	0	0	1,373,600
<i>The Governor recommends a 3% base salary increase.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,120,600</i>	<i>0</i>	<i>0</i>	<i>4,120,600</i>

Nondiscretionary Adjustments

An estimated increase of 179 mid-term support units will require \$1,645,200 from the General Fund for salaries and benefits. Of this amount, \$1,384,800, is for salaries and \$260,400 is for benefits. Other adjustments include a reduction in unemployment insurance of \$195,000, an increase of \$491,800 for estimated pupil transportation costs, and \$4,599,700 to maintain the \$25,696 per support unit distribution of discretionary funding.

Agency Request	0.00	6,541,700	0	0	6,541,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,541,700</i>	<i>0</i>	<i>0</i>	<i>6,541,700</i>

Endowment Adjustments

For FY 2018, there is a distribution increase of \$10,324,800 from the Public School Endowment Fund. This is due to the total distribution to public schools increasing from \$36,724,800 to \$47,049,600, a 28.1% increase. This allows for a requested decrease of \$10,324,800 from the General Fund. These actions net to zero and maintain the discretionary funds per support unit at \$25,696.

Agency Request	0.00	(10,324,800)	10,324,800	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(10,324,800)</i>	<i>10,324,800</i>	<i>0</i>	<i>0</i>

FY 2018 Program Maintenance					
Agency Request	0.00	568,437,200	53,049,600	0	621,486,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>571,184,200</i>	<i>53,049,600</i>	<i>0</i>	<i>624,233,800</i>

1. Classroom Technology

This request of \$8,000,000 from the General Fund for classroom technology and infrastructure would bring the total amount to be distributed to \$26,000,000, a 44% increase above the current year. School districts and charter schools use these funds to implement new technologies, update current technologies, and to support and sustain student learning.

Agency Request	0.00	8,000,000	0	0	8,000,000
<i>The Governor recommends \$10,000,000 to the existing base amount of \$18,000,000 to bring the total to \$28,000,000. This contributes to the Task Force recommendation to invest \$60,000,000 into classroom technology.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,000,000</i>	<i>0</i>	<i>0</i>	<i>10,000,000</i>

2. Increase Discretionary Funding

This request of \$11,609,500 would provide for a 3% increase in the discretionary funding per support unit from the current \$25,696 up to \$26,467. This would increase the total amount of funding in the base to \$398,725,400. Discretionary funding can be used by school districts to meet a variety of needs including, but not limited to, health insurance, utilities, and personnel costs.

Agency Request	0.00	11,609,500	0	0	11,609,500
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Operations

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Classified Staff Addl 6% Salary Increase					
This request of \$8,248,300 would provide a 6% base salary increase for classified staff. This 6% increase, plus the 1% increase in the maintenance portion of the budget, would raise the base salary from \$20,421 to \$21,850, for a total increase of 7%. Currently, school districts and charter schools spend approximately 61% more for the salaries and benefits for these staff than what the Legislature appropriates. Classified staff include a wide variety of job classes including business managers, technology specialists, human resource personnel, and custodial staff.					
Agency Request	0.00	8,248,300	0	0	8,248,300
<i>The Governor does not recommend a base salary increase above the 3% recommended in the maintenance area of the budget.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
4. Increase IT Staffing					
This request would add \$500,000 for information technology (IT) staffing above the current amount of \$2,500,000 in the base for this purpose. IT staff manage and support many essential systems, such as monitoring and securing school networks and databases, and supporting teachers and students in the classroom.					
Agency Request	0.00	500,000	0	0	500,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>500,000</i>	<i>0</i>	<i>0</i>	<i>500,000</i>
5. Health Benefits Indexed Inflation					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$15,000,000 to offset health insurance inflation.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>15,000,000</i>	<i>0</i>	<i>0</i>	<i>15,000,000</i>
FY 2018 Total					
Agency Request	0.00	596,795,000	53,049,600	0	649,844,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>596,684,200</i>	<i>53,049,600</i>	<i>0</i>	<i>649,733,800</i>
Agency Request					
Change from Original App	0.00	25,948,300	10,324,800	0	36,273,100
% Change from Original App		4.5%	24.2%		5.9%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>25,837,500</i>	<i>10,324,800</i>	<i>0</i>	<i>36,162,300</i>
<i>% Change from Original App</i>		<i>4.5%</i>	<i>24.2%</i>		<i>5.9%</i>

Children's Programs

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	28,928,200	28,147,500	42,875,900	49,351,700	44,651,200
Dedicated	4,031,400	4,031,400	4,024,900	4,024,900	4,024,900
Federal	249,115,000	215,005,900	249,115,000	249,115,000	249,115,000
Total:	282,074,600	247,184,800	296,015,800	302,491,600	297,791,100
Percent Change:		(12.4%)	19.8%	2.2%	0.6%
BY OBJECT OF EXPENDITURE					
Lump Sum	282,074,600	247,184,800	296,015,800	302,491,600	297,791,100

Division Description

The Division of Children's Programs includes programs that provide direct educational or material benefits to children, where funding does not primarily go to paying certificated teachers and administrators. It also includes programs that primarily and specifically provide funding for the separate instruction of identified subgroups of children outside the normal classroom of an Idaho public school. Funding is provided from both state and federal funds.

Children's Programs

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	42,875,900	296,015,800	0.00	42,875,900	296,015,800
FY 2018 Base	0.00	42,875,900	296,015,800	0.00	42,875,900	296,015,800
Nondiscretionary Adjustments	0.00	2,095,800	2,095,800	0.00	2,075,300	2,075,300
FY 2018 Program Maintenance	0.00	44,971,700	298,111,600	0.00	44,951,200	298,091,100
1. Literacy Proficiency	0.00	2,000,000	2,000,000	0.00	0	0
2. Limited English Proficiency	0.00	1,130,000	1,130,000	0.00	0	0
3. Rural School Initiative	0.00	300,000	300,000	0.00	0	0
4. Multi-Cultural Grants	0.00	300,000	300,000	0.00	0	0
5. Content and Curriculum Transfer In	0.00	950,000	950,000	0.00	0	0
6. Mastery-Based Education Transfer Out	0.00	(300,000)	(300,000)	0.00	(300,000)	(300,000)
FY 2018 Total	0.00	49,351,700	302,491,600	0.00	44,651,200	297,791,100
Change from Original Appropriation	0.00	6,475,800	6,475,800	0.00	1,775,300	1,775,300
% Change from Original Appropriation		15.1%	2.2%		4.1%	0.6%

Children's Programs

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	42,875,900	4,024,900	249,115,000	296,015,800
FY 2018 Base					
Agency Request	0.00	42,875,900	4,024,900	249,115,000	296,015,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>42,875,900</i>	<i>4,024,900</i>	<i>249,115,000</i>	<i>296,015,800</i>

Nondiscretionary Adjustments

Nondiscretionary funding includes a \$770,500 increase for the Idaho Digital Learning Academy (IDLA) per Section 33-1020, Idaho Code. The formula's variables include estimated IDLA enrollments and salary-based apportionment for school districts and charter schools. Other adjustments include \$1,000,000 for the advanced opportunities program, bringing the FY 2018 Base to \$7,000,000. This increase is due to an expected increase in participation in this program, including the new scholarship that was created through H477 (2016 session). Lastly, \$325,300 is requested for the expected increase in exceptional contracts and tuition equivalents. These include district-to-agency contracts, court-ordered placements in juvenile detention, tuition equivalents, and serious emotional disturbance students.

Agency Request	0.00	2,095,800	0	0	2,095,800
<i>The Governor recommends \$20,500 less for IDLA per formula calculations that use updated data.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,075,300</i>	<i>0</i>	<i>0</i>	<i>2,075,300</i>

FY 2018 Program Maintenance					
Agency Request	0.00	44,971,700	4,024,900	249,115,000	298,111,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>44,951,200</i>	<i>4,024,900</i>	<i>249,115,000</i>	<i>298,091,100</i>

1. Literacy Proficiency

This request is for \$2,000,000 ongoing from the General Fund to increase literacy intervention for K-3 students who test basic or below basic on the Idaho Reading Indicator (IRI). Currently, there is \$11,416,200 in the base for literacy intervention and remediation. This request would increase that amount to \$13,416,200. Funding can be used by school districts and charter schools to support additional staffing, programs, professional development, software for literacy interventions, and to hire proctors for testing on the IRI. Funding is distributed based on the formula in Section 33-1002(t), Idaho Code, which reimburses school districts and charter schools, in full or pro-rata, based on their actual intervention costs.

Agency Request	0.00	2,000,000	0	0	2,000,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

2. Limited English Proficiency

This request is for \$1,130,000 to increase funding for the Limited English Proficiency Program to assist school districts and charter schools with English language learners. According to the department, some school districts do not have sufficient funding to hire staff to provide highly effective language instruction and the consequence is that it will take longer for some students to obtain English proficiency. There is currently \$3,870,000 in the base for this effort. This is 62% of the amount that was available prior to the reductions required during the last recession.

Agency Request	0.00	1,130,000	0	0	1,130,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Children's Programs

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Rural School Initiative					
This request is for \$300,000 ongoing from the General Fund to create the Region One Service Cooperative in north Idaho. Funding would be used to contract with a director to develop, coordinate, manage, and evaluate the distribution and allocation of education resources to school districts. The cooperative would allow school districts to work, plan, share resources, assist rural school districts in filling hard-to-fill positions, and to purchase equipment. Additional services that school districts could purchase for a fee could include, but are not limited to, professional development, assessment, business operations, transportation, printing, public relations, data processing, payroll, fingerprinting, network support, driver's education, construction management, para-educator training, and special education. The cooperative would provide a way to better serve the needs of Idaho's most underserved rural school districts and charter schools.					
Agency Request	0.00	300,000	0	0	300,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Multi-Cultural Grants					
This request would provide \$300,000 for multi-cultural grants to school districts and charter schools. Funding would be used to develop and implement culturally responsible curriculum and instruction. According to the department, the primary group of students to be served by these grants is Idaho American Indians. The goal is to solicit proposals from schools or districts closely associated with Idaho tribes and award five grants based on merit. The request for proposals would focus on building curriculum specific to the needs of American Indians in general as well as specific to tribes. Key components of the proposals would be a focus on the expansion and maintenance of the students tribal language and tribal history.					
Agency Request	0.00	300,000	0	0	300,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Content and Curriculum Transfer In					
This request would transfer \$950,000 from the Central Services Division to this division to be distributed to school districts and charter schools to purchase content and curriculum of their choice. There is a corresponding decrease in the same amount in the Central Services Division that was previously used for a statewide contract that is no longer needed and, therefore, can be distributed to school districts and charter schools through this division.					
Agency Request	0.00	950,000	0	0	950,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Mastery-Based Education Transfer Out					
This request would transfer \$300,000 to the Central Services Division to provide professional development for the mastery-based education effort. There is a corresponding increase in the same amount in the Central Services Division. If this transfer is approved, there would be \$1,050,000 remaining in this division to be distributed to school districts and charter schools choosing to pursue mastery-based education. If this request is not approved, the full \$1,350,000 would be distributed.					
Agency Request	0.00	(300,000)	0	0	(300,000)
Governor's Recommendation	0.00	(300,000)	0	0	(300,000)
FY 2018 Total					
Agency Request	0.00	49,351,700	4,024,900	249,115,000	302,491,600
Governor's Recommendation	0.00	44,651,200	4,024,900	249,115,000	297,791,100
Agency Request					
Change from Original App	0.00	6,475,800	0	0	6,475,800
% Change from Original App		15.1%	0.0%	0.0%	2.2%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	1,775,300	0	0	1,775,300
% Change from Original App		4.1%	0.0%	0.0%	0.6%

Facilities

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	17,585,000	15,966,900	18,958,000	17,217,400	17,217,400
Dedicated	28,750,000	27,812,800	30,452,500	31,269,200	31,269,200
Total:	46,335,000	43,779,700	49,410,500	48,486,600	48,486,600
Percent Change:		(5.5%)	12.9%	(1.9%)	(1.9%)
BY OBJECT OF EXPENDITURE					
Lump Sum	46,335,000	43,779,700	49,410,500	48,486,600	48,486,600

Division Description

The Division of Facilities includes moneys from the General Fund and funding provided from Idaho Lottery proceeds for both public school facility construction and repair costs and to support the Bond Levy Equalization Program.

Facilities

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	18,958,000	49,410,500	0.00	18,958,000	49,410,500
Base Adjustments	0.00	(741,700)	(741,700)	0.00	(741,700)	(741,700)
FY 2018 Base	0.00	18,216,300	48,668,800	0.00	18,216,300	48,668,800
Nondiscretionary Adjustments	0.00	(998,900)	(182,200)	0.00	(998,900)	(182,200)
FY 2018 Total	0.00	17,217,400	48,486,600	0.00	17,217,400	48,486,600
Change from Original Appropriation	0.00	(1,740,600)	(923,900)	0.00	(1,740,600)	(923,900)
% Change from Original Appropriation		(9.2%)	(1.9%)		(9.2%)	(1.9%)

Facilities

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	18,958,000	30,452,500	0	49,410,500

Base Adjustments

An increase of \$50,000 in the Idaho Lottery dividend and \$691,700 available when netting out the amount in the Bond Levy Equalization base with the Bond Levy Equalization Fund balance. These adjustments allow for a base reduction of \$741,700 from the General Fund.

Agency Request	0.00	(741,700)	0	0	(741,700)
Governor's Recommendation	0.00	(741,700)	0	0	(741,700)

FY 2018 Base					
Agency Request	0.00	18,216,300	30,452,500	0	48,668,800
Governor's Recommendation	0.00	18,216,300	30,452,500	0	48,668,800

Nondiscretionary Adjustments

The following three statutory programs have adjustments that result in a net decrease of \$182,200.

1. An increase of \$348,000 from the General Fund and \$75,000 from the Idaho Lottery dividend for the school facilities maintenance match requirement.
2. A decrease of \$1,158,300 for the Bond Levy Equalization Program resulting from a General Fund decrease of \$1,900,000 not needed in FY 2018 and an increase of \$741,700 available from the Bond Levy Equalization Fund.
3. An increase of \$553,100 from the General Fund for charter school facilities.

Based on the three adjustments above, the FY 2018 estimated cost of the Bond Levy Equalization Program is \$20,500,000 and is funded from a mix of \$7,305,800 from the General Fund (transferred from cigarette tax revenue), \$12,050,000 of Idaho Lottery proceeds directed by statute to the Bond Levy Equalization Program, and \$1,144,200 from the fund balance in the Bond Levy Equalization Fund. The estimated cost for charter school facilities is \$6,084,100, all from the General Fund. The estimated cost of the state facilities maintenance match is \$21,902,500 and is funded from a combination of \$3,827,500 from the General Fund and \$18,075,000 from the School District Building Account, which receives moneys directly from the Idaho Lottery.

Agency Request	0.00	(998,900)	816,700	0	(182,200)
Governor's Recommendation	0.00	(998,900)	816,700	0	(182,200)

FY 2018 Total					
Agency Request	0.00	17,217,400	31,269,200	0	48,486,600
Governor's Recommendation	0.00	17,217,400	31,269,200	0	48,486,600

Agency Request					
Change from Original App	0.00	(1,740,600)	816,700	0	(923,900)
% Change from Original App		(9.2%)	2.7%		(1.9%)
Governor's Recommendation					
Change from Original App	0.00	(1,740,600)	816,700	0	(923,900)
% Change from Original App		(9.2%)	2.7%		(1.9%)

Central Services

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	14,395,700	14,395,700	14,662,500	22,109,000	16,315,800
Dedicated	1,390,000	1,375,800	0	0	0
Total:	15,785,700	15,771,500	14,662,500	22,109,000	16,315,800
Percent Change:		(0.1%)	(7.0%)	50.8%	11.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	812,000	798,500	0	0	0
Operating Expenditures	14,973,700	14,411,300	14,662,500	22,109,000	16,315,800
Capital Outlay	0	4,200	0	0	0
Trustee/Benefit	0	557,500	0	0	0
Total:	15,785,700	15,771,500	14,662,500	22,109,000	16,315,800

Division Description

The Division of Central Services includes those programs and funds that are spent at the state level by the Superintendent of Public Instruction for the benefit of all school districts and charter schools. Funds are primarily used to contract for services and for program oversight and evaluation.

Central Services

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	14,662,500	14,662,500	0.00	14,662,500	14,662,500
Removal of One-Time Expenditures	0.00	(2,100,000)	(2,100,000)	0.00	(2,100,000)	(2,100,000)
FY 2018 Base	0.00	12,562,500	12,562,500	0.00	12,562,500	12,562,500
1. Increase in Wi-Fi Services	0.00	3,003,000	3,003,000	0.00	2,142,000	2,142,000
2. Idaho Reading Indicator Assessment	0.00	5,900,000	5,900,000	0.00	2,000,000	2,000,000
3. Content and Curriculum Transfer Out	0.00	(950,000)	(950,000)	0.00	0	0
4. Math Initiative	0.00	1,682,200	1,682,200	0.00	0	0
5. Mastery Based Education Transfer In	0.00	300,000	300,000	0.00	300,000	300,000
6. Remove \$ for School Evaluations	0.00	(750,000)	(750,000)	0.00	(750,000)	(750,000)
7. Increase English Language Curriculum	0.00	300,000	300,000	0.00	300,000	300,000
8. English / Literary Coach Positions	0.00	61,300	61,300	0.00	61,300	61,300
9. Evaluation Training Reduction	0.00	0	0	0.00	(300,000)	(300,000)
FY 2018 Total	0.00	22,109,000	22,109,000	0.00	16,315,800	16,315,800
Change from Original Appropriation	0.00	7,446,500	7,446,500	0.00	1,653,300	1,653,300
% Change from Original Appropriation		50.8%	50.8%		11.3%	11.3%

Central Services

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	14,662,500	0	0	14,662,500
Removal of One-Time Expenditures					
Removes one-time costs for the fourth year of the Wi-Fi contract and distributions to school districts.					
Agency Request	0.00	(2,100,000)	0	0	(2,100,000)
Governor's Recommendation	0.00	(2,100,000)	0	0	(2,100,000)
FY 2018 Base					
Agency Request	0.00	12,562,500	0	0	12,562,500
Governor's Recommendation	0.00	12,562,500	0	0	12,562,500

1. Increase in Wi-Fi Services

This request is to continue supporting the Idaho High School Wireless Program that provides wireless networking technology to public schools serving grades 9-12. This program has two tracks: 1) A statewide contract with a vendor to install, maintain, and support wireless services in the schools. FY 2018 will be the fifth year of the five-year contract, and 2) Districts/schools that desired more local control and did not opt for the statewide contract receive \$21 per user in schools serving grades 9-12.

Of the \$3,003,000 requested, \$2,100,000 would maintain the contract services and district distributions made in FY 2017, \$42,000 would be needed for estimated enrollment growth, and \$861,000 is requested for the final payment of the statewide contract obligation. According to the department, the contract is for five years, but a provision in the contract also guarantees the vendor the cost of 60 full months of deployment of Wi-Fi hardware and services for each school district. Because not all school districts' Wi-Fi services were installed immediately at the beginning of the contract, some districts' full 60 months will not be reached until after the five-year contract expires. The estimated cost when the remaining school districts reach their full 60 months of service after the contract expiration is \$861,000 and is included in this request; however, the obligation does not begin until FY 2019. Officials from the department have said that the current statewide contract would need to be amended by the Superintendent of Public Instruction to increase the contract length to allow for payment of the full 60 months of services to school districts.

Agency Request	0.00	3,003,000	0	0	3,003,000
<i>The Governor does not recommend the \$861,000 contract obligation that does not become effective until FY 2019.</i>					
Governor's Recommendation	0.00	2,142,000	0	0	2,142,000

2. Idaho Reading Indicator Assessment

This request is for \$5,900,000 related to the Idaho Reading Indicator (IRI) assessment and has three parts.

Part one is a request of \$115,200 to provide teachers in grades K-3 with an updated IRI that includes diagnostic information about where the students are struggling. The current IRI is 16 years old and provides basic information about reading and flags students who might be having reading difficulties, but it lacks specifics. The Department of Education reports that a request for proposal would be issued and once funded, the costs for testing, diagnostics, and professional development will be approximately \$11 per student and 10,476 students would be tested.

Part two is a request of \$3,078,700 to provide school districts and charter schools grants for technology devices upon which students would take the IRI. Each technology hardware grant package would include an adequate number of computers for the IRI reading assessment, including 30 personal computers for students in grades 1-3 and ten touch tablets for Kindergarten students. Cost is based on \$250 per device for the personal computers and \$300 per tablet. The devices would then be replaced every three years.

Part three is a request of \$2,706,100 to meet the Wi-Fi needs for an estimated 90,204 students in K-3 who take the IRI. This amount is based on \$30 per student, which is the department's estimated cost for a vendor to provide these services.

Agency Request	0.00	5,900,000	0	0	5,900,000
<i>The Governor recommends \$2,000,000 for a new and updated Idaho reading indicator (IRI) assessment.</i>					
Governor's Recommendation	0.00	2,000,000	0	0	2,000,000

Central Services

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Content and Curriculum Transfer Out					
Transfer of content and curriculum dollars to the Children's Programs Division to be distributed to school districts and charter schools to purchase content and curriculum of their choice. This funding was previously used for a statewide contract that is no longer needed.					
Agency Request	0.00	(950,000)	0	0	(950,000)
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Math Initiative					
This request would add \$1,682,200 to the math initiative. There is currently \$1,817,800 in the base that is used for regional math labs and this request would bring the total amount to \$3,500,000. The additional funding would allow some regional math specialists to transition to the University of Idaho, Coeur d'Alene campus, while continuing to provide regional education support. Funding would also be used for educators to receive a stipend for work completed under an Idaho regional math specialist. This request would be used as follows: 1) \$500,000 for a primary screener to allow educators to plan instruction based on student needs. The screener would include a diagnostic tool, with an intervention component, for grades K-2 to allow educators to identify specific deficits, 2) \$782,200 for additional regional math specialists at the secondary level, and 3) \$400,000 to provide systematic support to district-level instructional coaches/leads for statewide collaboration that would include summer seminars and conferences and regional support throughout the school year.					
Agency Request	0.00	1,682,200	0	0	1,682,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Mastery Based Education Transfer In					
This request would transfer in \$300,000 from the Children's Division to the Central Services Division for mastery based education. All of this amount would be for operating expenditures, which would include \$240,000 to contract with vendors for professional development. The statewide professional development would include coaching for both teachers and administrators equal to two days per month. Training would take place in Boise, and at the district level, as well as online, and will address how to communicate student data and develop individual learning plans. This shift in funding will allow the Department of Education to handle much of the contracting work for vendors, travel, and facilities on behalf of the 19 participant schools to avoid duplication of effort. Other costs include IT equipment, supplies, and stipends to pay teachers for planning and designing the mastery-based system. In addition to professional development, these funds will be used to begin implementation of the individual school plans.					
Agency Request	0.00	300,000	0	0	300,000
Governor's Recommendation	0.00	300,000	0	0	300,000
6. Remove \$ for School Evaluations					
Removes ongoing dollars for school improvement evaluations that were transferred from the Department of Education to the Office of the State Board of Education (OSBE) in FY 2017. The department proposes to decrease those funds in this budget as there is no added value to receive the funds and then transfer the same funding to OSBE. There is a corresponding request in OSBE's budget for an increase in the same amount.					
Agency Request	0.00	(750,000)	0	0	(750,000)
Governor's Recommendation	0.00	(750,000)	0	0	(750,000)
7. Increase English Language Curriculum					
This request is for \$300,000 to increase English language curriculum support to students by expanding the current contract for online cloud-based language instruction software. According to the department, the \$450,000 in the base for this purpose has been used to serve 3,000 students. This request of \$300,000 could increase services to an additional 2,000 students. This program allows students to access the curriculum at school and at home (if they have Internet and a computer or mobile device). Every district with K-6 English language students is eligible and 95% of districts have opted to use this program.					
Agency Request	0.00	300,000	0	0	300,000
Governor's Recommendation	0.00	300,000	0	0	300,000

Central Services

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. English / Literary Coach Positions					
This request of \$61,300 would be used to increase the number of English language arts and literary coach positions for K-3, operations, and teacher stipends. These coaches provide professional development resources based on local needs. This effort would also be augmented by savings of approximately \$200,000 that was budgeted for the Idaho Digital Learning Academy to develop an educational resource library (ERL) professional development portal. This portal has been developed and is now in operation.					
Agency Request	0.00	61,300	0	0	61,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>61,300</i>	<i>0</i>	<i>0</i>	<i>61,300</i>
9. Evaluation Training Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a reduction of the \$300,000 appropriated over each of the previous four years to train administrators on how to complete teacher evaluations. This funding is recommended to be moved to the Office of the State Board of Education for this same purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(300,000)</i>	<i>0</i>	<i>0</i>	<i>(300,000)</i>
FY 2018 Total					
Agency Request	0.00	22,109,000	0	0	22,109,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>16,315,800</i>	<i>0</i>	<i>0</i>	<i>16,315,800</i>
Agency Request					
Change from Original App	0.00	7,446,500	0	0	7,446,500
% Change from Original App		50.8%			50.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>1,653,300</i>	<i>0</i>	<i>0</i>	<i>1,653,300</i>
<i>% Change from Original App</i>		<i>11.3%</i>			<i>11.3%</i>

Educational Services for the Deaf & Blind

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Campus Operations	5,771,700	5,439,000	6,857,500	7,086,000	6,921,100
Outreach Programs	3,089,500	3,089,500	3,454,800	4,165,800	3,963,200
Total:	8,861,200	8,528,500	10,312,300	11,251,800	10,884,300
BY FUND CATEGORY					
General	8,378,500	8,378,500	9,794,800	10,734,300	10,366,800
Dedicated	259,200	150,000	294,000	294,000	294,000
Federal	223,500	0	223,500	223,500	223,500
Total:	8,861,200	8,528,500	10,312,300	11,251,800	10,884,300
Percent Change:		(3.8%)	20.9%	9.1%	5.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	0	0	0	8,786,000	8,418,500
Operating Expenditures	0	0	0	2,265,000	2,265,000
Capital Outlay	0	0	0	200,800	200,800
Trustee/Benefit	8,861,200	8,528,500	10,312,300	0	0
Total:	8,861,200	8,528,500	10,312,300	11,251,800	10,884,300

Division Description

Pursuant to Section 33-3403, Idaho Code, the goal of the Bureau of Educational Services for the Deaf and Blind 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 may include operation of a school for the deaf and the blind that shall provide residential and day campus programs. The bureau may also operate an outreach program to provide services to students outside the campus area, as well as early intervention and family consultation.

Senate Bill 1074, passed during the 2009 legislative session, repealed statutes that created the Idaho School for the Deaf and the Blind (Chapter 34, Title 33, Idaho Code) and added a new Chapter 34 that created the Idaho Bureau of Educational Services for the Deaf and the Blind (IESDB). The key changes in this new chapter included:

- 1) Creation of a Board of Directors to govern the new bureau;
- 2) The chairman of the board is the Superintendent of Public Instruction;
- 3) The new bureau is a non-state agency; and
- 4) The bureau's annual appropriation request is to be submitted to the Superintendent of Public Instruction for review, approval, and inclusion in the educational support program (public schools) budget request to the Idaho Legislature and the Governor. Inclusion in the educational support program allows the bureau access to the Public Education Stabilization Fund in certain circumstances (i.e. budget holdbacks).

Another key requirement of S1074 is that Chapter 9, Title 33, Idaho Code, was amended to allow the bureau to receive a distribution from the School District Building Account, which includes Idaho Lottery dividends and earned interest. The distribution is based on average daily attendance.

Outreach offices are located in Coeur d'Alene, Lewiston, Caldwell, Meridian, Gooding, Pocatello, and Idaho Falls.

Educational Services for the Deaf & Blind

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	9,794,800	10,312,300	0.00	9,794,800	10,312,300
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	0.00	9,794,800	10,312,300	0.00	9,794,800	10,312,300
Removal of One-Time Expenditures	0.00	(534,800)	(534,800)	0.00	(534,800)	(534,800)
FY 2018 Base	0.00	9,260,000	9,777,500	0.00	9,260,000	9,777,500
Benefit Costs	0.00	167,200	167,200	0.00	114,700	114,700
Replacement Items	0.00	200,800	200,800	0.00	200,800	200,800
Change in Employee Compensation	0.00	69,600	69,600	0.00	209,200	209,200
FY 2018 Program Maintenance	0.00	9,697,600	10,215,100	0.00	9,784,700	10,302,200
1. Career Ladder Equivalence	0.00	832,100	832,100	0.00	378,300	378,300
2. Administrative Positions	0.00	204,600	204,600	0.00	203,800	203,800
FY 2018 Total	0.00	10,734,300	11,251,800	0.00	10,366,800	10,884,300
Change from Original Appropriation	0.00	939,500	939,500	0.00	572,000	572,000
% Change from Original Appropriation		9.6%	9.1%		5.8%	5.5%

Educational Services for the Deaf & Blind

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	9,794,800	294,000	223,500	10,312,300

Noncognizable Funds and Transfers

This action spreads funds from lump sum to object codes and nets to zero.

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2017 Estimated Expenditures	0.00	9,794,800	294,000	223,500	10,312,300
<i>Governor's Recommendation</i>	0.00	9,794,800	294,000	223,500	10,312,300

Removal of One-Time Expenditures

Removes one-time expenditures of \$350,000 that replenished the contingency fund, \$115,000 to purchase a school bus, \$49,600 to purchase two new sedans, \$17,200 to reopen a residential cottage, and \$3,000 for new textbooks.

Agency Request	0.00	(534,800)	0	0	(534,800)
<i>Governor's Recommendation</i>	0.00	(534,800)	0	0	(534,800)

FY 2018 Base	0.00	9,260,000	294,000	223,500	9,777,500
<i>Governor's Recommendation</i>	0.00	9,260,000	294,000	223,500	9,777,500

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	167,200	0	0	167,200
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 months to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	114,700	0	0	114,700

Replacement Items

The Campus Program requests replacement of one passenger van at \$29,500. This van would replace a 1995 model with 100,000 miles. This van is used to provide transportation of 11 or fewer students to functions such as field trips where only one class might attend, individual cottage outings, and transportation of athletic teams to events.

The Outreach Program requests replacement of three sedans at \$20,400 each totaling \$61,200. Also requested are two small SUVs at \$20,700 each totaling \$41,400. These vehicles are to serve children, schools, and families statewide. Staff averages between 12,000 to 20,000 miles per year on each vehicle in providing these services. If funded, these sedans and SUVs would replace vehicles that currently have over 115,000 to 120,000 miles each. Also requested are seven assistive hearing personal frequency modulation (FM) systems totaling \$31,000, and eight Braille Embossers totaling \$37,700.

Agency Request	0.00	200,800	0	0	200,800
<i>Governor's Recommendation</i>	0.00	200,800	0	0	200,800

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	69,600	0	0	69,600
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	0.00	209,200	0	0	209,200

Educational Services for the Deaf & Blind

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Program Maintenance					
Agency Request	0.00	9,697,600	294,000	223,500	10,215,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,784,700</i>	<i>294,000</i>	<i>223,500</i>	<i>10,302,200</i>

1. Career Ladder Equivalence

Campus Operations, Outreach Programs

This request of \$832,100 is for year one of a three-year proposed phase-in of increased instructor salaries and benefits that would achieve levels that are equivalent to the public school career ladder salary compensation system. This proposal would align certificated staff with their school district counterparts and also provide a \$7,000 premium for those instructors who achieve a deaf or blind instructional certification. This request is based on 100% of eligible staff achieving their certification. Additional funding would be provided for other certifications and duties.

The Campus Program's portion of the request is \$419,100 and there are 34 certificated staff calculated as eligible. The Outreach Program's portion of the request is \$413,000 and there are 36 certificated staff calculated as eligible.

Year one (FY 2018) funding for both Campus and Outreach is requested at \$832,100, year two (FY 2019) estimated costs are \$159,800 and year three estimated costs are \$193,600, for a grand total of \$1,185,500. IESDB reports that this funding would positively impact the recruitment and retention of certified teachers of the deaf and certified teachers of the blind and certified pupil service personnel. Movement of teachers on the grid would be based on effective years teaching and would continue to be measured through evaluative procedures including student growth.

Agency Request	0.00	832,100	0	0	832,100
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The Governor recommends the first year of this three-year salary increase, but with a \$3,000 premium for those instructors who achieve a deaf or blind instructional certification, rather than the requested \$7,000.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>378,300</i>	<i>0</i>	<i>0</i>	<i>378,300</i>
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2. Administrative Positions

Campus Operations, Outreach Programs

Campus Program: This request is for \$99,900 for salary and benefits to increase the number of administrators from two to three. This additional administrative position would reduce the current workload of supervision and training demanded of campus administration and improve the quality of intervention and interaction with the students. The two current administrators supervise 33 certificated staff and 17 support/paraprofessional education staff in addition to: 1) curriculum director, principal, and special education director, and 2) vice-principal, Spanish translator, managing discipline, responding to interventions, and supervising both deaf and blind programs. IESDB reports that the current teacher evaluation model, under the Danielson Framework, requires expanded supervisory responsibilities because newer teachers must be evaluated a minimum of two times each year for the first few years. Administrators are required to attend each student's individual education plan (IEP) meeting as mandated by the federal Individuals with Disabilities Education Act (IDEA). Current enrollment is approximately 95 students and each IEP meeting lasts two to four hours. The administrators are also required to attend IEPs, in person or via technology, for students anywhere in the state who are considering attending the Campus Program.

Outreach Program: This request is for \$104,700 to add one full-time administrator to the Outreach Program. This additional staff would then allow this program to have a director for the deaf and a director for the blind, thus making supervision, maintenance, and evaluation of both programs more manageable. These two administrators would provide supervision for 35 certificated staff and 7 support/paraprofessional education staff located in seven regional offices across the state. Supervisory responsibilities have expanded in recent years, including evaluation responsibilities under the Danielson Framework. Additionally, the directors would work to maintain partnerships and supervise ongoing program development for the early identification and intervention in both the deaf and the blind populations aged birth to 26. The Outreach Program currently serves over 1,900 children statewide.

Agency Request	0.00	204,600	0	0	204,600
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The Governor recommends \$800 less due to the reduced estimated health insurance costs.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>203,800</i>	<i>0</i>	<i>0</i>	<i>203,800</i>
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Educational Services for the Deaf & Blind

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Total					
Agency Request	0.00	10,734,300	294,000	223,500	11,251,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,366,800</i>	<i>294,000</i>	<i>223,500</i>	<i>10,884,300</i>
Agency Request					
Change from Original App	0.00	939,500	0	0	939,500
% Change from Original App		9.6%	0.0%	0.0%	9.1%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>572,000</i>	<i>0</i>	<i>0</i>	<i>572,000</i>
<i>% Change from Original App</i>		<i>5.8%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>5.5%</i>

Idaho Legislative Budget Book

State Board of Education

2017 Legislative Session

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State Board of Education

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Ag Research & Ext Service	28,761,800	28,736,200	30,540,700	32,060,400	31,287,300
College and Universities	663,381,300	509,649,100	556,661,900	580,007,900	563,495,700
Community Colleges	34,561,000	34,561,000	37,519,000	43,656,100	39,872,200
Education, State Board of	7,073,400	4,787,100	12,681,000	7,964,800	18,037,200
Health Education Programs	13,298,700	12,839,400	13,831,200	14,407,700	15,905,800
Car Tech Education	67,901,600	61,541,300	71,849,200	76,218,100	73,559,200
Idaho Public Television	8,699,300	7,774,400	9,294,600	9,684,700	9,634,300
Special Programs	11,920,100	11,402,700	18,154,500	24,764,800	22,807,200
Supt of Public Instruction	33,839,000	25,175,900	40,890,800	41,549,500	41,723,900
Vocational Rehabilitation	25,443,700	24,247,100	27,791,900	29,044,600	28,040,200
Total:	894,879,900	720,714,200	819,214,800	859,358,600	844,363,000
BY FUND CATEGORY					
General	422,995,100	422,264,800	467,003,900	512,517,700	490,878,200
Dedicated	423,066,400	263,541,600	304,141,700	296,696,100	303,796,900
Federal	48,818,400	34,907,800	48,069,200	50,144,800	49,687,900
Total:	894,879,900	720,714,200	819,214,800	859,358,600	844,363,000
Percent Change:		(19.5%)	13.7%	4.9%	3.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	585,931,700	504,296,700	563,374,600	585,258,200	584,556,500
Operating Expenditures	204,304,400	138,312,200	149,748,600	146,119,100	149,978,500
Capital Outlay	39,839,900	26,075,700	23,586,200	31,574,000	21,474,800
Trustee/Benefit	64,803,900	52,029,600	81,979,300	96,407,300	88,353,200
Lump Sum	0	0	526,100	0	0
Total:	894,879,900	720,714,200	819,214,800	859,358,600	844,363,000
Full-Time Positions (FTP)	5,474.15	5,504.46	5,701.96	5,938.69	5,897.44

Department Description

Pursuant to Article IV, Section 20, Idaho Constitution, all executive and administrative offices, agencies, and instrumentalities of the executive department of the state, except for those assigned to the elected constitutional officers, are allocated within not more than twenty departments. In compliance with the Idaho Constitution and pursuant to Section 67-2402, Idaho Code, the State Board of Education has been established as one of the twenty departments. The agencies and institutions in this section have been assigned to the State Board of Education.

Agricultural Research & Extension Service

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	28,736,200	28,736,200	30,516,700	32,036,400	31,263,300
Dedicated	25,600	0	24,000	24,000	24,000
Total:	28,761,800	28,736,200	30,540,700	32,060,400	31,287,300
Percent Change:		(0.1%)	6.3%	5.0%	2.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	24,991,900	22,991,900	26,752,100	26,364,900	26,647,700
Operating Expenditures	3,619,900	4,594,300	3,638,600	3,694,500	3,638,600
Capital Outlay	150,000	1,150,000	150,000	2,001,000	1,001,000
Total:	28,761,800	28,736,200	30,540,700	32,060,400	31,287,300
Full-Time Positions (FTP)	292.74	292.74	297.01	301.44	301.44

Division Description

The University of Idaho's College of Agricultural and Life Sciences has a land grant mandated, three-pronged mission: education, research, and extension. The education component is funded through the UI's portion of the College and Universities' general education appropriation. The research and extension components are funded via this appropriation to the Agricultural Research & Extension Service (ARES).

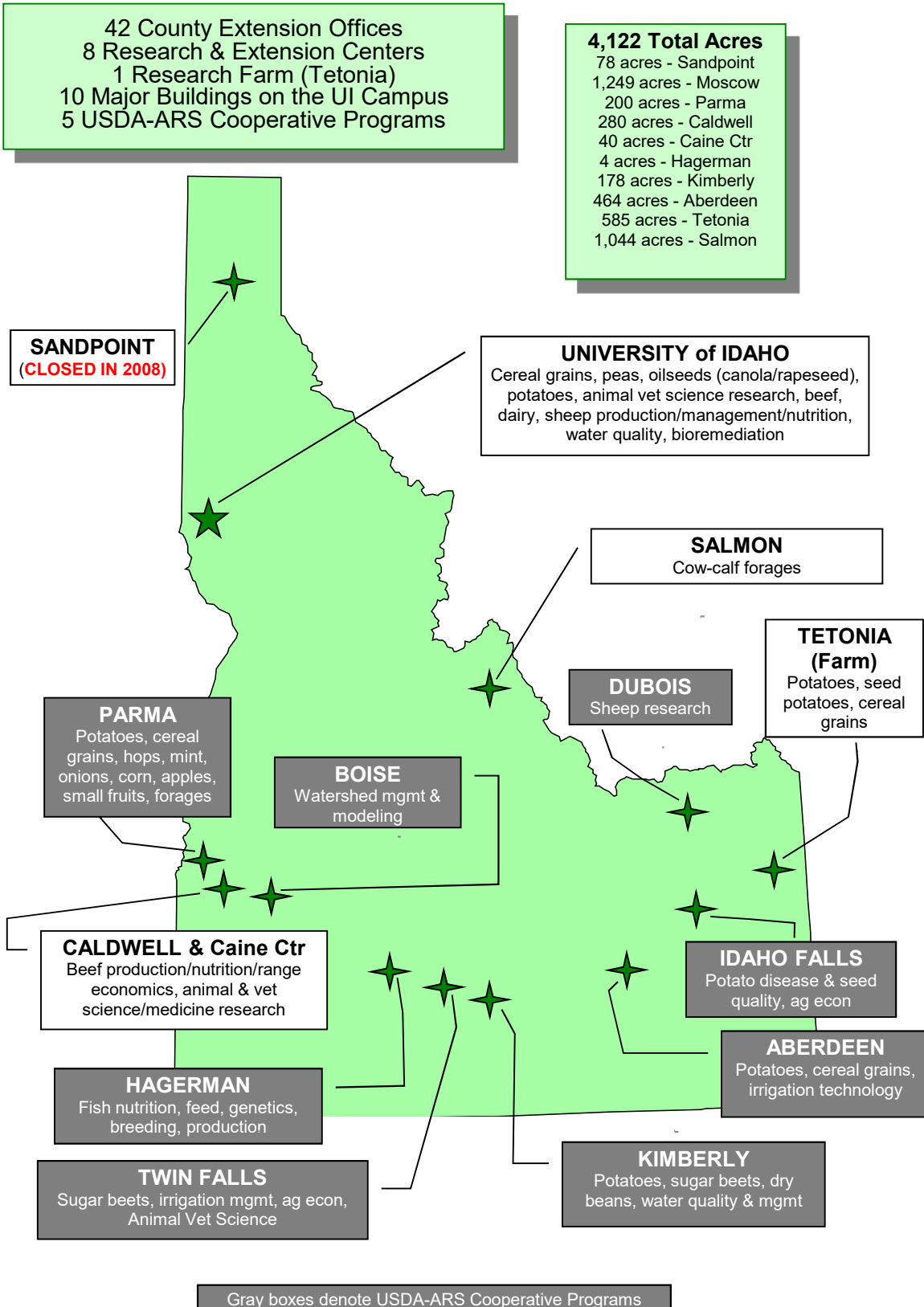
The research and extension centers across the state are located at: Aberdeen, Boise, Caldwell/Caine Center, Dubois, Idaho Falls, Kimberly, Moscow, Parma, Salmon, Tetonia, and Twin Falls. The Sandpoint location was closed in 2008.

The Cooperative Extension Service has offices in 42 of Idaho's 44 counties, under the leadership of those who are specially trained to work with agriculture, families, youth, and communities. The educational programs of these College of Agricultural and Life Sciences faculty members are supported cooperatively by county, state, and federal funding.

Appropriated funding provides base support for agricultural research and extension programming, and also provides leverage to generate additional grant and contract funding for ongoing program needs. Appropriated funding is also redirected for new programs as old programs are modified or eliminated.

Agricultural Research & Extension Service Agency Profile

Analyst: Jessup



Agricultural Research & Extension Service

Agency Profile

Analyst: Jessup

University of Idaho College of Agricultural and Life Sciences
FY 2017 Estimated Operating Revenue, All Sources is: \$78,055,032
 (which is 46% is from the State General Fund)

Where Budgeted	Fund Source	Amount by	% of Total
Appropriated in College & Universities			
State General Education	General Fund	\$ 3,503,290	4.5%
Appropriated in Special Programs			
W-I Veterinary Education	General Fund	\$ 2,088,400	2.7%
Not Appropriated			
Off-budget	Grants & Contracts	\$ 20,685,005	26.5%
Off-budget	County Expenditures	\$ 4,070,793	5.2%
Off-budget	Gifts & Miscellaneous	\$ 2,822,246	3.6%
Off-budget	Local Service Funds	\$ 8,672,058	11.1%
Off-budget	Federal Formula Funds	\$ 5,672,539	7.3%
	Subtotal	\$ 41,922,642	53.7%
Appropriated to Agricultural Research & Extension Service (ARES)			
Research	General Fund	\$ 18,231,550	23.4%
Extension	General Fund	\$ 12,285,150	15.7%
Equine Education	Equine Education Fund	\$ 24,000	0.0%
	Subtotal	\$ 30,540,700	39.1%
	Total	\$ 78,055,032	100.0%

Of the \$30,540,700 appropriated in FY 2017, the following amounts were allocated to the centers below. However, these centers may also receive some non-appropriated moneys that are not listed.

Northern District	FTP	Approp.
Sandpoint R&E	0.00	\$ -
Palouse (Moscow) R&E	19.00	\$ 1,642,185
Coeur d'Alene	6.00	\$ 452,607
9 Co. Offices w/ Educators	24.00	\$ 817,284
Total	49.00	\$ 2,912,076
Southern District	FTP	Approp.
Caldwell/Caine Center	13.00	\$ 1,306,378
Parma R&E Center	7.00	\$ 1,231,547
Boise Center	3.00	\$ 361,761
Twin Falls R&E Center	10.00	\$ 871,406
Kimberly R&E Center	9.00	\$ 1,695,518
17 Co. Offices w/ Educators	37.00	\$ 1,951,500
Total	79.00	\$ 7,418,110

Eastern District	FTP	Approp.
Aberdeen R&E Center	16.00	\$ 1,016,503
Tetonia R&E Center	2.00	\$ 320,214
Idaho Falls R&E Center	3.00	\$ 265,325
Nancy M. Cummings Ranch (Salmon)	5.00	\$ 265,325
16 Co. Offices w/ Educators	28.00	\$ 1,942,143
U.S. Sheep Station Research	2.00	\$ 300,455
Total	56.00	\$ 4,109,966
Grand Total	184.00	\$ 14,440,152

% of FTP Off Campus 70%
 % of Approp. to ARES Off Campus 55%

Agricultural Research & Extension Service

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	297.01	30,516,700	30,540,700	297.01	30,516,700	30,540,700
Noncognizable Funds and Transfers	4.43	0	0	4.43	0	0
FY 2017 Estimated Expenditures	301.44	30,516,700	30,540,700	301.44	30,516,700	30,540,700
Removal of One-Time Expenditures	0.00	(818,000)	(818,000)	0.00	(818,000)	(818,000)
FY 2018 Base	301.44	29,698,700	29,722,700	301.44	29,698,700	29,722,700
Benefit Costs	0.00	208,700	208,700	0.00	100,100	100,100
Inflationary Adjustments	0.00	55,900	55,900	0.00	0	0
Replacement Items	0.00	351,000	351,000	0.00	351,000	351,000
Change in Employee Compensation	0.00	222,100	222,100	0.00	613,500	613,500
FY 2018 Program Maintenance	301.44	30,536,400	30,560,400	301.44	30,763,300	30,787,300
1. Lab Renovations and Housing	0.00	1,500,000	1,500,000	0.00	500,000	500,000
FY 2018 Total	301.44	32,036,400	32,060,400	301.44	31,263,300	31,287,300
Change from Original Appropriation	4.43	1,519,700	1,519,700	4.43	746,600	746,600
% Change from Original Appropriation		5.0%	5.0%		2.4%	2.4%

Agricultural Research & Extension Service

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	297.01	30,516,700	24,000	0	30,540,700
Noncognizable Funds and Transfers					
Allowable FTP adjustment to match approved FY 2017 budget.					
Agency Request	4.43	0	0	0	0
<i>Governor's Recommendation</i>	4.43	0	0	0	0
FY 2017 Estimated Expenditures					
Agency Request	301.44	30,516,700	24,000	0	30,540,700
<i>Governor's Recommendation</i>	301.44	30,516,700	24,000	0	30,540,700
Removal of One-Time Expenditures					
Removes \$794,300 provided one-time for the 27th payroll and \$23,700 for one-time CEC related to the 27th payroll.					
Agency Request	0.00	(818,000)	0	0	(818,000)
<i>Governor's Recommendation</i>	0.00	(818,000)	0	0	(818,000)
FY 2018 Base					
Agency Request	301.44	29,698,700	24,000	0	29,722,700
<i>Governor's Recommendation</i>	301.44	29,698,700	24,000	0	29,722,700
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	208,700	0	0	208,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	100,100	0	0	100,100
Inflationary Adjustments					
The agency requests \$55,900 from the General Fund for general inflation costs related to professional services, repair and maintenance, employee travel, utility charges, and other miscellaneous operational expenditures.					
Agency Request	0.00	55,900	0	0	55,900
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0
Replacement Items					
Request to replace a 30-year old loader tractor at Tetonia Farm (\$95,000) and a 20-year old tractor at the Palouse Research, Extension, and Education Center near Moscow (\$256,000).					
Agency Request	0.00	351,000	0	0	351,000
<i>Governor's Recommendation</i>	0.00	351,000	0	0	351,000
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	222,100	0	0	222,100
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	0.00	613,500	0	0	613,500
FY 2018 Program Maintenance					
Agency Request	301.44	30,536,400	24,000	0	30,560,400
<i>Governor's Recommendation</i>	301.44	30,763,300	24,000	0	30,787,300

Agricultural Research & Extension Service

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Lab Renovations and Housing

This request is for \$1,500,000 in one-time capital outlay funding from the General Fund for equipment, lab renovation, and student housing.

Of this request, \$50,000 will purchase a grain plot planter at the Aberdeen Research & Extension Center. This appropriation is requested to support grain development and agronomic research/instruction for wheat, barley, and other grains.

\$75,000 is requested for the construction of a machine storage shed at the Palouse Research, Extension & Education Center near Moscow. This appropriation would provide a secure storage location for a plot planter and combine (valued at \$300,000-\$400,000 total). When not in use, this equipment is exposed to the elements. Enclosed storage would ensure that the equipment is shielded from the elements and could defer maintenance necessitated by weather exposure.

\$160,000 is requested to purchase a combine for the Parma Research & Extension Center. The combine would be utilized by faculty for the harvest of small grains, beans, peas, and corn as part of variety testing and agronomic evaluation.

\$1,000,000 is requested to purchase four double-wide trailers as temporary housing units for students stationed at the Nancy M. Cummings Research, Extension & Education Center in Carmen, Parma Research & Extension Center, Aberdeen Research & Extension Center, and Kimberly Research & Extension Center (\$250,000 for each trailer). Each trailer would house 6-8 graduate and undergraduate students conducting research at the site. This request is necessitated by the remote locales and limited housing options in these areas, especially in Carmen and Parma.

The remaining \$215,000 is requested for laboratory renovations at the Extension & Education Centers in Parma and Kimberly. Of this amount, \$150,000 would support renovations to the plant pathology and nematology diagnostic lab in Parma. \$65,000 is requested to support renovation of the potato research and storage testing facility in Kimberly.

Agency Request	0.00	1,500,000	0	0	1,500,000
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The Governor recommends funding for student housing, lab renovations, and equipment with ongoing funding for the next three years.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>500,000</i>	<i>0</i>	<i>0</i>	<i>500,000</i>
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FY 2018 Total					
Agency Request	301.44	32,036,400	24,000	0	32,060,400
<i>Governor's Recommendation</i>	<i>301.44</i>	<i>31,263,300</i>	<i>24,000</i>	<i>0</i>	<i>31,287,300</i>

Agency Request

Change from Original App	4.43	1,519,700	0	0	1,519,700
% Change from Original App	1.5%	5.0%	0.0%		5.0%

Governor's Recommendation

<i>Change from Original App</i>	<i>4.43</i>	<i>746,600</i>	<i>0</i>	<i>0</i>	<i>746,600</i>
<i>% Change from Original App</i>	<i>1.5%</i>	<i>2.4%</i>	<i>0.0%</i>		<i>2.4%</i>

College and Universities

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Boise State University	218,913,100	179,542,300	191,237,700	197,187,500	194,797,800
Idaho State University	196,382,300	135,259,400	148,110,400	151,495,300	151,498,200
University of Idaho	195,705,500	162,306,400	176,684,800	180,187,400	176,811,100
Lewis-Clark State College	47,415,400	31,669,500	35,564,700	36,071,900	35,322,800
Systemwide	4,965,000	871,500	5,064,300	15,065,800	5,065,800
Total:	663,381,300	509,649,100	556,661,900	580,007,900	563,495,700
BY FUND CATEGORY					
General	258,776,400	258,775,900	279,546,500	304,243,700	285,590,200
Dedicated	404,604,900	250,873,200	277,115,400	275,764,200	277,905,500
Total:	663,381,300	509,649,100	556,661,900	580,007,900	563,495,700
Percent Change:		(23.2%)	9.2%	4.2%	1.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	460,987,900	385,014,000	426,306,600	440,391,900	442,951,800
Operating Expenditures	161,320,300	100,881,400	105,523,800	100,311,800	99,365,500
Capital Outlay	37,078,100	22,127,100	20,226,600	25,146,200	17,020,400
Trustee/Benefit	3,995,000	1,626,600	4,078,800	14,158,000	4,158,000
Lump Sum	0	0	526,100	0	0
Total:	663,381,300	509,649,100	556,661,900	580,007,900	563,495,700
Full-Time Positions (FTP)	4,215.77	4,246.08	4,386.83	4,587.13	4,558.88

Division Description

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 Systemwide 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.

College and Universities Agency Profile

Analyst: Jessup

Terms and Definitions

Appropriated Funds: In FY 2017, the Legislature appropriated 45.0% of the funds that support the college and universities' total operating budgets. Of the total amount, the General Fund represents 24.6%, student fees represent 18.9%, and endowment earnings represent 1.16% (see Endowment Fund Investment Board agency profile in this book for a history of endowment distributions).

Non-appropriated: FY 2017 operating funds that were not appropriated by the Legislature represented 55.0% of the total operating budgets for the four-year institutions. The information on the following pages provides details of those amounts, both consolidated and by institution.

Grants, Gifts, and Contracts: These funds include state and federal grants, private gifts, and competitively-bid contracts.

Auxiliary Enterprises: These funds are institutional business enterprises such as bookstores, student housing, intercollegiate athletics, student unions, etc.

Indirect Costs: These funds are from specific, negotiated rates applied to externally-sponsored projects (grants, contracts, cooperative agreements, subgrants and subcontracts) funded by federal, state, or private sponsors. These rates allow the institutions to recover certain costs (e.g. facilities, utilities, libraries, administration, student services, etc.) associated with the projects.

Enrollment Workload Adjustment: Each year there is a budget request to keep pace with enrollment growth at the four institutions. Enrollment Workload Adjustment (EWA) is not based on enrollment (i.e. full-time enrollment or headcount), but rather is a calculation based on a three-year rolling average of the increase in resident credit hours, weighted by course level (lower division, upper division, masters, doctoral and law), and discipline.

Occupancy Costs: Those costs associated with occupying eligible space including custodial, utility costs, maintenance, and other costs (IT maintenance, security and safety, insurance, landscape maintenance). "Eligible space" means all space other than auxiliary enterprise space. Occupancy costs for "common use" space (i.e. space which shares eligible and auxiliary enterprise space) will be prorated based on its use.

Systemwide Programs: Funding for Systemwide Programs is included in the college & universities' appropriation and then distributed to the institutions by the Office of the State Board of Education. Systemwide Programs include:

- (1) Higher Education Research Council (HERC): Formed in 1998 as a result of the State Board of Education's interest in promoting basic and applied research at the four-year institutions, HERC is responsible for implementing and administering the Board's Higher Education Research Council policy and related grant programs, which are designed to stimulate competitive research at Idaho's institutions.
- (2) Instructional projects specifically designed to foster innovative learning approaches using technology, to promote accountability and information transfer throughout the higher education system on a longitudinal basis, and to promote the Idaho Electronic Campus programs.

STUDENT TUITION & FEES

Student Tuition/Fee Increase Approval Process

1. **Notice and Comment Period.** Student tuition and fees are set by the State Board of Education annually. At least six weeks prior to fee setting, the institution's CEO shall transmit in writing to the student body president and student newspaper, the fee change proposal describing the amount, purpose, and expected total revenues resulting from the fee increase. A public hearing must be held with students invited to comment.
2. **Board Action.** To provide the institutions with enough time to prepare their coming fiscal year operating budgets, the state board generally takes final action on fee changes in April.
3. **Effective Date.** Typically, the board sets the beginning of the upcoming fiscal year as the effective date for any approved fee changes.

Tuition/Fees Approved by State Board of Education

Appropriated by Legislature

UNRESTRICTED

1. Tuition: any and all educational costs including instruction, support services, maintenance & operation of physical plant
2. Part-time Students
3. Graduate Students
4. Professional (law, medicine, etc.)
5. Summer School
6. Course Overload

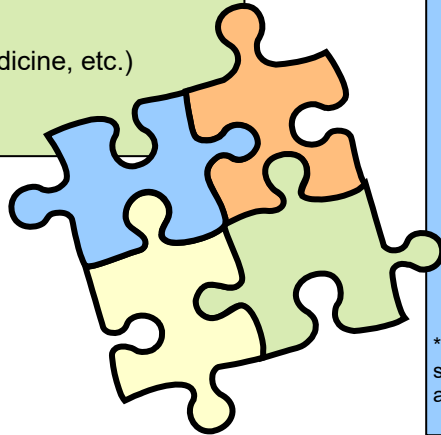
Fees Approved by Institution Presidents*

Not Appropriated by Legislature

Local Fees

1. Special Course Fees or Assessments (video outreach courses, lab, late registration, library and parking fines, etc.)
2. Student Health Insurance Premiums
3. Room & Board
4. Activity (activities that directly involve students, e.g. SUB, financial aid, intramurals, intercollegiate athletics, health center, etc.)
5. Technology Fee
6. Facility Fee (capital improvements, building projects and their debt service)

*The total annual percentage increase (tuition and fees) is set by the Board, but the institutions may determine how to allocate the increase between tuition & fees.



Annual Undergraduate Resident Tuitions and Fees					
	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Annual Change
Boise State University	\$6,290	\$6,640	\$6,874	\$7,080	4.02%
Idaho State University	6,344	6,566	6,784	6,956	3.12%
University of Idaho	6,524	6,784	7,020	7,232	3.49%
Lewis-Clark State College	5,784	5,900	6,000	6,120	1.90%
Average	\$6,236	\$6,473	\$6,670	\$6,847	3.17%

College and Universities Agency Profile

Analyst: Jessup

Selected Measures	2012-13	2013-14	2014-15	2015-16	Avg. Ann. Chg.
Annual Academic Enrollment: Full-Time Equivalent (FTE)					
Boise State University	16,774	16,421	16,173	16,208	-1.1%
Idaho State University	10,826	10,491	10,692	10,531	-0.9%
University of Idaho	10,830	10,304	10,176	9,842	-3.0%
Lewis-Clark St College	2,966	2,955	2,997	2,751	-2.4%
Total	41,396	40,171	40,038	39,332	-1.7%

Annual Academic Headcount (full- and part-time students)

Boise State University	30,015	29,426	29,065	28,873	-1.3%
Idaho State University	17,706	16,875	16,768	15,957	-3.3%
University of Idaho	14,683	13,784	13,696	13,553	-2.6%
Lewis-Clark St College	4,703	4,367	4,663	4,779	0.5%
Total	67,107	64,452	64,192	63,162	-2.0%

Combined Annual Operating Budgets for Institutions Only¹

Selected Measures	2013-14	2014-15	2015-16	2016-17	Avg. Ann. Chg.
State General Fund	\$232,025,500	\$246,584,400	\$253,811,400	\$274,482,200	6.1%
State Endowment	10,729,200	12,528,000	13,980,000	15,840,000	15.9%
Tuition/Student Fees	218,629,200	234,825,500	247,721,900	257,308,600	5.9%
Subtotal	\$461,383,900	\$493,937,900	\$515,513,300	\$547,630,800	6.2%

Non-appropriated Funds

Non-cog Tuition/Fees	\$7,935,300	\$8,001,800	\$8,342,100	(6,489,600)	-60.6%
Other Student Fees	78,613,800	85,683,700	84,103,000	88,334,700	4.1%
Fed Grants/Contracts	425,019,900	423,483,800	401,179,300	394,835,000	-2.4%
State Grants/Contracts	22,152,800	21,682,900	22,847,700	22,916,000	1.1%
Gifts, Grants/Contracts	64,120,600	67,276,600	63,564,800	63,578,500	-0.3%
Sales & Services	24,044,800	24,780,000	26,730,100	26,475,400	3.4%
Auxiliary Enterprises	116,207,600	114,684,600	108,802,300	102,304,300	-4.0%
Indirect Costs	21,792,000	19,517,200	17,811,000	17,923,600	-5.9%
All Other	31,747,000	38,235,200	33,043,000	37,896,800	6.5%
Subtotal	\$791,633,800	\$803,345,800	\$766,423,300	\$747,774,700	-1.8%

Grand Total All Funds **\$1,253,017,700** **\$1,297,283,700** **\$1,281,936,600** **\$1,295,405,500** **1.1%**

Notes:

1. Because student fee increases are typically approved by the board after the College & Universities budget has been set by the Legislature, the operating budgets will have more spending authority for student fees than the original appropriation. These additional dollars are included in the "Non-cog Tuition/Fees" category of the non-appropriated funds. The operating budgets do not include funding related to Professional-Technical Education, Special and Health Education programs, and the Permanent Building Fund.

College and Universities Agency Profile

Analyst: Jessup

FY 2017 Operating Budgets by Institution

(excludes funding related to Professional-Technical Education, Special and Health Education programs, and from the Permanent Building Fund.)

	Boise State University	Idaho State University	University of Idaho	Lewis-Clark State College
1. Sources of Funds				
Appropriated Funds (original appropriations only)				
State General Fund	\$89,887,100	\$72,576,000	\$86,863,800	\$15,783,600
State General Fund O/T	3,081,000	2,217,900	2,793,500	1,279,300
State Endowment Funds	0	3,609,600	10,099,200	2,131,200
One-time Other Funds	2,280,700	1,160,000	398,400	127,700
Tuition/Student Fees	95,988,900	68,546,900	76,529,900	16,242,900
Subtotal	\$191,237,700	\$148,110,400	\$176,684,800	\$35,564,700
Non-appropriated Funds				
Non-cog Tuition/Fees	\$0	(\$3,000,800)	(\$2,745,948)	(\$742,900)
Other Student Fees	38,341,469	27,171,452	19,822,750	2,999,000
Fed Grants/Contracts	128,000,000	106,482,146	140,881,286	19,471,600
State Grants/Contracts	5,000,000	10,226,496	6,489,461	1,200,000
Gifts, Grants/Contracts	28,740,642	10,349,541	22,508,314	1,980,000
Sales & Services	0	6,701,628	18,573,745	1,200,000
Auxiliary Enterprises	47,313,670	24,002,566	27,640,766	3,347,300
Indirect Costs	4,000,000	3,530,636	10,100,000	293,000
All Other	25,722,901	3,431,021	8,492,921	250,000
Subtotal	\$277,118,682	\$188,894,686	\$251,763,295	\$29,998,000
Grand Total All Funds	\$468,356,382	\$337,005,086	\$428,448,095	\$65,562,700
2. Uses of Funds				
Instruction	\$124,501,577	\$95,700,383	\$100,436,780	\$18,879,325
Research	28,050,519	26,007,479	64,726,114	338,929
Public Service	18,065,965	5,155,477	19,769,720	1,321,540
Academic Support	26,930,138	17,078,316	16,999,876	2,972,874
Libraries	8,072,725	6,311,636	10,607,077	1,365,985
Student Services	19,137,485	10,276,493	15,465,311	4,761,713
Institutional Support	39,212,664	26,296,651	34,101,703	5,550,700
Physical Plant	21,771,220	21,204,858	31,411,092	3,641,692
Scholarships & Fellowships	9,671,912	7,181,345	17,024,989	544,300
Federal Student Financial Aid	100,000,000	92,887,734	73,384,621	18,300,000
Auxiliary Enterprises	39,640,969	17,950,685	26,293,544	3,404,970
Athletics	41,841,325	9,820,708	15,005,500	3,045,843
Other (Incl One-Time Funds)	5,361,700	6,519,935	3,191,900	1,407,000
Total	\$482,258,199	\$342,391,700	\$428,418,227	\$65,534,870
<i>Budget Under/(Over)</i>	<i>(\$13,901,817)</i>	<i>(\$5,386,614)</i>	<i>\$29,868</i>	<i>\$27,830</i>

Note: Operating budgets are spending plans developed prior to the beginning of each fiscal year and are approved by the State Board of Education. Since student fee increases are typically approved by the board after the College & Universities budget has been set by the Legislature, the operating budgets will have more spending authority for student fees than the original appropriation.

College and Universities Agency Profile

Analyst: Jessup

Net Asset Balances As of June 30, 2016

Net Assets:	BSU	ISU	UI	LCSC	TOTAL
Invested in capital assets	\$265,650,785	\$126,984,356	\$258,039,101	\$48,190,086	\$698,864,328
Restricted, expendable	18,109,878	5,053,113	36,161,850	938,321	60,263,162
Unrestricted (see detail below)	103,761,055	113,199,261	67,350,346	25,888,213	310,198,875
Total Net Assets	\$387,521,718	\$245,236,730	\$361,551,297	\$75,016,620	\$1,069,326,365

Definitions

Invested in capital assets: This represents an institutions' total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included.

Restricted, expendable: This represents resources in which an institution is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted: This represents resources derived from student fees and sales and services of educational and auxiliary enterprises (self-supporting activities that provide services for students, faculty and staff).

Unrestricted Net Assets Detail:	BSU	ISU	UI	LCSC	TOTAL
Obligated (Note A)	\$50,868,323	\$33,975,995	\$20,529,597	\$8,804,164	\$114,178,079
Designated (Note B)	34,113,258	50,043,539	26,438,585	14,003,241	124,598,623
Unrestricted Available (Note C)	18,779,474	29,179,727	20,382,164	3,080,808	71,422,173
Total Unrestricted Net Assets	\$103,761,055	\$113,199,261	\$67,350,346	\$25,888,213	\$310,198,875

Total Operating Expenses	\$356,908,800	\$248,285,034	\$374,933,532	\$51,353,619	\$1,031,480,985
Unrestricted Available Funds as a percentage of operating expenditures	5.3%	11.8%	5.4%	6.0%	6.9%

Note A **Obligated** - Contractual obligations represent a variety of agreements which support initiatives or operations that have moved beyond management planning into execution. Obligations include contracts for goods and services, including construction projects. Obligations contain debt service commitments for outstanding debt and staffing commitments for personnel. These amounts also consist of inventories and other balances for contractual commitments.

Note B **Designated** - Designated net assets represent balances that are not yet legally contracted, but have been dedicated to initiatives that have been deemed to be strategic or mission critical. Balances include capital or maintenance projects that are in active planning phases. Facility and administrative returns from sponsored projects (grants and contracts) are reinvested in infrastructure, or efforts to obtain additional grant funding. Documented central commitments to initiatives that have been approved at an executive level are designated.

Note C **Unrestricted Funds Available** - Balance represents reserves available to bridge uneven cash flows as well as future potential reduced funding. Current examples of potential future reductions are: budget reductions or holdbacks, enrollment fluctuations, and unfunded enrollment and workload adjustments. The Board of Education has a benchmark within its strategic plan for unrestricted funds to be a minimum of 5% of operating expenditures.

Source: Taken from work papers relating to the institutions' audited financial statements.

College and Universities

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	4,386.83	279,546,500	556,661,900	4,386.83	279,546,500	556,661,900
Reappropriation	0.00	0	159,591,200	0.00	0	159,591,200
FY 2017 Total Appropriation	4,386.83	279,546,500	716,253,100	4,386.83	279,546,500	716,253,100
Noncognizable Funds and Transfers	88.73	0	12,716,100	88.73	0	15,426,400
Expenditure Adjustments	0.00	0	0	0.00	0	(2,710,300)
FY 2017 Estimated Expenditures	4,475.56	279,546,500	728,969,200	4,475.56	279,546,500	728,969,200
Removal of One-Time Expenditures	0.00	(9,371,700)	(192,071,900)	0.00	(9,371,700)	(192,071,900)
Base Adjustments	35.81	0	3,919,500	35.81	0	4,044,600
FY 2018 Base	4,511.37	270,174,800	540,816,800	4,511.37	270,174,800	540,941,900
Benefit Costs	0.00	2,538,700	4,530,700	0.00	1,619,400	2,906,500
Inflationary Adjustments	0.00	853,100	2,255,700	0.00	10,600	1,413,200
Replacement Items	0.00	6,449,700	6,685,100	0.00	329,400	564,800
Statewide Cost Allocation	0.00	28,400	28,400	0.00	28,400	28,400
Compensation Schedule Changes	0.00	2,100,800	3,704,800	0.00	5,947,200	10,494,000
Nondiscretionary Adjustments	0.00	0	0	0.00	(1,265,300)	(1,265,300)
Endowment Adjustments	0.00	0	(111,800)	0.00	0	(333,500)
FY 2018 Program Maintenance	4,511.37	282,145,500	557,909,700	4,511.37	276,844,500	554,750,000
1. Outcomes-Based Funding-Systemwide	0.00	10,000,000	10,000,000	0.00	0	0
2. Economic Workforce Development	24.00	2,654,900	2,654,900	20.00	2,088,800	2,088,800
3. Public Service Initiative	11.00	2,033,400	2,033,400	0.00	0	0
4. Occupancy Costs	7.01	1,669,000	1,669,000	7.01	1,077,200	1,077,200
5. Polytech Initiative	13.00	1,827,400	1,827,400	13.00	1,827,900	1,827,900
6. Center for Education Innovation	0.00	200,000	200,000	0.00	0	0
7. Phase 2 of Computer Sci. Partnership	2.50	715,900	715,900	2.50	715,100	715,100
8. Library Investment	8.25	1,926,700	1,926,700	0.00	0	0
9. Health Education Expansion	6.00	462,800	462,800	3.00	255,500	255,500
10. Advising and Career Readiness	4.00	411,200	411,200	1.00	204,600	204,600
11. Enrollment Workload Adjust. Restoration	0.00	0	0	0.00	2,379,700	2,379,700
Cybersecurity Insurance	0.00	196,900	196,900	0.00	196,900	196,900
FY 2018 Total	4,587.13	304,243,700	580,007,900	4,557.88	285,590,200	563,495,700
Change from Original Appropriation	200.30	24,697,200	23,346,000	171.05	6,043,700	6,833,800
% Change from Original Appropriation		8.8%	4.2%		2.2%	1.2%

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	4,386.83	279,546,500	277,115,400	0	556,661,900

Reappropriation

The institutions were authorized to reappropriate and carryover their unencumbered and unspent appropriation balance of dedicated funds from FY 2016 into FY 2017. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carryover requires specific legislative authorization and must be approved every year. The institutions have shown a steady and significant increase in the amount of unspent dedicated funds (primarily revenue from tuition and fees) over the past ten years. For example, the four-year institutions carried over \$43.6 million into FY 2010, \$54.4 million into FY 2012, \$85.0 million into FY 2014, \$124.6 million into FY 2016, and in FY 2018 the request is \$159,591,200 million. This amount is comprised of \$41.0 million for BSU, \$72.5 million for ISU, \$30.0 million for UI, and \$16.1 million for LCSC.

According to the institutions, carryover of unspent revenue into the next fiscal year is needed for various reasons, such as deferred maintenance projects, replacement of critical equipment, to mitigate revenue stream disruptions, and to sustain critical programs during economic downturns. Further, the institutions operate in an uncertain environment that is susceptible to student enrollment fluctuations, inflationary increases, bond covenants, and startup costs for new programs.

Agency Request	0.00	0	159,591,200	0	159,591,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>159,591,200</i>	<i>0</i>	<i>159,591,200</i>

FY 2017 Total Appropriation					
Agency Request	4,386.83	279,546,500	436,706,600	0	716,253,100
<i>Governor's Recommendation</i>	<i>4,386.83</i>	<i>279,546,500</i>	<i>436,706,600</i>	<i>0</i>	<i>716,253,100</i>

Noncognizable Funds and Transfers

This adjusts the number of FTP upward by 88.73 (22.66 for ISU; 61.32 for UI; and 4.75 for LCSC) and adjusts tuition and student fees to align with the FY 2017 approved budget. Adjustments also include transfer of funds from the Higher Education Research Council (HERC), IGEM program awards, increases the base with \$3,549,300 from tuition and fee increases approved by the Board of Education in April 2016, and increases the estimated expenditures with \$9,166,800 of one-time and ongoing \$3,169,300 tuition and fee revenue above the FY 2016 level. Also includes program transfers of \$4,158,000 from the General Fund appropriation in the Systemwide Program to the college and universities, which nets to zero.

Agency Request	88.73	0	12,716,100	0	12,716,100
<i>Governor's Recommendation</i>	<i>88.73</i>	<i>0</i>	<i>15,426,400</i>	<i>0</i>	<i>15,426,400</i>

Expenditure Adjustments

Agency Request	0.00	0	0	0	0
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The Governor reflects negative \$2,710,300 as an expenditure adjustment as opposed to including it with Noncognizable Funds and Transfers.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(2,710,300)</i>	<i>0</i>	<i>(2,710,300)</i>
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FY 2017 Estimated Expenditures					
Agency Request	4,475.56	279,546,500	449,422,700	0	728,969,200
<i>Governor's Recommendation</i>	<i>4,475.56</i>	<i>279,546,500</i>	<i>449,422,700</i>	<i>0</i>	<i>728,969,200</i>

Removal of One-Time Expenditures

Agency Request	0.00	(9,371,700)	(182,700,200)	0	(192,071,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(9,371,700)</i>	<i>(182,700,200)</i>	<i>0</i>	<i>(192,071,900)</i>

Base Adjustments

Transfers General Fund back to the Systemwide Program from the individual institutions.

Agency Request	35.81	0	3,919,500	0	3,919,500
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The Governor recommends \$125,100 of the Endowment Adjustments be treated as a base adjustment.

<i>Governor's Recommendation</i>	<i>35.81</i>	<i>0</i>	<i>4,044,600</i>	<i>0</i>	<i>4,044,600</i>
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College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Base					
Agency Request	4,511.37	270,174,800	270,642,000	0	540,816,800
<i>Governor's Recommendation</i>	<i>4,511.37</i>	<i>270,174,800</i>	<i>270,767,100</i>	<i>0</i>	<i>540,941,900</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	2,538,700	1,992,000	0	4,530,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,619,400</i>	<i>1,287,100</i>	<i>0</i>	<i>2,906,500</i>

Inflationary Adjustments

Inflationary increases are calculated using the ongoing base for operating expenditures multiplied by an institution-specific inflation factor. Inflationary percentage adjustments are: BSU, 2.09%, totaling \$525,000; ISU, 1.36% totaling \$350,000; UI, 1.60% totaling \$564,100; and LCSC, 1.50%, totaling \$80,000. The grand total general inflation request is \$1,519,100.

Contract inflation is also requested by UI for \$9,100 and Systemwide for \$1,500. The grand total contract inflation request is \$10,600.

Inflation for library books and periodicals is also requested: BSU, \$176,100; ISU, \$172,600; UI, \$357,800; and LCSC, \$19,500. The grand total library inflation request is \$19,500. The grand total inflation for library books and periodicals is \$726,000.

Agency Request	0.00	853,100	1,402,600	0	2,255,700
<i>The Governor recommends \$10,600 from the General Fund for contract inflation requested by Systemwide Programs, and \$1,402,600 from student tuition and fees for inflationary adjustments.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,600</i>	<i>1,402,600</i>	<i>0</i>	<i>1,413,200</i>

Replacement Items

The institutions are requesting \$6,685,100, one-time, for replacement items on a life-cycle basis of five to ten years depending on the type of equipment. Of this amount, \$6,449,700 is from the General Fund and \$235,400 is from dedicated funds (tuition and fees).

BSU: computers/data processing, \$640,800; furniture, \$140,100; lab instruments, \$964,100; media equipment/software, \$223,400; telecommunications/academic technologies \$358,700; and vehicles, \$129,200. Total = \$2,456,700

ISU: instructional instruments, laboratory equipment, and technology update; \$869,000.

UI: \$497,700 computers/data processing equipment; \$200,400 for media equipment; \$105,800 for furniture; \$817,200 for laboratory instruments; and \$703,700 for remaining items in need of replacement. Total = \$2,424,000

LCSC: \$329,400 for computer equipment; \$92,900 for audio visual and telecommunication equipment; \$344,100 for educational materials and equipment; and \$169,000 for shop and plant equipment. Total = \$935,400.

Agency Request	0.00	6,449,700	235,400	0	6,685,100
<i>UI: The Governor recommends replacing equipment and system items (\$235,400) from Dedicated Funds.</i>					
<i>LCSC: The Governor recommends replacing computer equipment (\$329,400) from the General Fund.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>329,400</i>	<i>235,400</i>	<i>0</i>	<i>564,800</i>

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation.					
BSU: Risk management fees will increase by \$47,300, State Controller fees will decrease by \$28,700, for a net increase of \$18,600.					
ISU: Risk management fees will increase by \$14,100, State Controller fees will decrease by \$19,900, for a net reduction of \$5,800.					
UI: Risk management fees will increase by \$61,600, State Controller fees will decrease by \$39,900, for a net increase of \$21,700.					
LCSC: Risk management fees will increase by \$600, State Controller fees will decrease by \$6,700, for a net reduction of \$6,100.					
Agency Request	0.00	28,400	0	0	28,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>28,400</i>	<i>0</i>	<i>0</i>	<i>28,400</i>
Compensation Schedule Changes					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	2,100,800	1,604,000	0	3,704,800
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$24,300 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>5,947,200</i>	<i>4,546,800</i>	<i>0</i>	<i>10,494,000</i>
Nondiscretionary Adjustments					
The enrollment workload adjustment formula (EWA) is established in Board of Education policy and has been the primary formula for determining funding requests from the Legislature for the past decade. The board is now proposing to repeal this formula at its October 2016 meeting, and therefore, has not included results of the EWA calculations in this FY 2018 budget request. The Board has waived the EWA Policy for one year, and is requesting the Legislature to adopt an outcome based funding (OBF) mechanism, whereby funds would be allocated among the institutions. Although the board chose not to include EWA funding calculations in the budget, OSBE provided preliminary FY 2018 EWA calculations that show a reduction of \$993,700 for ISU, \$1,041,400 of UI, and \$344,600 for LCSC. BSU's preliminary calculation resulted in an increase of \$1,114,400.					
Agency Request	0.00	0	0	0	0
<i>The Governor is not recommending outcomes-based funding as currently proposed and recommends an enrollment adjustment as calculated by the formula that compares student credit hour levels over three consecutive years. EWA calculations show a reduction of \$993,700 for ISU, \$1,041,400 for UI, and \$344,600 for LCSC. BSU's preliminary calculation resulted in an increase of \$1,114,400. The total adjustments across all four institutions is a decrease of \$1,265,000. The Governor recommends offsetting decreases to ISU, UI, and LCSC in a line item appropriation.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,265,300)</i>	<i>0</i>	<i>0</i>	<i>(1,265,300)</i>
Endowment Adjustments					
Agency Request	0.00	0	(111,800)	0	(111,800)
<i>The Governor recommends \$125,100 of the Endowment Adjustments be treated as a base adjustment.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(333,500)</i>	<i>0</i>	<i>(333,500)</i>
FY 2018 Program Maintenance					
Agency Request	4,511.37	282,145,500	275,764,200	0	557,909,700
<i>Governor's Recommendation</i>	<i>4,511.37</i>	<i>276,844,500</i>	<i>277,905,500</i>	<i>0</i>	<i>554,750,000</i>

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Outcomes-Based Funding-Systemwide			Systemwide Programs		
<p>This request is for \$10,000,000 ongoing from the General Fund to implement outcomes-based funding for public degree-granting institutions. This appropriation would tie funding to program outcomes (degrees achieved) for baccalaureate (4-year), associate degrees (2-year), and certificates that are at least one year in duration. Funds appropriated to the State Board of Education would be distributed to institutions according to degrees produced by each of the institutions.</p>					
Agency Request	0.00	10,000,000	0	0	10,000,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Economic Workforce Development			Boise State University		
<p>Boise State University requests 24.00 FTP and \$2,654,900 ongoing from the General Fund to expand program options and implement new initiatives related to economic and workforce development. Of this request, \$2,233,700 is for personnel costs and \$421,200 is for operating expenditures. New or expanded programs include:</p>					
<p>(1) Interactive media and mobile technology degree program (currently serving 65 students, anticipate serving 400-500 students within four years). Expansion would include six new faculty members and cost \$289,600.</p>					
<p>(2) Expand bridge to career programming to equip students with fluency of professional skills and industry awareness (currently serving 175 students, anticipate serving 1,000 students within four years). Expansion would include ten new faculty members, one program director, and cost \$150,600.</p>					
<p>(3) Venture College Program expansion with focus on entrepreneurial skill development (currently serving 500 students and 25 ventures, anticipate serving 1,500+ students with 50+ ventures within four years). This program would include one full-time director, three project coordinators, and cost \$371,100.</p>					
<p>(4) Certificate in professional ethnography (request to serve 250 students within four years). Expansion would include one new faculty member and cost \$119,500.</p>					
<p>(5) Vertically integrated projects (VIP) allow students to participated in faculty research within a team, earning academic credit and experiential skills in the process. VIP expansion (currently serving 45 students in six courses, anticipate serving 150+ students in 20+ courses within four years). Expansion would include one senior manager, four academic coaches, and cost \$200,000.</p>					
<p>(6) Launch new Boise State X Employer Educational Program to expand degree completion options for working students with employer support (1,000 students anticipated). Expansion would include two new faculty members, two project directors, and four project managers, and cost \$321,400.</p>					
<p>(7) Expand COOP Program wherein students participate in experience-based academic courses with Idaho employers (250+ students and 20 employers anticipated within four years). Expansion would include six new faculty members and cost \$552,600.</p>					
<p>(8) Development of a new PhD program in computing and computer science, cybersecurity, and computational science and engineering specializations to meet industry needs. Expansion would include one new faculty member, one graduate program manager, one new research administrator, upgrading of two existing positions, assistantships, and six new graduate assistants, and cost \$650,100.</p>					
Agency Request	24.00	2,654,900	0	0	2,654,900
<p><i>The Governor recommends 20.00 FTP and \$2,088,800 ongoing from the General Fund to fulfill the following aspects of the request: (1) Expand COOP Program wherein students participate in experience-based academic courses, at the cost of \$567,800; (2) Venture College Program expansion with focus on entrepreneurial skill development, at the cost of \$381,500; (3) Expand bridge to career programming to equip students with fluency of professional skills and industry awareness, at the cost of \$153,500; (4) Launch new Boise State X Employer Educational Program to expand degree completion options for working students with employer support, at the cost of \$333,100; (5) Development of a new PhD program in computing and computer science, cybersecurity, and computational science and engineering specializations to meet industry needs, at the cost of \$652,900.</i></p>					
Governor's Recommendation	20.00	2,088,800	0	0	2,088,800

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Public Service Initiative					Boise State University
Boise State University requests 11.00 FTP and \$2,033,400 ongoing from the General Fund for the expansion of the School of Public Service and to support the Public Service Initiative. Of this request, \$1,872,800 is for personnel costs to fund eight new faculty positions, two administrative leadership positions, two professional staff positions within the Applied Policy Institute, one data center lab manager, twelve graduate assistantships, and fifteen faculty research fellowships. Boise State University believes that the funding will increase data analysis capacity by supporting a public service data center and research lab. This capacity would support Idaho's municipal governments and present an alternative to costly private data and policy analysis options. If fully funded, BSU will construct a Public Service Data Center and Research Center to support the initiative.					
The remaining \$160,600 of the request is for travel and operating expenditures.					
Agency Request	11.00	2,033,400	0	0	2,033,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Occupancy Costs					BSU, ISU, UI, LCSC
BSU: Occupancy costs for City Center Plaza (opened August 2016) and Research Renovation/Addition at the vivarium building (opened July 2015) totaling \$418,600 ongoing.					
ISU: Occupancy costs for the Red Hill Building (opened October 2015) and Lab/Classroom space in Meridian (anticipated September 2017) totaling \$108,900 ongoing.					
UI: Occupancy costs for the Aquaculture Research Institute Lab (anticipated for April 2017), Integrated Research and Innovation Center (opened in December 2016), University House (anticipated January 2018), McCall MOSS Showerhouse (opened November 2016), Targhee Hall (opened July 2016), the lobby of the AgScience Building (anticipated January 2018) totaling \$1,047,800 ongoing.					
LCSC: Occupancy costs for the first floor of Clearwater Hall (opened July 2015) totaling \$93,700.					
Agency Request	7.01	1,669,000	0	0	1,669,000
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	7.01	1,077,200	0	0	1,077,200
5. Polytech Initiative					Idaho State University
Idaho State University requests 13.00 FTP and \$1,827,400 from the General Fund to support plans to locate a multidisciplinary cluster of faculty and a polytechnic institution in Idaho Falls. Of this amount, \$1,388,400 is requested for ongoing personnel costs for nine faculty positions and four support staff. The remaining \$439,000 is a one-time for operating expenses and capital outlay to upgrade distance learning capabilities, equip office and instruction space, and travel.					
The Leadership in Nuclear Energy Commission (LINE) was created in 2013 and charged with implementing and overseeing progress of nuclear technology in the state. LINE has identified the creation of a polytechnic institution as serving the purpose of capturing nuclear-related economic opportunities, providing higher education credential opportunities, and position Idaho universities has an important part of the state's nuclear technology enterprise. The creation of the polytechnic institution is supported by LINE, which has also noted that the institution would support operations of the Idaho National Laboratory.					
Agency Request	13.00	1,827,400	0	0	1,827,400
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	13.00	1,827,900	0	0	1,827,900
6. Center for Education Innovation					Idaho State University
Idaho State University requests a one-time appropriation of \$200,000 from the General Fund for the planning and design of the Center for Education Innovation (CEI) in partnership with the College of Southern Idaho (CSI). This center would be located at the CSI campus in Twin Falls and seek to address issues in early childhood education, elementary, secondary, and postsecondary education.					
Agency Request	0.00	200,000	0	0	200,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Phase 2 of Computer Sci. Partnership

University of Idaho

Last session, the Legislature appropriated 5.00 FTP and \$950,000 to the University of Idaho to provide a third year of computer science coursework at North Idaho College (NIC) in Coeur d' Alene beginning the fall semester of 2016. This request is for 2.50 FTP and \$715,900 from the General Fund to provide the fourth year of computer science of coursework (Bachelor of Science degree program) in computer science at NIC. Of the request, \$420,900 is for ongoing personnel costs and \$10,000 is for ongoing operational expenditures to support two faculty positions and conversion of a part-time administrative position to full-time. The remaining \$285,000 for one-time operating expenses and capital outlay to equip faculty office space and the addition of a cybersecurity laboratory.

Agency Request	2.50	715,900	0	0	715,900
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	2.50	715,100	0	0	715,100
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8. Library Investment

University of Idaho

The University of Idaho requests 8.25 FTP and \$1,926,700 ongoing from the General Fund to expand the library research portfolio and achieve Carnegie R1 status. The Carnegie Classification of Institutions of Higher Education is a framework for classifying colleges and universities throughout the nation based on their level of research activity, research expenditures, number of doctoral degrees awarded, and research focussed faculty. R1 is the highest classification provided for universities and indicates the highest level of research activity. Of the request, \$604,000 is on-going for personnel costs, \$97,500 ongoing for operating expenditures, and \$1,150,000 is ongoing capital outlay. An additional \$75,200 is requested for one-time capital outlay. Personnel additions would include three librarians/professors, two archivists/professors, library technician/night supervisor, repository programmer, library technician for data services, marketing/communications staffer, and student employees. Library hours would be expanded to 24 hours and additional periodicals added to the library collection. The University of Idaho believes these additions will advance its research, teaching, and land-grant missions and augment its current status as Idaho's largest research library.

Agency Request	8.25	1,926,700	0	0	1,926,700
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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9. Health Education Expansion

Lewis-Clark State College

Lewis-Clark State College requests 6.00 FTP and \$462,800 from the General Fund to expand the Health Education Program in two key areas: kinesiology and social work. Of the request, \$437,800 is for ongoing personnel costs, \$7,000 for ongoing operating expenditures, and \$18,000 for one-time capital outlay. Lewis-Clark State College has prioritized requested personnel in the following manner: (1) one assistant professor of kinesiology on a twelve-month contract, (2) one assistant professor of kinesiology on a nine-month contract, (3) one health professions program advisor, (4) two assistant professors of social work on nine-month contract, and (5) one administrative assistant for support program expansion. Operating expenditures are for instructional materials and course development, while one-time capital outlay will be used to equip office space for requested staff members.

Agency Request	6.00	462,800	0	0	462,800
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The Governor recommends ongoing and one-time funding for two kinesiology faculty positions (\$186,400) and one program advisor (\$69,100).

Governor's Recommendation	3.00	255,500	0	0	255,500
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College and Universities

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. Advising and Career Readiness			Lewis-Clark State College		
<p>Lewis-Clark State College requests 4.00 FTP and \$411,200 from the General Fund to support specialized advising, career counseling, and expansion of the Work Scholars Program. Of the request, \$399,200 is for ongoing personnel costs and operating expenditures and \$12,000 is a one-time appropriation for capital outlay. Lewis-Clark State College has prioritized requested personnel in the following manner: (1) one veterans service coordinator/advisor, (2) two career counselors, and (3) one student services general to augment collaborative instruction with UI and NIC. The Work Scholars Program would increase the amount of students participating in the program from 20 to 38, which would reduce reliance on student loans and assist high-achieving students from homes with limited incomes.</p>					
Agency Request	4.00	411,200	0	0	411,200
<p><i>The Governor recommends 1.00 FTP for a veterans service coordinator/advisor (\$66,600 ongoing, and \$3,000 one-time) and \$135,000 ongoing for the expansion of the college work scholars program.</i></p>					
Governor's Recommendation	1.00	204,600	0	0	204,600
11. Enrollment Workload Adjust. Restoratio					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends the restoration of formula-generated Enrollment Workload Adjustment (EWA) reflected in Nondiscretionary Adjustments to avoid a reduction in the base appropriation. This would restore \$993,700 to ISU, \$1,041,400 to UI, and \$344,600 to LCSC. The Governor intends this to be the last fiscal year that EWA is utilized and expects the State Board of Education to replace the EWA model with an outcomes-based funding model that has ensured stakeholder input.</i></p>					
Governor's Recommendation	0.00	2,379,700	0	0	2,379,700
Cybersecurity Insurance			BSU, ISU, UofI, LCSC		
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	196,900	0	0	196,900
<p><i>The Governor recommends all funding be ongoing.</i></p>					
Governor's Recommendation	0.00	196,900	0	0	196,900
FY 2018 Total					
Agency Request	4,587.13	304,243,700	275,764,200	0	580,007,900
Governor's Recommendation	4,558.88	285,590,200	277,905,500	0	563,495,700
Agency Request					
Change from Original App	200.30	24,697,200	(1,351,200)	0	23,346,000
% Change from Original App	4.6%	8.8%	(0.5%)		4.2%
Governor's Recommendation					
Change from Original App	172.05	6,043,700	790,100	0	6,833,800
% Change from Original App	3.9%	2.2%	0.3%		1.2%

Community Colleges

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
College of Southern Idaho	12,718,200	12,718,200	13,665,800	14,658,200	14,305,800
College of Western Idaho	11,007,000	11,007,000	11,868,200	15,333,500	12,641,300
North Idaho College	10,835,800	10,835,800	11,985,000	13,664,400	12,925,100
Total:	34,561,000	34,561,000	37,519,000	43,656,100	39,872,200
BY FUND CATEGORY					
General	33,961,000	33,961,000	36,919,000	43,056,100	39,272,200
Dedicated	600,000	600,000	600,000	600,000	600,000
Total:	34,561,000	34,561,000	37,519,000	43,656,100	39,872,200
Percent Change:		0.0%	8.6%	16.4%	6.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	26,968,700	26,968,700	29,415,800	34,937,500	31,302,600
Operating Expenditures	6,929,600	6,929,600	7,449,800	7,846,900	7,906,200
Capital Outlay	662,700	662,700	653,400	871,700	663,400
Total:	34,561,000	34,561,000	37,519,000	43,656,100	39,872,200

Division Description

Idaho's community colleges 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 licensure; and provide adult education and community service programs.

College of Southern Idaho (situated in a community college area comprised of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls, and portions of Elmore and Owyhee counties) has two counties (Jerome and Twin Falls) within its property tax district.

College of Western Idaho (situated in a community college area comprised of Ada, Adams, Boise, Canyon, Gem, Payette, Valley, Washington, and portions of Elmore and Owyhee counties) has two counties (Ada and Canyon) within its property tax district.

North Idaho College (situated in a community college area comprised of Benewah, Bonner, Boundary, Kootenai, and Shoshone counties) has one county (Kootenai) within its property tax district.

The community college budget appropriated by the Legislature includes only the state support from the General Fund and a \$600,000 statutory distribution of liquor funds. The Legislature does not appropriate local property tax revenues, student tuition & fees, county tuition, or other miscellaneous revenues.

Community Colleges Agency Profile

Analyst: Jessup

Student Information	2013-14	2014-15	2015-16	2016-17	Annual Change
Fall Snapshot, Full-Time Equivalent (FTE) Academic and Career Technical, 2016					
College of Southern Idaho	4,127	3,917	3,702	3,518	-5.2%
College of Western Idaho	5,635	5,735	4,908	4,858	-4.8%
North Idaho College	4,093	3,779	3,510	3,345	-6.5%
Total	13,855	13,431	12,120	11,721	-5.4%
Fall Snapshot, Headcount, Academic and Career Technical, 2016					
College of Southern Idaho	8,233	8,357	7,570	7,021	-5.2%
College of Western Idaho	9,204	10,217	8,435	9,120	-0.3%
North Idaho College	6,029	5,770	5,543	5,344	-3.9%
Total	23,466	24,344	21,548	21,485	-2.9%
Annual Student Tuition & Fees*					
College of Southern Idaho	\$2,640	\$2,760	\$2,880	\$3,120	5.7%
College of Western Idaho	\$3,264	\$3,264	\$3,264	\$3,336	0.7%
North Idaho College	\$2,974	\$3,022	\$3,214	\$3,288	3.4%

* Full-time enrollment is calculated at 12 credits per semester.

Financial Information	Actual Expend. FY 2016	Approp. FY 2017	Request FY 2018	\$ Change FY 2016 to FY 2018	% Change FY 2016 to FY 2018
College of Southern Idaho					
State General Funds*	\$12,518,200	\$13,465,800	\$14,458,200	\$1,940,000	15.5%
Liquor Funds*	200,000	200,000	200,000	0	0.0%
Property Tax	6,166,700	6,151,900	6,300,000	133,300	2.2%
Tuition and Fees**	11,712,700	10,754,300	11,800,000	87,300	0.7%
County Tuition	1,580,600	1,360,000	1,650,000	69,400	4.4%
Miscellaneous	2,021,800	2,064,200	1,949,700	(72,100)	-3.6%
Total	\$34,200,000	\$33,996,200	\$36,357,900	\$ 2,157,900.00	6.3%
College of Western Idaho					
State General Funds*	\$10,807,000	\$11,668,200	\$15,133,500	\$4,326,500	40.0%
Liquor Funds*	200,000	200,000	200,000	0	0.0%
Property Tax	7,087,300	6,560,100	7,601,700	514,400	7.3%
Tuition and Fees**	16,983,500	21,640,700	21,561,200	4,577,700	27.0%
County Tuition	403,300	264,300	400,000	(3,300)	-0.8%
Miscellaneous & Carryover	12,004,800	550,000	711,100	(11,293,700)	-94.1%
Total	\$47,485,900	\$40,883,300	\$45,607,500	(\$1,878,400)	-4.0%
North Idaho College					
State General Funds*	\$10,599,500	\$11,785,000	\$13,464,400	\$2,864,900	27.0%
Liquor Funds*	200,000	200,000	200,000	0	0.0%
Property Tax	14,038,600	14,338,600	15,019,900	981,300	7.0%
Tuition and Fees**	13,377,500	13,645,050	12,522,900	(854,600)	-6%
County Tuition	886,100	886,100	775,000	(111,100)	-12.5%
Miscellaneous	309,200	677,250	703,500	394,300	127.5%
Total	\$39,410,900	\$41,532,000	\$42,685,700	\$3,274,800	8.3%

*These funds are appropriated by the Legislature. Unmarked fund sources are local or institution based.

** Includes Career Technical Education student fees and summer credit classes.

Community Colleges Agency Profile

Analyst: Jessup

Community College Taxing District Information

	Levy Rate / \$100,000 Assessed Value	Total Valuation	Total Tax Charged
College of Southern Idaho			
2011	\$90.08	\$5,441,571,366	\$4,901,929
2012	\$98.93	\$5,294,244,955	\$5,237,649
2013	\$96.94	\$5,672,532,962	\$5,499,200
2014	\$95.55	\$5,763,316,656	\$5,506,857
2015	\$96.49	\$5,958,786,059	\$5,749,361
College of Western Idaho			
2011	\$18.02	\$30,814,562,450	\$5,552,431
2012	\$18.55	\$30,814,562,450	\$5,717,431
2013	\$18.96	\$30,814,562,450	\$5,843,800
2014	\$16.63	\$39,451,900,388	\$6,560,077
2015	\$16.42	\$42,282,915,154	\$6,942,136
North Idaho College			
2011	\$105.93	\$12,181,378,195	\$12,904,248
2012	\$110.84	\$12,057,168,530	\$13,364,250
2013	\$121.22	\$11,275,450,839	\$13,668,144
2014	\$112.39	\$12,359,983,215	\$13,890,903
2015	\$106.98	\$13,122,782,513	\$14,038,595

The **College of Southern Idaho** (situated in a community college area comprised of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls, and portions of Elmore and Owyhee counties) has two counties (Jerome and Twin Falls) within its property tax district.

The **College of Western Idaho** (situated in a community college area comprised of Ada, Adams, Boise, Canyon, Gem, Payette, Valley, Washington, and portions of Elmore and Owyhee counties) has two counties (Ada and Canyon) within its property tax district.

North Idaho College (situated in a community college area comprised of Benewah, Bonner, Boundary, Kootenai, and Shoshone counties) has one county (Kootenai) within its property tax district.

Community Colleges

Comparative Summary

Analyst: Jessup

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	36,919,000	37,519,000	0.00	36,919,000	37,519,000
Noncognizable Funds and Transfers	0.00	(70,000)	(70,000)	0.00	(70,000)	(70,000)
FY 2017 Estimated Expenditures	0.00	36,849,000	37,449,000	0.00	36,849,000	37,449,000
Removal of One-Time Expenditures	0.00	(3,000)	(3,000)	0.00	(3,000)	(3,000)
Base Adjustments	0.00	70,000	70,000	0.00	70,000	70,000
FY 2018 Base	0.00	36,916,000	37,516,000	0.00	36,916,000	37,516,000
Benefit Costs	0.00	455,500	455,500	0.00	323,400	323,400
Inflationary Adjustments	0.00	91,100	91,100	0.00	0	0
Replacement Items	0.00	60,100	60,100	0.00	0	0
Change in Employee Compensation	0.00	254,400	254,400	0.00	718,500	718,500
Nondiscretionary Adjustments	0.00	0	0	0.00	(1,293,600)	(1,293,600)
FY 2018 Program Maintenance	0.00	37,777,100	38,377,100	0.00	36,664,300	37,264,300
1. Positions & Fund Shifting	0.00	0	0	0.00	0	0
2. Center for Education Innovation	0.00	270,000	270,000	0.00	0	0
3. Summer Bridge to Success	0.00	133,200	133,200	0.00	133,800	133,800
4. Eastern Idaho Math/English Instructors	0.00	131,400	131,400	0.00	132,200	132,200
5. Dual Credit Academy Instructors	0.00	137,600	137,600	0.00	0	0
6. Summer Completion Initiative	0.00	594,900	594,900	0.00	0	0
7. Title IX Coordinator	0.00	91,000	91,000	0.00	90,400	90,400
8. Assistive Technology Coordinator	0.00	707,700	707,700	0.00	457,100	457,100
9. New Positions for Student Success	0.00	281,400	281,400	0.00	279,500	279,500
10. Balance Funding	0.00	2,931,800	2,931,800	0.00	221,300	221,300
12. Enrollment Workload Adjust. Restoration	0.00	0	0	0.00	1,293,600	1,293,600
FY 2018 Total	0.00	43,056,100	43,656,100	0.00	39,272,200	39,872,200
Change from Original Appropriation	0.00	6,137,100	6,137,100	0.00	2,353,200	2,353,200
% Change from Original Appropriation		16.6%	16.4%		6.4%	6.3%

Community Colleges

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	36,919,000	600,000	0	37,519,000

Noncognizable Funds and Transfers

Pursuant to legislative intent language, the Office of the State Board of Education is able to use a portion of the appropriations for the college and universities for systemwide services, like retirement plan management. Community colleges also benefit from these universal services and share a portion of the costs. A total of \$70,000 for systemwide services, \$23,400 is from the College of Southern Idaho, \$23,300 from the College of Western Idaho, and \$23,300 is from North Idaho College.

Agency Request	0.00	(70,000)	0	0	(70,000)
<i>Governor's Recommendation</i>	0.00	(70,000)	0	0	(70,000)

FY 2017 Estimated Expenditures					
Agency Request	0.00	36,849,000	600,000	0	37,449,000
<i>Governor's Recommendation</i>	0.00	36,849,000	600,000	0	37,449,000

Removal of One-Time Expenditures

Removes one-time funding appropriated for 27th payroll and replacement items.

Agency Request	0.00	(3,000)	0	0	(3,000)
<i>Governor's Recommendation</i>	0.00	(3,000)	0	0	(3,000)

Base Adjustments

Returns funds from Community College appropriation that are allocated to be used for systemwide uses.

Agency Request	0.00	70,000	0	0	70,000
<i>Governor's Recommendation</i>	0.00	70,000	0	0	70,000

FY 2018 Base					
Agency Request	0.00	36,916,000	600,000	0	37,516,000
<i>Governor's Recommendation</i>	0.00	36,916,000	600,000	0	37,516,000

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	455,500	0	0	455,500
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status. Included is a fund shift of \$1,700 to the General Fund from the Community College Fund for CSI, and a \$1,400 shift to the General Fund from the Community College Fund for NIC. Revenues to the Community College Fund are a distribution from the sale of liquor through the State Liquor Division.

<i>Governor's Recommendation</i>	0.00	323,400	0	0	323,400
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Inflationary Adjustments

General inflation items include, but are not limited to, utilities, travel, printing, bank fees, subscription dues, postage, and library acquisition costs. The percent increases and dollar amounts are: CSI 2.66%, \$48,900; and NIC 1.66%, \$23,600.

Inflation for library books and periodicals is also requested: CSI, \$1,100; CWI, \$14,500; and NIC, \$3,000. Because receipts from the sale of liquor deposited to the Community College Fund are fixed at \$200,000 per college, this request includes a shift of \$1,600 from the Community College Fund to the General Fund.

Agency Request	0.00	91,100	0	0	91,100
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The Governor recommends that general inflation adjustments and library book and periodical inflation adjustments come from local funds that are not appropriated by the Legislature.

<i>Governor's Recommendation</i>	0.00	0	0	0	0
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Community Colleges

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
CWI requests a one-time appropriation of \$60,100 from the General Fund for one lawn mower used for grounds maintenance at the CWI campus in Nampa. The current mower was acquired from BSU in 2008.					
Agency Request	0.00	60,100	0	0	60,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	254,400	0	0	254,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. Included is a fund shift of \$3,600 to the General Fund from the Community College Fund for CSI, and a shift of \$3,000 to the General Fund from the Community College Fund for NIC. Revenues to the Community College Fund are a distribution from the sale of liquor through the State Liquor Division.</i>					
Governor's Recommendation	0.00	718,500	0	0	718,500
Nondiscretionary Adjustments					
The enrollment workload adjustment formula (EWA) is established in Board of Education policy and has been the primary formula for determining funding requests from the Legislature for the past decade. At its October meeting, the board waived the EWA policy for one year and, therefore, did not include results of the EWA calculations in this FY 2018 budget request. The board is instead proposing to replace EWA with a new outcome-based funding mechanism to allocate funding among the institutions through the Systemwide Program under College and Universities. Although the board chose not to include EWA funding calculations in the budget, OSBE provided preliminary FY 2018 EWA calculations that show a reduction of \$443,900 for CSI, \$452,700 for CWI, and \$997,800 for NIC, for a total reduction of \$1,894,400 from the General Fund for Community Colleges.					
Agency Request	0.00	0	0	0	0
<i>The Governor is not recommending outcomes-based funding as currently proposed and recommends an enrollment adjustment as calculated by the formula that compares student credit hour levels over three consecutive years. EWA calculations that show a reduction of \$434,200 for CSI, \$443,200 for CWI, and \$416,200 for NIC, for a total reduction of \$1,293,600 from the General Fund for Community Colleges. The Governor recommends offsetting decreases to CSI, CWI, and NIC in a line item appropriation.</i>					
Governor's Recommendation	0.00	(1,293,600)	0	0	(1,293,600)
FY 2018 Program Maintenance					
Agency Request	0.00	37,777,100	600,000	0	38,377,100
Governor's Recommendation	0.00	36,664,300	600,000	0	37,264,300
1. Positions & Fund Shifting					
College of Southern Idaho, College of Western Idaho					
This request is to transfer \$276,700 from General Fund operating expenditures into personnel costs to support 7.72 FTP for the College of Southern Idaho, and \$1,779,300 from General Fund operating expenditures into personnel costs to support 49.40 FTP for the College of Western Idaho. These shifts are requested to align CSI and CWI position funding with one another and North Idaho College.					
Agency Request	0.00	0	0	0	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Community Colleges

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Center for Education Innovation					College of Southern Idaho
<p>This request is for a one-time appropriation of \$270,000 in operating expenditures from the General Fund for the planning and design of the Center for Education Innovation (CEI) in partnership with Idaho State University (ISU). This request is prompted by the demand for K-12 teachers, prime positioning of the CSI campus to promote growth, and positive history of partnership with ISU. The CEI would focus on educational research, innovation in teacher instruction, and professional development and the opportunity to consolidate teaching and learning lab schools in a unique way. Partnership between ISU and CSI would also increase ISU's ability to recruit, retain, and support professional educators in the Magic Valley.</p>					
Agency Request	0.00	270,000	0	0	270,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Summer Bridge to Success					College of Southern Idaho
<p>This request is for an ongoing appropriation of \$133,200 from the General Fund for the Bridge to Success Summer Program. Of this request, \$78,700 would be for personnel costs, including: \$35,000 for a program coordinator, \$15,000 for part-time adjunct instructors, and \$10,000 for part-time tutors to assist students. The remaining \$54,500 would support operating expenditures. Bridge to Success would provide first-time, degree-seeking students a head start in their college experience, expose them to campus resources, and provide academic coaching. One focus would be on programs that require difficult first semester coursework in mathematics, in which success has been shown to have an impact on overall retention and completion.</p>					
Agency Request	0.00	133,200	0	0	133,200
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	0.00	133,800	0	0	133,800
4. Eastern Idaho Math/English Instructors					College of Southern Idaho
<p>This request is for an ongoing appropriation of \$131,400 from the General Fund for the addition of two dedicated faculty members at the College of Southern Idaho Outreach Center in Idaho Falls. The faculty would teach college-level general education courses in English and mathematics which have experienced increased demand. Classes are used by students attending Eastern Idaho Technical College (EITC), which is currently unable to offer these courses due to the limited scope of its instructional charge. In the case that EITC were to receive voter support and become a community college, CSI would revisit the continued need for these positions.</p>					
Agency Request	0.00	131,400	0	0	131,400
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	0.00	132,200	0	0	132,200
5. Dual Credit Academy Instructors					College of Southern Idaho
<p>This request is for an appropriation of \$137,600 from the General Fund for the faculty and instructional costs of implementing two dual credit academies. Of this request, \$126,500 is for ongoing personnel costs, \$7,500 is for ongoing operating expenditures, and \$3,600 is for one-time capital outlay. Pursuant to this program, the College of Southern Idaho would place faculty in high schools in Region IV for dual-credit instruction.</p>					
Agency Request	0.00	137,600	0	0	137,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Summer Completion Initiative					North Idaho College
<p>North Idaho College requests a one-time appropriation of \$594,900 from the General Fund to pilot the Idaho Summer Completion Initiative. This initiative would enable Idaho residents to attend North Idaho College tuition-free for the summer 2017 term with the goal of increasing retention and completion rates. The request is for personnel costs based on offering 200 three-credit, on-campus instructional sections, which would serve approximately 4,000 students (duplicated head-count).</p>					
Agency Request	0.00	594,900	0	0	594,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Community Colleges

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Title IX Coordinator					North Idaho College
<p>This request is for an appropriation of \$91,000 from the General Fund for a Title IX coordinator to lead compliance efforts and conduct training. Of this request, \$86,000 is ongoing for personnel costs, \$2,000 is for ongoing operating expenditures, and \$3,000 is for one-time capital outlay. Title IX requires colleges to respond to sex-based discrimination and reports of sexual assault. NIC believes the requested appropriation would assist NIC to more proactively address issues of sex based discrimination, provide training to the college community as a whole, and comply with all Title IX requirements.</p>					
Agency Request	0.00	91,000	0	0	91,000
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>90,400</i>	<i>0</i>	<i>0</i>	<i>90,400</i>
8. Assistive Technology Coordinator					North Idaho College
<p>This request is for \$707,700 from the General Fund to hire an assistive technology coordinator and to ensure that NIC-produced materials comply with Electronic and Information Technology (EIT) standards. EIT standards require that NIC-produced materials be accessible to students with disabilities who may need assistive technology accommodations. Recognized enhancements include campus-wide licensing for a text-to-speech software system, information station upgrades, learning management systems, phone system upgrades, and captioning for video and film content. The requested personnel would be tasked to identify additional funding sources and grants to ensure continued compliance. Of this request, \$72,700 is ongoing for personnel costs, \$507,000 is for ongoing operating expenditures, and \$128,000 is for one-time capital outlay.</p>					
Agency Request	0.00	707,700	0	0	707,700
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>457,100</i>	<i>0</i>	<i>0</i>	<i>457,100</i>
9. New Positions for Student Success					College of Western Idaho
<p>This request is for an appropriation of \$281,400 from the General Fund for one academic advisor, two Hispanic pathway coordinators, and one data and information analyst. Of this request, \$256,500 is for personnel costs, \$16,900 is for operating expenditures, and \$8,000 is for one-time capital outlay. The requested academic advisor will reduce the institution's advising caseload to 700:1 per advisor and would support higher retention and degree completion rates. Hispanic pathway coordinators are proposed to serve CWI's approximately 3,900 Hispanic students, and expand outreach to the Hispanic population that represents a growing percentage of the community demographic. The data and information analyst requested would be tasked with external and internal data collection and analysis, and would support data-based decision making at CWI.</p>					
Agency Request	0.00	281,400	0	0	281,400
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>279,500</i>	<i>0</i>	<i>0</i>	<i>279,500</i>
10. Balance Funding					College of Western Idaho
<p>This request is for \$2,931,800 from the General Fund to ensure average weighted credit equity with CSI and NIC. Of this request, \$1,409,100 is for personnel costs and \$1,522,700 is for operating expenditures. CWI reports that the average credit hour value of \$42.92 is \$27.72 lower than the average credit hour value at CSI and NIC. As a result, CWI reports that it is underfunded by \$5.1 million compared to these other institutions, and requests this appropriation to offset this amount.</p>					
Agency Request	0.00	2,931,800	0	0	2,931,800
<i>The Governor recommends \$221,300 ongoing from the General Fund and encourages further development of a systemwide policy to address funding equality by the Office of the State Board of Education.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>221,300</i>	<i>0</i>	<i>0</i>	<i>221,300</i>

Community Colleges

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Enrollment Workload Adjust. Restoratio					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends the restoration of formula-generated Enrollment Workload Adjustment (EWA) reflected in Nondiscretionary Adjustments to avoid a reduction in the base appropriation. The Governor intends this to be the last fiscal year that EWA is utilized and expects the State Board of Education to replace the EWA model with an outcomes-based funding model that has ensured stakeholder input.</i>					
Governor's Recommendation	0.00	1,293,600	0	0	1,293,600
FY 2018 Total					
Agency Request	0.00	43,056,100	600,000	0	43,656,100
Governor's Recommendation	0.00	39,272,200	600,000	0	39,872,200
Agency Request					
Change from Original App	0.00	6,137,100	0	0	6,137,100
% Change from Original App		16.6%	0.0%		16.4%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	2,353,200	0	0	2,353,200
% Change from Original App		6.4%	0.0%		6.3%

Office of the State Board of Education

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
OSBE Administration	6,590,800	4,384,800	12,182,900	7,401,500	17,468,900
Charter School Commission	482,600	402,300	498,100	563,300	568,300
Total:	7,073,400	4,787,100	12,681,000	7,964,800	18,037,200
BY FUND CATEGORY					
General	2,441,500	2,390,500	3,477,000	4,520,200	9,585,600
Dedicated	703,100	423,000	6,467,900	709,800	5,715,200
Federal	3,928,800	1,973,600	2,736,100	2,734,800	2,736,400
Total:	7,073,400	4,787,100	12,681,000	7,964,800	18,037,200
Percent Change:		(32.3%)	164.9%	(37.2%)	42.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,633,800	2,244,100	2,859,600	3,008,500	3,080,900
Operating Expenditures	2,577,000	2,064,700	2,262,600	2,414,900	7,414,900
Capital Outlay	3,400	2,900	20,400	3,000	3,000
Trustee/Benefit	1,859,200	475,400	7,538,400	2,538,400	7,538,400
Total:	7,073,400	4,787,100	12,681,000	7,964,800	18,037,200
Full-Time Positions (FTP)	25.75	25.75	28.75	30.75	31.25

Division Description

The Office of the State Board of Education (OSBE) provides professional staff support to the State Board of Education. Staff expertise is focused primarily on program evaluation, fiscal oversight and centralized record keeping. Board staff also respond to board requests for special studies, monitor agency compliance with board policies, and administer the state-funded financial aid programs.

The State Board of Education is responsible for the general supervision, governance, and control of Idaho's public education system from kindergarten through the doctoral level, including oversight of public schools and the community colleges.

The board is composed of eight members, seven of whom are appointed to five-year terms by the Governor and are subject to Senate confirmation. The eighth member is the holder of the statewide elected office of the Superintendent of Public Instruction. The board holds six regular meetings each year on the campuses of Idaho's institutions of higher education. The board also meets in January during the legislative session, holds a college and universities fee setting meeting in April, and calls additional special meetings as needed.

Funding sources for OSBE include:

1. General Fund. Supports general administrative functions of OSBE, membership dues (beginning in FY 2014) and programs administered by OSBE. Also supports the operations costs of the Charter School Commission.
2. Indirect Cost Recovery Fund. Supports administrative costs of accounting/human resources and goods and services that benefit the entire office but cannot be directly charged to any one program.
3. Miscellaneous Revenue Fund. Offsets administrative costs of reviewing/registering schools.
4. Federal Grant Fund. Federal grant money supports various programs, including College Access Challenge Grant, Statewide Data Systems, and Improving Teacher Quality state grants.
5. Charter Authorizers Fund. Pursuant to Section 33-5214, Idaho Code, moneys are utilized for the commission's cost of operations and costs incurred by OSBE overseeing any charter authorizers beginning in FY 2015.

Office of the State Board of Education

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	28.75	3,477,000	12,681,000	28.75	3,477,000	12,681,000
Reappropriation	0.00	0	2,034,300	0.00	0	2,034,300
FY 2017 Total Appropriation	28.75	3,477,000	14,715,300	28.75	3,477,000	14,715,300
Noncognizable Funds and Transfers	0.00	70,000	70,000	0.00	70,000	70,000
FY 2017 Estimated Expenditures	28.75	3,547,000	14,785,300	28.75	3,547,000	14,785,300
Removal of One-Time Expenditures	0.00	(85,600)	(7,135,700)	0.00	(85,600)	(7,135,700)
Base Adjustments	0.00	(70,000)	(70,000)	0.00	(70,000)	(70,000)
FY 2018 Base	28.75	3,391,400	7,579,600	28.75	3,391,400	7,579,600
Benefit Costs	0.00	26,900	32,800	0.00	18,900	23,000
Inflationary Adjustments	0.00	3,400	3,400	0.00	3,400	3,400
Replacement Items	0.00	19,500	19,500	0.00	19,500	19,500
Statewide Cost Allocation	0.00	(19,900)	(24,100)	0.00	(19,900)	(24,100)
Change in Employee Compensation	0.00	19,600	24,300	0.00	58,200	71,700
FY 2018 Program Maintenance	28.75	3,440,900	7,635,500	28.75	3,471,500	7,673,100
1. College/Career Advisor Program Mgr.	1.00	98,300	98,300	1.00	100,200	100,200
2. Research-Communications Specialist	1.00	86,500	86,500	1.00	88,200	88,200
3. Graduate Medical Education Plan	0.00	70,700	70,700	0.00	70,700	70,700
4. School Improvement Evaluations	0.00	750,000	0	0.00	750,000	0
5. Charter School Renewal Process	0.00	71,100	71,100	0.00	71,100	71,100
6. Principals Pursuing Excellence	0.00	0	0	0.00	2,500,000	2,500,000
7. Administrator Training on Teacher Eval.	0.00	0	0	0.00	2,500,000	2,500,000
8. Eastern ID Community College	0.00	0	0	0.00	0	5,000,000
9. Technical Records Specialist	0.00	0	0	0.50	31,200	31,200
Cybersecurity Insurance	0.00	2,700	2,700	0.00	2,700	2,700
FY 2018 Total	30.75	4,520,200	7,964,800	31.25	9,585,600	18,037,200
Change from Original Appropriation	2.00	1,043,200	(4,716,200)	2.50	6,108,600	5,356,200
% Change from Original Appropriation		30.0%	(37.2%)		175.7%	42.2%

Office of the State Board of Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	28.75	3,477,000	6,467,900	2,736,100	12,681,000

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unexpended appropriation balance from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	79,100	1,955,200	2,034,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>79,100</i>	<i>1,955,200</i>	<i>2,034,300</i>

FY 2017 Total Appropriation	28.75	3,477,000	6,547,000	4,691,300	14,715,300
<i>Agency Request</i>	<i>28.75</i>	<i>3,477,000</i>	<i>6,547,000</i>	<i>4,691,300</i>	<i>14,715,300</i>
<i>Governor's Recommendation</i>	<i>28.75</i>	<i>3,477,000</i>	<i>6,547,000</i>	<i>4,691,300</i>	<i>14,715,300</i>

Noncognizable Funds and Transfers

Pursuant to legislative intent language, the Office of the State Board of Education is able to use a portion of the appropriation for the colleges and universities for systemwide services, like retirement plan management. Community colleges also benefit from these universal services and share a portion of the costs. This transfer is reflected in the individual budgets of the community colleges in the following manner: \$23,400 is from the College of Southern Idaho, \$23,300 from the College of Western Idaho, and \$23,300 is from North Idaho College.

Agency Request	0.00	70,000	0	0	70,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>70,000</i>	<i>0</i>	<i>0</i>	<i>70,000</i>

FY 2017 Estimated Expenditures	28.75	3,547,000	6,547,000	4,691,300	14,785,300
<i>Agency Request</i>	<i>28.75</i>	<i>3,547,000</i>	<i>6,547,000</i>	<i>4,691,300</i>	<i>14,785,300</i>
<i>Governor's Recommendation</i>	<i>28.75</i>	<i>3,547,000</i>	<i>6,547,000</i>	<i>4,691,300</i>	<i>14,785,300</i>

Removal of One-Time Expenditures

Removes \$78,600 provided one-time for the 27th payroll, \$2,400 for one-time CEC related to the 27th payroll, and \$3,600 one-time capital outlay related to new line items, reappropriation of funds from FY 2016, and a one-time transfer of \$5,000,000 from the General Fund to the Higher Education Stabilization Fund, Community College Startup Account.

Agency Request	0.00	(85,600)	(5,090,900)	(1,959,200)	(7,135,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(85,600)</i>	<i>(5,090,900)</i>	<i>(1,959,200)</i>	<i>(7,135,700)</i>

Base Adjustments

Removes funds that were transferred from the Community College appropriation for systemwide uses.

Agency Request	0.00	(70,000)	0	0	(70,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(70,000)</i>	<i>0</i>	<i>0</i>	<i>(70,000)</i>

FY 2018 Base	28.75	3,391,400	1,456,100	2,732,100	7,579,600
<i>Agency Request</i>	<i>28.75</i>	<i>3,391,400</i>	<i>1,456,100</i>	<i>2,732,100</i>	<i>7,579,600</i>
<i>Governor's Recommendation</i>	<i>28.75</i>	<i>3,391,400</i>	<i>1,456,100</i>	<i>2,732,100</i>	<i>7,579,600</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	26,900	4,500	1,400	32,800
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>18,900</i>	<i>3,100</i>	<i>1,000</i>	<i>23,000</i>
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Office of the State Board of Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Inflationary Adjustments

OSBE requests an increase of \$4,000 for its membership in the Western Interstate Commission for Higher Education (WICHE) a decrease of \$300 for office space rent for OSBE and the Charter School Commission, for a net increase of \$3,400.

Agency Request	0.00	3,400	0	0	3,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,400</i>	<i>0</i>	<i>0</i>	<i>3,400</i>

Replacement Items

For OSBE Administration, replacement of two laptop computers (\$2,800), eight desktop computers (\$6,000), one tablet (\$600), and five MS surface computers (\$6,500). For the Charter School Commission, replacement of two laptop computers (\$2,800) and one desktop computer (\$800). The total for both programs is \$19,500.

Agency Request	0.00	19,500	0	0	19,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>19,500</i>	<i>0</i>	<i>0</i>	<i>19,500</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$1,000, State Controller fees will decrease by \$500, and Attorney General fees will decrease by \$24,600, for a net reduction of \$24,100.

Agency Request	0.00	(19,900)	(4,200)	0	(24,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(19,900)</i>	<i>(4,200)</i>	<i>0</i>	<i>(24,100)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	19,600	3,400	1,300	24,300
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>58,200</i>	<i>10,200</i>	<i>3,300</i>	<i>71,700</i>

FY 2018 Program Maintenance

Agency Request	28.75	3,440,900	1,459,800	2,734,800	7,635,500
<i>Governor's Recommendation</i>	<i>28.75</i>	<i>3,471,500</i>	<i>1,465,200</i>	<i>2,736,400</i>	<i>7,673,100</i>

1. College/Career Advisor Program Mgr.

OSBE Administration

This request is for 1.00 FTP and \$98,300 from the General Fund to hire a College to Career advising program manager. Of this amount, \$89,300 is for ongoing personnel costs, \$6,000 is for ongoing operating expenditures, and \$3,000 is for one-time capital outlay. This position would focus on providing support and assistance to school districts and public post-secondary institutions for the seamless transition of students from school to a career. The Office of the State Board of Education (OSBE) claims this position has been necessitated by the Governor's task force implementation committee's recognition that college and career advisors are a key factor in reaching OSBE's goal of 60% in the Go On Idaho campaign, and to better align advising with known workforce demands in the state. This position would also be responsible for maintaining and updating the content of nextstepsidaho.gov, an online resource for students, parents, and school staff seeking assistance to prepare for life beyond high school.

Agency Request	1.00	98,300	0	0	98,300
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>100,200</i>	<i>0</i>	<i>0</i>	<i>100,200</i>

Office of the State Board of Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Research-Communications Specialist			OSBE Administration		
<p>This request is for 1.00 FTP and an ongoing General Fund appropriation of \$86,500 (\$83,500 for personnel costs and \$3,000 for operating expenditures) for a research-communications specialist. This position would focus on qualitative data analysis and better enable OSBE to collect, validate, and analyze metrics and data currently collected by the board. This position will also facilitate the board's collection and communication of this data to policy decision-makers.</p>					
Agency Request	1.00	86,500	0	0	86,500
<p><i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
Governor's Recommendation	1.00	88,200	0	0	88,200
3. Graduate Medical Education Plan			OSBE Administration		
<p>This request is for a one-time General Fund appropriation of \$70,700 to develop a graduate medical education plan. This appropriation would pay for a personal service contract to develop a ten-year graduate medical education strategic plan and timeline, solicit input from stakeholders throughout the state, and potentially develop a job description for a program coordinator to implement the plan.</p>					
Agency Request	0.00	70,700	0	0	70,700
Governor's Recommendation	0.00	70,700	0	0	70,700
4. School Improvement Evaluations			OSBE Administration		
<p>Pursuant to Section 8 of H623, adopted by the Legislature during the 2016 session, \$750,000 in miscellaneous funds were appropriated to the Office of the State Board of Education (OSBE) with the funds passing from the State Department's General Funds to OSBE. OSBE requests that the ongoing appropriation of General Funds be moved from the State Department of Education to its budget. The State Department of Education has a reciprocal reduction of General Funds in its budget request. OSBE believes that moving this appropriation would increase budget transparency.</p>					
Agency Request	0.00	750,000	(750,000)	0	0
Governor's Recommendation	0.00	750,000	(750,000)	0	0
5. Charter School Renewal Process			Charter School Commission		
<p>This request is for an ongoing appropriation from the General Fund of \$71,100 in operating expenditures to perform pre-renewal reviews of public charter schools' academic, operational, and financial outcomes. Expenses covered by this appropriation would include independent evaluators to conduct full day reviews and a contracted coordinator for site visits. The appropriation would also cover the costs for a hearing officer and statutorily required public hearings. This process would enable the evaluation of 10-15 schools annually.</p>					
Agency Request	0.00	71,100	0	0	71,100
Governor's Recommendation	0.00	71,100	0	0	71,100
6. Principals Pursuing Excellence					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends \$2,500,000 ongoing from the General Fund to provide training for principals at low-performing schools. This voluntary support and professional development for school administrators would help identify strategies for improvement and help fulfill the Governor's Task Force for Improving Education recommendation for professional development for administrators.</i></p>					
Governor's Recommendation	0.00	2,500,000	0	0	2,500,000
7. Administrator Training on Teacher Eval.					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends \$2,500,000 ongoing from the General Fund to provide training for administrators on teacher evaluations to ensure teacher progression on the career ladder and accurate measured performance.</i></p>					
Governor's Recommendation	0.00	2,500,000	0	0	2,500,000

Office of the State Board of Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Eastern ID Community College					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$5,000,000 as a one-time appropriation from the HESF Community College Startup Fund for the startup costs associated with the establishment of a community college in Eastern Idaho, contingent on voter approval.</i>					
Governor's Recommendation	0.00	0	5,000,000	0	5,000,000
9. Technical Records Specialist					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends 0.50 FTP and \$31,200 from the General Fund for a full-time technical records specialist position. The office currently has a part-time technical records position and making this position full-time would better equip the office to provide necessary training and administrative support.</i>					
Governor's Recommendation	0.50	31,200	0	0	31,200
Cybersecurity Insurance			OSBE Administration		
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	2,700	0	0	2,700
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	2,700	0	0	2,700
FY 2018 Total					
Agency Request	30.75	4,520,200	709,800	2,734,800	7,964,800
Governor's Recommendation	31.25	9,585,600	5,715,200	2,736,400	18,037,200
Agency Request					
Change from Original App	2.00	1,043,200	(5,758,100)	(1,300)	(4,716,200)
% Change from Original App	7.0%	30.0%	(89.0%)	0.0%	(37.2%)
<i>Governor's Recommendation</i>					
Change from Original App	2.50	6,108,600	(752,700)	300	5,356,200
% Change from Original App	8.7%	175.7%	(11.6%)	0.0%	42.2%

Health Education Programs

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
W-I Veterinary Education	2,015,600	2,015,600	2,088,400	2,075,100	2,076,100
WWAMI Medical Education	4,638,900	4,638,900	4,876,100	5,368,700	5,303,400
Idaho Dental Education	1,953,500	1,535,700	1,827,800	1,806,100	1,811,600
Univ. of Utah Med. Ed.	1,356,000	1,314,500	1,466,200	1,576,000	1,576,000
Family Medicine Residencies	2,936,900	2,936,900	3,174,900	3,184,000	4,440,900
Boise Internal Medicine	240,000	240,000	240,000	240,000	540,000
Psychiatry Residency	157,800	157,800	157,800	157,800	157,800
Total:	13,298,700	12,839,400	13,831,200	14,407,700	15,905,800
BY FUND CATEGORY					
General	12,795,300	12,661,700	13,514,000	14,098,500	15,594,200
Dedicated	503,400	177,700	317,200	309,200	311,600
Total:	13,298,700	12,839,400	13,831,200	14,407,700	15,905,800
Percent Change:		(3.5%)	7.7%	4.2%	15.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,748,200	2,469,600	2,889,000	2,842,100	3,132,500
Operating Expenditures	1,844,900	1,808,800	1,891,200	1,934,900	1,922,400
Capital Outlay	43,000	32,000	63,900	323,800	244,000
Trustee/Benefit	8,662,600	8,529,000	8,987,100	9,306,900	10,606,900
Total:	13,298,700	12,839,400	13,831,200	14,407,700	15,905,800
Full-Time Positions (FTP)	23.80	23.80	24.80	24.80	25.80

Division Description

The seven Health Education Programs include:

1. The Washington-Idaho Veterinary Education Program provides access to a veterinary medical education through a cooperative agreement between the University of Idaho and Washington State University.
2. The WWAMI (Washington, Wyoming, Alaska, Montana, Idaho) Medical Education Program provides Idaho students with the opportunity to attend medical school through a cooperative agreement with the University of Washington.
3. The IDEP (Idaho Dental Education Program) provides access to dental education for Idaho students through a cooperative agreement between Idaho State University and Creighton University in Omaha, Nebraska.
4. The University of Utah Medical Education Program provides medical school opportunities for Idaho.
5. Idaho's three Family Medicine Residency programs (located Boise, Pocatello, and Coeur d'Alene) provide the final three years of family physician residency training and encourage newly graduated medical doctors to practice in Idaho.
6. The Boise Internal Medicine (BIM) residency program allows training at rural and underserved sites in Idaho, such as small, non-affiliated offices and community-based training sites.
7. The Idaho Psychiatry Residency Program offers training for residents who spend the first two years in Seattle (University of Washington) and the last two years in Boise. Clinical rotations are at the Boise VA, St. Alphonsus, and St. Luke's medical centers, and rural rotations around the state.

Health Education Programs

Agency Profile

Analyst: Jessup

Current Medical, Dental, and Veterinary Education Students and Funding

	<i>Medical</i>		<i>Dental</i>	<i>Veterinary</i>
	WWAMI	UofU	IDEP	W-I
Idaho Students (2016-2017)				
1st Year Students	40	10	8	11
2nd Year Students	35	8	8	11
3rd Year Students	30	8	8	11
4th Year Students	25	10	8	11
Total Idaho Students	130	36	32	44
Annual Costs Per Student				
Student Paid Tuition & Fees (2016-2017)	\$ 36,370	\$ 37,502	\$ 26,476	\$ 29,780
Avg. State Paid Support (FY 2017 Approp.) ¹	\$ 37,500	\$ 40,700	\$ 50,300	\$ 45,200
Total Cost Per Seat Per Year	\$ 73,870	\$ 78,202	\$ 76,776	\$ 74,980
Location of Instruction				
1st Year	UI/Moscow	UofU/Salt Lake	ISU/Pocatello ²	WSU/Pullman
2nd Year	UI/Moscow ³	UofU/Salt Lake	Creighton/Omaha	WSU/Pullman
3rd Year	WWAMI Region ⁴	UofU/Salt Lake	Creighton/Omaha	WSU/Pullman
4th Year	WWAMI Region ⁴	UofU/Salt Lake	Creighton/Omaha	Pullman/Caldwell
Rate of Return to Idaho/ Return on Investment				
Idaho Students	50% ⁵	N/A ⁶	73% ⁵	72% ⁵

¹ Based on a simple calculation of the General Fund appropriation divided by the total number of students. This reflects paying the difference between in-state and out-of-state tuition, and in some cases, a portion of the General Fund appropriation is also used for faculty and other administrative expenses.

² First year IDEP students pay ISU resident tuition & fees (\$6,956) and the IDEP Program fee. The 2nd, 3rd, and 4th year students only pay the IDEP Program fee.

³ A portion of the year will be online.

⁴ The 3rd and 4th year clinical rotations can be done in Idaho or throughout the five-state WWAMI region.

⁵ Since the following dates: WWAMI (1975); IDEP (1982); W-I (2000).

⁶ Not tracked by the institution.

WWAMI Medical Student Build-Out

The State Board of Education's Medical Education Subcommittee recommended a goal of 40 new medical students participating in the WWAMI Program each year for a total of 160 Idaho students in the four-year program. The board approved this recommendation in January 2009. This expansion is proposed to be phased in over the next several years as shown below

	FY 2017	FY 2018 Request	FY 2018 Request	FY 2018 Request	Total Students FY 2018
	Students Currently Funded	Five New Students (Year 4 of 4)	Five New Students (Year 3 of 4)	Five New Students (Year 2 of 4)	
1st Year	40	0	0	0	40
2nd Year	35	0	0	5	40
3rd Year	30	0	5	0	35
4th Year	25	5	0	0	30
Total	130	5	5	5	145

Health Education Programs

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	24.80	13,514,000	13,831,200	24.80	13,514,000	13,831,200
Reappropriation	0.00	0	327,800	0.00	0	327,800
FY 2017 Total Appropriation	24.80	13,514,000	14,159,000	24.80	13,514,000	14,159,000
Noncognizable Funds and Transfers	0.00	0	304,000	0.00	0	304,000
FY 2017 Estimated Expenditures	24.80	13,514,000	14,463,000	24.80	13,514,000	14,463,000
Removal of One-Time Expenditures	0.00	(138,500)	(776,100)	0.00	(138,500)	(776,100)
Base Adjustments	0.00	0	(5,400)	0.00	0	(5,400)
FY 2018 Base	24.80	13,375,500	13,681,500	24.80	13,375,500	13,681,500
Benefit Costs	0.00	17,100	18,700	0.00	8,700	9,800
Inflationary Adjustments	0.00	277,500	277,500	0.00	265,000	265,000
Replacement Items	0.00	103,500	103,500	0.00	23,700	23,700
Change in Employee Compensation	0.00	24,100	25,700	0.00	70,500	75,000
FY 2018 Program Maintenance	24.80	13,797,700	14,106,900	24.80	13,743,400	14,055,000
1. WWAMI Program Expansion	0.00	214,800	214,800	0.00	214,800	214,800
2. U of U Med School, Year 2	0.00	86,000	86,000	0.00	86,000	86,000
3. Graduate Medical Education Funding	0.00	0	0	1.00	1,550,000	1,550,000
FY 2018 Total	24.80	14,098,500	14,407,700	25.80	15,594,200	15,905,800
Change from Original Appropriation	0.00	584,500	576,500	1.00	2,080,200	2,074,600
% Change from Original Appropriation		4.3%	4.2%		15.4%	15.0%

Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	24.80	13,514,000	317,200	0	13,831,200

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	327,800	0	327,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>327,800</i>	<i>0</i>	<i>327,800</i>

FY 2017 Total Appropriation					
Agency Request	24.80	13,514,000	645,000	0	14,159,000
<i>Governor's Recommendation</i>	<i>24.80</i>	<i>13,514,000</i>	<i>645,000</i>	<i>0</i>	<i>14,159,000</i>

Noncognizable Funds and Transfers

This adjustment recognizes one-time student fee changes in Idaho Dental Education Program.

Agency Request	0.00	0	304,000	0	304,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>304,000</i>	<i>0</i>	<i>304,000</i>

FY 2017 Estimated Expenditures					
Agency Request	24.80	13,514,000	949,000	0	14,463,000
<i>Governor's Recommendation</i>	<i>24.80</i>	<i>13,514,000</i>	<i>949,000</i>	<i>0</i>	<i>14,463,000</i>

Removal of One-Time Expenditures

Removes one-time personnel costs for the 27th payroll, one-time CEC related to the 27th payroll, replacement items, carryover, and one-time student fee revenue from IDEP.

Agency Request	0.00	(138,500)	(637,600)	0	(776,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(138,500)</i>	<i>(637,600)</i>	<i>0</i>	<i>(776,100)</i>

Base Adjustments

Base reduction for excess ongoing appropriation from Idaho Dental Education Program.

Agency Request	0.00	0	(5,400)	0	(5,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(5,400)</i>	<i>0</i>	<i>(5,400)</i>

FY 2018 Base					
Agency Request	24.80	13,375,500	306,000	0	13,681,500
<i>Governor's Recommendation</i>	<i>24.80</i>	<i>13,375,500</i>	<i>306,000</i>	<i>0</i>	<i>13,681,500</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	17,100	1,600	0	18,700
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>8,700</i>	<i>1,100</i>	<i>0</i>	<i>9,800</i>
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Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Inflationary Adjustments

The Washington-Idaho Veterinary Education program requests \$5,900 for general inflation for operational expenditures, most significantly administrative services, supplies, and miscellaneous costs. The request also includes \$31,200 for contract inflation.

WWAMI requests \$2,400 for general inflation for operational expenditures, most significantly general services, employee development, and utility charges. An additional \$210,000 is requested for contract inflation in trustee & benefit payments.

The University of Utah Medical Education program requests \$23,800 for contract inflation for trustee & benefit payments.

Family Medicine Residencies request for \$4,200 in general inflation for operational expenditures, most significantly computer services, professional services, and repair/maintenance supplies.

This totals a requested increase of \$12,500 for general inflation and \$265,000 for contract inflation. The request is equivalent to a 14.8% increase from the previous fiscal year.

Agency Request	0.00	277,500	0	0	277,500
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The Governor does not recommend funding for general inflation for any programs.

Governor's Recommendation	0.00	265,000	0	0	265,000
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Replacement Items

The WWAMI Medical Education Program requests a one-time appropriation of \$79,800 from the General Fund for two four-wheel drive suburbans. These vehicles are requested to replace two 2005 Ford Expeditions that are used to transport students from Lewiston, Pullman, and other regional areas for clinical training.

The Family Medicine Residencies Program requests a one-time appropriation of \$23,700 from the General Fund for replacement of computer equipment. Equipment to be replaced includes: 14 standard laptops, six standard desktops, one standard ELMO visual presenter, and ten low-end tablets.

Agency Request	0.00	103,500	0	0	103,500
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The Governor does not recommend \$79,800 to replace vehicles for WWAMI.

Governor's Recommendation	0.00	23,700	0	0	23,700
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	24,100	1,600	0	25,700
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	70,500	4,500	0	75,000
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FY 2018 Program Maintenance					
Agency Request	24.80	13,797,700	309,200	0	14,106,900
Governor's Recommendation	24.80	13,743,400	311,600	0	14,055,000

1. WWAMI Program Expansion

WWAMI Medical Education

The WWAMI Medical Education Program requests \$214,800 one-time, from the General Fund to update and equip additional laboratory space for students. New innovative curriculum would emphasize a strong clinical component, and follows a national trend of early immersion into the clinical setting and associated skill acquisition by students. During a future legislative session, the WWAMI Medical Education Program is likely to request approximately 11.00 FTP and \$1,076,500 ongoing for personnel costs to complete implementation of the new 18-month curriculum. At this time, this request is not being made. [One-time]

Agency Request	0.00	214,800	0	0	214,800
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Governor's Recommendation	0.00	214,800	0	0	214,800
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Health Education Programs

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. U of U Med School, Year 2					University of Utah Medical Education
<p>The University of Utah School of Medical Education (UUSOM) Program requests an ongoing appropriation of \$86,000 from the General Fund for trustee & benefit payments to support two additional seats for the second year class of the UUSOM Program. The appropriation would increase the number of total graduates to 40, and maintain ten student seats instead of reducing the number of available seats to eight. [Ongoing]</p>					
Agency Request	0.00	86,000	0	0	86,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>86,000</i>	<i>0</i>	<i>0</i>	<i>86,000</i>
3. Graduate Medical Education Funding					Family Med Residencies, Boise Internal Medicine
Agency Request	0.00	0	0	0	0
<p>The Governor recommends 1.00 FTP and \$1,550,000 ongoing from the General Fund for additional residencies to address Idaho's physician shortage. Funding would be split between the Boise Family Medicine Residency Program (FMR) and Boise Internal Medicine Program (BIM). Of this recommendation, \$1,000,000 is trustee & benefit payments for additional FMR residencies in Nampa, \$300,000 is for trustee & benefit payments for three additional BIM residents, and \$250,000 for one psychiatry residency director at Idaho State University (ISU).</p> <p>This is related to the Governor's recommendation of \$875,000 from the General Fund within the Department of Health and Welfare which consists of Medicaid allowable expenses that would support FMR rural training expansion, four new fellows, rural training track expansion at ISU and infrastructure development for additional rural residency opportunities. [Ongoing]</p>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>1,550,000</i>	<i>0</i>	<i>0</i>	<i>1,550,000</i>
FY 2018 Total					
Agency Request	24.80	14,098,500	309,200	0	14,407,700
<i>Governor's Recommendation</i>	<i>25.80</i>	<i>15,594,200</i>	<i>311,600</i>	<i>0</i>	<i>15,905,800</i>
Agency Request					
Change from Original App	0.00	584,500	(8,000)	0	576,500
% Change from Original App	0.0%	4.3%	(2.5%)		4.2%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>2,080,200</i>	<i>(5,600)</i>	<i>0</i>	<i>2,074,600</i>
<i>% Change from Original App</i>	<i>4.0%</i>	<i>15.4%</i>	<i>(1.8%)</i>		<i>15.0%</i>

Division of Career Technical Education

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
State Leadership/Tech. Assist.	2,572,000	2,376,100	2,701,500	3,148,600	3,182,900
General Programs	20,916,200	16,344,100	20,262,600	20,518,800	20,525,300
Postsecondary Programs	39,539,100	39,539,100	44,463,900	46,971,600	45,616,200
Dedicated Programs	820,000	395,000	820,000	1,845,000	495,000
Related Services	4,054,300	2,887,000	3,601,200	3,734,100	3,739,800
Total:	67,901,600	61,541,300	71,849,200	76,218,100	73,559,200
BY FUND CATEGORY					
General	56,204,600	56,190,200	62,057,600	66,849,300	64,176,300
Dedicated	1,805,800	929,500	977,900	552,800	556,700
Federal	9,891,200	4,421,600	8,813,700	8,816,000	8,826,200
Total:	67,901,600	61,541,300	71,849,200	76,218,100	73,559,200
Percent Change:		(9.4%)	16.7%	6.1%	2.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	38,293,100	37,669,600	42,697,900	44,963,500	44,464,700
Operating Expenditures	4,143,200	4,416,200	3,963,000	4,886,600	4,736,600
Capital Outlay	780,200	837,000	1,061,200	1,416,000	755,900
Trustee/Benefit	24,685,100	18,618,500	24,127,100	24,952,000	23,602,000
Total:	67,901,600	61,541,300	71,849,200	76,218,100	73,559,200
Full-Time Positions (FTP)	523.46	523.46	563.46	588.46	575.96

Division Description

The Division of Career Technical Education consists of the following five programs:

1. The State Leadership & Technical Assistance Program includes central staff to provide leadership, administrative and technical assistance, oversight, and accountability to a statewide educational system that provides career and technical programs at the state's high schools and technical colleges. This system prepares Idaho's youth and adults for high-skill, in-demand careers including one-year, two-year and industry certifications, as well as for further educational attainment.
2. General Programs receives General Fund, dedicated funds, and federal funds to provide secondary students with career and technical programs. General Programs also provide individuals in the workforce with the skills necessary to maintain and/or advance in their chosen occupation.
3. Postsecondary Programs provide college students with opportunities to obtain the two-year degrees and shorter term certifications needed for employment in skilled and technical occupations that require less than a baccalaureate degree. The appropriation for this program is intended to fund 100% of the direct costs at Idaho's six technical colleges. Those colleges are located within the College of Southern Idaho, College of Western Idaho, Idaho State University, Lewis-Clark State College, and North Idaho College, along with the stand-alone Eastern Idaho Technical College (EITC).
4. Dedicated Programs include funding for the Centers for New Directions at the six technical colleges, which provides underprepared adults, including displaced homemakers and single parents, with the skills necessary to be successful in the workplace. This program also includes funding for the Idaho Quality Program Standards Incentive Grants Program, and the Agricultural Education Program Start-Up Grants Program. Both of these programs are codified in Section 33-1629, Idaho Code.
5. Related Services administers the following programs: Adult Basic Education (ABE), General Educational Development (GED), and Certified Public Manager Program training.

Division of Career Technical Education

Agency Profile

Analyst: Jessup

Selected Measures	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	5-Year % Chg
1 Secondary Students Who Achieve Positive Placement or Transition¹							
Agriculture & Natural Resources	93.8%	94.2%	91.9%	93.2%	89.7%	90.6%	-3.4%
Business Technology	91.5%	92.8%	95.1%	92.4%	92.4%	92.4%	0.9%
Health Professions	96.0%	97.3%	96.1%	96.8%	96.5%	96.5%	0.6%
Family and Consumer Sciences	88.0%	91.6%	92.3%	93.3%	92.2%	92.2%	4.8%
Marketing Education	96.8%	94.7%	98.7%	99.3%	99.4%	99.4%	2.7%
Engineering & Technology Ed	93.4%	90.2%	96.4%	93.4%	95.1%	95.1%	1.9%
Skilled & Technical Sciences	93.1%	86.7%	93.7%	95.0%	95.0%	94.9%	2.0%
Individualized Occup. Training	96.1%	86.8%	86.0%	90.6%	90.7%	90.6%	-5.7%
Annual Average	93.6%	91.8%	93.8%	94.3%	93.9%	94.0%	0.4%
2 Secondary Students Who Transition to Postsecondary Education or Training							
Agriculture & Natural Resources	61.0%	55.6%	55.9%	59.0%	52.0%	52.5%	-13.9%
Business Technology	72.0%	72.4%	76.0%	73.0%	72.8%	72.8%	1.1%
Health Professions	76.0%	77.1%	73.6%	78.0%	76.2%	76.0%	0.0%
Family and Consumer Sciences	57.0%	60.5%	58.1%	66.0%	56.6%	56.6%	-0.7%
Marketing Education	77.0%	78.0%	71.2%	79.0%	75.0%	75.0%	-2.6%
Engineering & Technology Ed	78.0%	70.2%	77.3%	71.0%	77.1%	77.1%	-1.2%
Skilled & Technical Sciences	31.0%	52.8%	41.8%	46.0%	45.5%	44.9%	44.8%
Individualized Occup. Training	62.0%	50.6%	54.7%	55.0%	53.2%	53.2%	-14.2%
Annual Average	64.3%	64.7%	64.3%	65.9%	63.5%	63.5%	-1.1%
3 Technical College Completers Who Achieve a Positive Placement or Transition							
College of Western Idaho	87.9%	86.0%	88.5%	92.4%	91.4%	92.2%	4.9%
Idaho State University	89.6%	91.9%	91.1%	92.3%	97.1%	96.9%	8.2%
Lewis-Clark State College	93.2%	85.3%	87.4%	96.8%	96.8%	89.3%	-4.1%
College of Southern Idaho	93.2%	94.3%	91.7%	91.2%	94.5%	97.1%	4.2%
North Idaho College	91.4%	95.0%	90.3%	91.4%	97.2%	83.1%	-9.1%
Eastern Idaho Tech. College	93.2%	91.7%	91.8%	93.8%	94.6%	95.4%	2.4%
Annual Average	91.4%	90.7%	90.5%	95.2%	95.2%	92.3%	1.0%
4. Technical College: Number of Adult Basic Education (ABE) Clients Served (headcount)							
College of Western Idaho	2,487	2,157	1,927	1,680	1,867	1,840	-26.0%
Idaho State University	546	509	472	452	383	432	-20.9%
Lewis-Clark State College	276	281	263	226	180	154	-44.2%
College of Southern Idaho	1,404	1,220	1,241	1,061	957	887	-36.8%
North Idaho College	624	569	420	408	354	331	-47.0%
Eastern Idaho Tech. College	744	647	608	516	521	546	-26.6%
Idaho Dept. of Correction	638	947	707	762	801	755	18.3%
Total²	6,675	6,329	5,633	5,086	5,053	4,931	-26.1%

1. Positive placement is defined as "obtained a job, entered the military, or continued education" and transition at the secondary level means enrolled in college-level coursework.

2. The statewide total is an unduplicated number. The institution numbers are duplicated due to crossover in the regions, for example, those who start their program at Idaho Department of Correction in one region and end in one of the state technical colleges in a different region. Therefore, the institution numbers do not add up to the state total.

Division of Career Technical Education

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	563.46	62,057,600	71,849,200	563.46	62,057,600	71,849,200
Reappropriation	0.00	0	6,310,400	0.00	0	6,310,400
1. Addl Career & Tech Student Org Mgrs	4.00	0	0	4.00	0	0
2. CTE Teacher Education	2.00	0	0	2.00	0	0
3. Transfer Funds to State Leadership	0.00	0	0	0.00	0	0
FY 2017 Total Appropriation	569.46	62,057,600	78,159,600	569.46	62,057,600	78,159,600
Noncognizable Funds and Transfers	(4.10)	0	0	(4.10)	0	0
FY 2017 Estimated Expenditures	565.36	62,057,600	78,159,600	565.36	62,057,600	78,159,600
Removal of One-Time Expenditures	0.00	(1,770,600)	(8,105,100)	0.00	(1,770,600)	(8,105,100)
Base Adjustments	4.10	0	0	4.10	0	0
FY 2018 Base	569.46	60,287,000	70,054,500	569.46	60,287,000	70,054,500
Benefit Costs	0.00	664,200	680,100	0.00	466,500	478,800
Replacement Items	0.00	682,400	682,400	0.00	405,900	405,900
Statewide Cost Allocation	0.00	(6,600)	(6,600)	0.00	(6,600)	(6,600)
Annualizations	(2.00)	0	0	(2.00)	0	0
Change in Employee Compensation	0.00	344,600	353,000	0.00	1,001,400	1,026,300
FY 2018 Program Maintenance	567.46	61,971,600	71,763,400	567.46	62,154,200	71,958,900
1. Postsecondary Capacity Expansion	19.00	2,368,000	2,368,000	7.50	982,500	982,500
2. Industry Partner	0.00	1,000,000	1,000,000	0.00	0	0
3. EITC Human Resource Position	1.00	77,200	77,200	1.00	64,600	64,600
4. Expand Adult Basic Education	0.00	250,000	250,000	0.00	250,000	250,000
5. Expand Secondary Education Incentive Prg	1.00	498,500	498,500	1.00	149,600	149,600
6. Alignment and Creation of Courses	0.00	196,000	196,000	0.00	196,000	196,000
7. Transfer CPM & Health Matters to DHR	(3.00)	0	(413,000)	(3.00)	0	(411,800)
8. Skillstack Micro-Certification	0.00	0	15,000	0.00	0	15,000
9. Professional Development Conference	0.00	0	300,000	0.00	0	300,000
10. EITC Finance Director	1.00	108,600	108,600	0.00	0	0
11. Added Cost Funding Increase	0.00	375,000	375,000	0.00	375,000	375,000
12. Remove Fixed Appropriation for Ded Funds	0.00	0	(325,000)	0.00	0	(325,000)
13. Transfer for Staff Centralization	2.00	0	0	2.00	0	0
Cybersecurity Insurance	0.00	4,400	4,400	0.00	4,400	4,400
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	588.46	66,849,300	76,218,100	575.96	64,176,300	73,559,200
Change from Original Appropriation	25.00	4,791,700	4,368,900	12.50	2,118,700	1,710,000
% Change from Original Appropriation		7.7%	6.1%		3.4%	2.4%

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	563.46	62,057,600	977,900	8,813,700	71,849,200

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent federal and dedicated funds appropriation balances from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	841,200	5,469,200	6,310,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>841,200</i>	<i>5,469,200</i>	<i>6,310,400</i>

1. Addl Career & Tech Student Org Mgrs

General Programs, Postsecondary Programs

The Division of Career Technical Education (CTE) requests 4.00 FTP and the transfer of \$303,900 from trustee & benefit payments to personnel costs to centralize program management and oversight within the division. Previously, CTE contracted with the University of Idaho to provide 14 part-time contractors to oversee secondary career and technical student organizations throughout the state. CTE believes that centralizing these positions with the division would be a more efficient use of resources and allow for more effective oversight of federal grant funds. The need for this change was determined after the close of the 2016 legislative session.

Agency Request	4.00	0	0	0	0
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The Division of Financial Management (DFM) already approved this action in a series of object transfers and program transfers. These transactions are categorized as one-time expenditure adjustments and were submitted in the Governor's recommendation as such.

Analyst Comment: Section 67-3511, Idaho Code, limits object and program transfers for a fixed appropriation such as the one authorized for General Programs. It states that no appropriation made for expenses other than personnel costs shall be expended for personnel costs of the particular department, office, or institution for which it is appropriated, with an exception for employee suggestion awards. In this instance, the agency wanted to transfer spending authority from trustee & benefit payments into personnel costs as part of a reorganization effort at the beginning of the fiscal year. DFM approved an object transfer from trustee & benefit payments into personnel costs in Postsecondary Programs (a program which has lump sum authority and unrelated to the reorganization), and then a program transfer from personnel costs in Postsecondary Programs to General Programs. Finally, a transfer was made from trustee & benefit payments in General Programs to restore the trustee & benefit payments in the Postsecondary Programs. LSO, Budget & Policy Analysis conveyed concerns to both the agency and DFM about the nature of these transfers without legislative approval and notified the agency and DFM this would be displayed as a request for a supplemental appropriation to allow for legislative review.

<i>Governor's Recommendation</i>	<i>4.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. CTE Teacher Education **General Programs, Postsecondary Programs**

The Division of Career Technical Education (CTE) requests 2.00 FTP and the transfer of \$199,600 from trustee & benefit payments to personnel costs to more effectively facilitate career and technical teacher education. Previously, non-certified instructors who wished to teach career and technical programs at a public school or higher education institution were required to pay college/university fees to obtain certification necessary to be in the classroom. CTE believes that the division can more efficiently provide the necessary instruction for certification, thus removing the cost barrier to teachers in obtaining certification through the current process.

Agency Request	2.00	0	0	0	0
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The Division of Financial Management (DFM) already approved this action in a series of object transfers and program transfers. These transactions are categorized as one-time expenditure adjustments and were submitted in the Governor's recommendation as such.

Analyst Comment: Section 67-3511, Idaho Code, limits object and program transfers for a fixed appropriation such as the one authorized for General Programs. It states that no appropriation made for expenses other than personnel costs shall be expended for personnel costs of the particular department, office, or institution for which it is appropriated, with an exception for employee suggestion awards. In this instance, the agency wanted to transfer spending authority from trustee & benefit payments into personnel costs as part of a reorganization effort at the beginning of the fiscal year. DFM approved an object transfer from trustee & benefit payments into personnel costs in Postsecondary Programs (a program which has lump sum authority and unrelated to the reorganization), and then a program transfer from personnel costs spending authority from Postsecondary Programs into General Programs. Finally, a transfer was made from trustee & benefit payments in General Programs to restore the trustee & benefit payments in the Postsecondary Programs. LSO, Budget & Policy Analysis conveyed concerns to both the agency and DFM about the nature of these transfers without legislative approval and notified the agency and DFM this would be displayed as a request for a supplemental appropriation to allow for legislative review.

Governor's Recommendation	2.00	0	0	0	0
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3. Transfer Funds to State Leadership **State Leadership & Tech Assist, General Programs**

The Division of Career Technical Education (CTE) requests the transfer of \$35,100 from trustee and benefit payments within General Programs to personnel costs in State Leadership & Technical Assistance Program. This request is to align expenses with tasks performed by agency staff within the State Leadership & Technical Assistance and is related to the reorganization of the agency.

Agency Request	0.00	0	0	0	0
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The Division of Financial Management (DFM) already approved this action in a series of object transfers and program transfers. These transactions are categorized as one-time expenditure adjustments and were submitted in the Governor's recommendation as such.

Analyst Comment: Section 67-3511, Idaho Code, limits object and program transfers for a fixed appropriation such as the one authorized for the State Leadership & Technical Assistance Program. It states that no appropriation made for expenses other than personnel costs shall be expended for personnel costs of the particular department, office, or institution for which it is appropriated, with an exception for employee suggestion awards. In this instance, the agency wanted to transfer spending authority from trustee & benefit payments into personnel costs as part of a reorganization effort at the beginning of the fiscal year. DFM approved an object transfer from trustee & benefit payments into personnel costs in Postsecondary Programs (a program which has lump sum authority and unrelated to the reorganization), and then a program transfer from personnel costs spending authority from Postsecondary Programs into General Programs and then into State Leadership & Technical Assistance Program. Finally, a transfer was made from trustee & benefit payments in General Programs to restore the trustee & benefit payments in the Postsecondary Programs. LSO, Budget & Policy Analysis conveyed concerns to both the agency and DFM about the nature of these transfers without legislative approval and notified the agency and DFM this would be displayed as a request for a supplemental appropriation to allow for legislative review.

Governor's Recommendation	0.00	0	0	0	0
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Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Total Appropriation					
Agency Request	569.46	62,057,600	1,819,100	14,282,900	78,159,600
<i>Governor's Recommendation</i>	569.46	62,057,600	1,819,100	14,282,900	78,159,600

Noncognizable Funds and Transfers

Postsecondary Programs

Within the Postsecondary Programs, adjustments include removing 4.10 FTP and transferring \$1,314,200 from personnel costs to operating expenditures for better alignment with estimated expenditures.

Agency Request	(4.10)	0	0	0	0
<i>Governor's Recommendation</i>	(4.10)	0	0	0	0

FY 2017 Estimated Expenditures					
Agency Request	565.36	62,057,600	1,819,100	14,282,900	78,159,600
<i>Governor's Recommendation</i>	565.36	62,057,600	1,819,100	14,282,900	78,159,600

Removal of One-Time Expenditures

Removes one-time FY 2017 expenditures, including those for the 27th payroll, CEC related to the 27th payroll, replacement items, and line items.

Agency Request	0.00	(1,770,600)	(848,900)	(5,485,600)	(8,105,100)
<i>Governor's Recommendation</i>	0.00	(1,770,600)	(848,900)	(5,485,600)	(8,105,100)

Base Adjustments

Transfer returns funds and FTP previously transferred from General Programs to State Leadership & Development in FY 2017, as shown in the supplemental request. Transfers net to zero.

Agency Request	4.10	0	0	0	0
<i>Governor's Recommendation</i>	4.10	0	0	0	0

FY 2018 Base					
Agency Request	569.46	60,287,000	970,200	8,797,300	70,054,500
<i>Governor's Recommendation</i>	569.46	60,287,000	970,200	8,797,300	70,054,500

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	664,200	3,700	12,200	680,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	466,500	2,600	9,700	478,800

Replacement Items

State Leadership & Technical Assistance: Requests replacement of ten desktop computers and monitors and six surface tablets, all of which are on a 4-year rotation for the division, for a total of \$23,100.

Postsecondary Programs: Programs located at the College of Southern Idaho, College of Western Idaho, Eastern Idaho Technical College, Idaho State University, Lewis & Clark State College, and North Idaho College request replacement for instructional equipment for machining, manufacturing, welding, nursing, automotive, and technological courses. Replacements total \$659,300.

All replacements total \$682,400.

Agency Request	0.00	682,400	0	0	682,400
<i>The Governor recommends \$23,100 for replacement computer equipment, \$312,800 for equipment used in career-technical instruction, and \$70,000 for servers and software used for instruction.</i>					
<i>Governor's Recommendation</i>	0.00	405,900	0	0	405,900

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will decrease by \$300, State Controller fees will decrease by \$6,900, Attorney General fees will decrease by \$300, and State Treasurer fees will increase by \$100, for a net reduction of \$6,600.					
Agency Request	0.00	(6,600)	0	0	(6,600)
Governor's Recommendation	0.00	(6,600)	0	0	(6,600)

Annualizations

The FTP associated with the student organization coordinators will be performing tasks in fulfillment of a federal grant and no longer have to be paid with General Funds. Therefore, this action reduces 6.00 FTP from the General Fund and adds 4.00 FTP to federal funds, for a net decrease of 2.00 FTP. CTE has requested that \$305,500 in trustee & benefits be moved to personnel costs and operating expenditures to centralize the four student organization coordinators. These object transfers net to zero and would provide the full annual amount for these FTP.

Agency Request	(2.00)	0	0	0	0
Governor's Recommendation	(2.00)	0	0	0	0

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	344,600	1,900	6,500	353,000
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	1,001,400	5,700	19,200	1,026,300

FY 2018 Program Maintenance

Agency Request	567.46	61,971,600	975,800	8,816,000	71,763,400
Governor's Recommendation	567.46	62,154,200	978,500	8,826,200	71,958,900

1. Postsecondary Capacity Expansion

Postsecondary Programs

This request is for 19.00 FTP and \$2,368,000 from the General Fund. Of this request, \$1,378,900 is for ongoing personnel costs, \$255,500 is for ongoing operating expenses, and \$733,600 is for one-time capital outlay to expand CTE programs at the six technical colleges. Expansion is anticipated to accommodate an additional 248 students and alleviate long program waiting lists. This request would seek to expand or initiate 16 postsecondary CTE programs throughout the state.

- College of South Idaho: welding program expansion;
- College of Western Idaho: Western States CAT partnership expansion and dental hygiene program (new);
- Eastern Idaho Technical College: light diesel/tool technology expansion and CNT cybersecurity (new);
- Idaho State University: welding expansion, unmanned aerial systems (new), and energy systems electrical engineering expansion
- Lewis-Clark State College: millwright certification (new), instrumentation AAS (new), medical assistant/scribe expansion; and
- North Idaho College: medical lab technology (new), hospitality management expansion, dental hygiene (new), business leadership expansion, and mechatronics (new).

Agency Request	19.00	2,368,000	0	0	2,368,000
<i>The Governor recommends 7.50 FTP, \$632,500 ongoing and \$350,000 one-time from the General Fund, to build training capacity at six post-secondary institutions.</i>					
Governor's Recommendation	7.50	982,500	0	0	982,500

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Industry Partner					Dedicated Programs
<p>Section 1 of S1332 (2016) created the Industry Partner Fund with the stated purpose of expanding the ability of the six technical colleges to respond to business workforce development training needs by "providing timely access to relevant college credit and noncredit training and support projects." Sources of funding include legislative transfers and appropriations, and money from any other source. Preference will be given to proposals from Idaho's six technical colleges working with regional industry partners that include multiple employers, number of impacted workers and demonstrated commitment. Demonstrated commitment must include a promissory contribution, either in terms of cash or in-kind to the project cost with highest consideration given to match proposals. The agency is requesting an ongoing \$1 million appropriation from the General Fund for this program.</p>					
Agency Request	0.00	1,000,000	0	0	1,000,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. EITC Human Resource Position					Postsecondary Programs
<p>This request is for 1.00 FTP and \$77,200 ongoing from the General Fund to add a Human Resource position at Eastern Idaho Technical College. This position would be responsible for developing policies and procedures, facilitating trainings, planning, payroll, and other HR-related matters.</p>					
Agency Request	1.00	77,200	0	0	77,200
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	1.00	64,600	0	0	64,600
4. Expand Adult Basic Education					Related Services
<p>This request is for \$250,000 from the General Fund to expand the Adult Basic Education Program (ABE). This appropriation would be distributed to the regional ABE programs which seek to transition adults to college and/or employment, be used to expand instructional offerings, staff capacity, increase services in rural communities, and recruit qualified instructors. In FY 2012, ABE programs adopted a national best practice to a "managed enrollment" model and moved away from a "drop-in" model, which has resulted in generally better academic and job placement results. The division believes that this, combined with historical reductions in funding for ABE, economic opportunities for unskilled labor, and high instructor turnover, has contributed to decreases in participation rates. This request would seek to recruit new program participants, retain program participants through completion, and address instructor retention.</p>					
Agency Request	0.00	250,000	0	0	250,000
Governor's Recommendation	0.00	250,000	0	0	250,000

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. Expand Secondary Education Incentive **State Leadership & Tech Assist, Dedicated Programs**

This request is for 1.00 FTP and \$498,500 to expand the Secondary Incentive Program and increase course offerings. This request is split between two programs within the division: State Leadership & Technical Assistance and Dedicated Programs.

Within State Leadership & Technical Assistance, the division requests 1.00 FTP and \$63,500 for ongoing personnel costs, \$10,000 for ongoing operating expenditures, and \$75,000 for one-time operating expenditures to develop a performance measures and data reporting system. The total request for the State Leadership & Technical Assistance Program is \$148,500.

Within Dedicated Programs, the division requests \$350,000 ongoing in trustee & benefit payments that would incentivize secondary CTE program quality. Of this request, \$25,000 would be used to expand startup grant opportunities for new secondary CTE agricultural programs. The additional \$325,000 would serve to incentivize quality programs to include the additional five areas of career and technical education. These additional areas include: (1) business and marketing, (2) engineering and technology, (3) family and consumer sciences, (4) health professions, and (5) skilled and technical sciences.

Agency Request	1.00	498,500	0	0	498,500
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The Governor does not recommend \$350,000 for trustee & benefit payments for secondary incentive funding. The Governor recommends 1.00 FTP and \$149,600 from the General Fund to develop performance measures and data reporting. The salary for this FTP has been increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	149,600	0	0	149,600
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6. Alignment and Creation of Courses **General Programs**

This request is for \$196,000 for one-time operating expenditures from the General Fund to align secondary and postsecondary programs and create new online course options for students. Of the appropriation, \$128,000 is for operating expenses for continued course alignment that will align 15 additional programs throughout the state, and \$68,000 is for operating expenditures to create four new courses through Idaho Digital Learning Academy.

Agency Request	0.00	196,000	0	0	196,000
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Governor's Recommendation	0.00	196,000	0	0	196,000
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7. Transfer CPM & Health Matters to DHR **Related Services**

This request is to transfer 3.00 FTP and \$413,000 to the Division of Human Resources (DHR). Of this amount, \$241,500 is for personnel costs and \$31,500 is for operating expenditures, for a total of \$273,000 from the Miscellaneous Revenue Fund. The source of the revenue had been an annual transfer from the DHR Fund in DHR's request.

The division also requests reducing its appropriation by \$140,000 in operating expenditures from the Seminars and Publications Fund for tuition collected for the Certified Public Manager (CPM) Program. This transfer has been made at the request of the Division of Human Resources and complements restructuring that has taken place within the division.

Agency Request	(3.00)	0	(413,000)	0	(413,000)
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	(3.00)	0	(411,800)	0	(411,800)
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Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Skillstack Micro-Certification					General Programs
<p>This request is for \$15,000 in ongoing trustee & benefit payments from the Miscellaneous Revenue Fund to use Idaho Skillstack® annual user fees collected from schools to pay for the maintenance of the website. Idaho's CTE secondary programs and higher education institutions use SkillStack® to award micro-certifications or badges to individuals in career-technical programs, non-credit workforce training programs, and academic programs. Boise State University, North Idaho College, Lewis-Clark State College, College of Western Idaho, College of Southern Idaho, Idaho State University, and Eastern Idaho Technical College are currently awarding badges or will begin to award badges in Spring 2017. This request covers an annual maintenance fee of \$7,500 and an additional \$7,500 in site development to accommodate planned upgrades of SkillStack® and would allow the division to spend administration fees that are charged to the institutions to support this website.</p>					
Agency Request	0.00	0	15,000	0	15,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>15,000</i>	<i>0</i>	<i>15,000</i>
9. Professional Development Conference					Related Services
<p>This request of \$300,000 from the Miscellaneous Revenue Fund is for operating expenditures so that the division can use registration fees collected for a CTE professional development conference held each summer. Historically, accounting for this event has been done by the College of Western Idaho and a change will allow CTE to perform this task more efficiently.</p>					
Agency Request	0.00	0	300,000	0	300,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>300,000</i>	<i>0</i>	<i>300,000</i>
10. EITC Finance Director					Postsecondary Programs
<p>This request is for 1.00 FTP and an ongoing \$108,600 appropriation from the General Fund for a finance director at Eastern Idaho Technical College (EITC). This position would oversee the career and technical program budget and other grants at the college.</p>					
Agency Request	1.00	108,600	0	0	108,600
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
11. Added Cost Funding Increase					General Programs
<p>This request is for \$375,000 in ongoing trustee & benefit payments from the General Fund. This appropriation would be a 5% increase to added cost funding for secondary CTE programs which are active in 120 school districts throughout the state. Funding would be used for professional development, additional equipment and supplies unique to career-technical programs, including items such as medical or welding equipment, that students can use to acquire career-oriented job skills. In addition, these funds can be used to pay for extended CTE teacher contracts.</p>					
Agency Request	0.00	375,000	0	0	375,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>375,000</i>	<i>0</i>	<i>0</i>	<i>375,000</i>
12. Remove Fixed Appropriation for Ded Fu					Dedicated Programs
<p>CTE requests that the appropriation for the Quality Program Standards Incentive Grant Fund of \$200,000, and the appropriation for the Agriculture and Natural Resources Education Program Fund of \$125,000, be reduced to zero and that the agency be allowed to rely upon the authority initially granted in Sections 33-1629,1© and 2(d), Idaho Code, for continuous appropriation rather than a fixed appropriation. To date, the agency has reported a donation of \$800 in FY 2015. These funds were created during the 2014 session as part of S1275 for the new Agriculture and Natural Resources Education Programs which were envisioned as a state and private partnership to expand and improve industry preparedness with Idaho driven quality program standards, incentive grants, and new program start-up grants for the state's rural and urban employers.</p>					
Agency Request	0.00	0	(325,000)	0	(325,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(325,000)</i>	<i>0</i>	<i>(325,000)</i>

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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13. Transfer for Staff Centralization **State Leadership & Tech Assist, General Programs**

This request is for the transfer of 3.00 FTP and \$334,600 from General Programs to State Leadership & Technical Assistance. CTE previously contracted with Idaho State University and the University of Idaho to provide teacher education for new CTE teachers coming from industry. With the increasing reliance on industry experts, CTE would like to restructure how new instructors from industry pursue and receive their educational credentials. CTE believes that centralizing staff within the division will result in more efficient and effective oversight of career and technical programming and remove cost barriers currently experienced by those transitioning from industry to education. This request would hire two personnel, a director of CTE education/certification and an associate technical support staffer, which would internalize processes previously contracted with ISU and UI. The financial impact of this shift is zero and contracts with ISU and UI will continue in relation to traditional academic CTE teacher training. This shift is part of CTE's reorganization efforts to centralize programs and comply with federal funding requirements. The total request for FTP nets to the addition of 2.00 FTP.

Agency Request	2.00	0	0	0	0
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The Division of Financial Management already approved this transfer as a base adjustment.

Governor's Recommendation	2.00	0	0	0	0
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Cybersecurity Insurance **State Leadership & Technical Assistance**

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	4,400	0	0	4,400
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	4,400	0	0	4,400
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Budget Law Exceptions **Postsecondary Programs**

LUMP SUM: The agency requests an appropriation for the Postsecondary Programs that is not subject to state budget laws that restrict the transfer of money between programs and among personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. This authority requires legislative approval.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2018 Total					
Agency Request	588.46	66,849,300	552,800	8,816,000	76,218,100
Governor's Recommendation	575.96	64,176,300	556,700	8,826,200	73,559,200

Agency Request					
Change from Original App	25.00	4,791,700	(425,100)	2,300	4,368,900
% Change from Original App	4.4%	7.7%	(43.5%)	0.0%	6.1%
Governor's Recommendation					
Change from Original App	12.50	2,118,700	(421,200)	12,500	1,710,000
% Change from Original App	2.2%	3.4%	(43.1%)	0.1%	2.4%

Idaho Public Television

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	2,314,000	2,322,900	3,022,100	3,295,400	3,327,600
Dedicated	6,385,300	5,451,500	6,272,500	6,389,300	6,306,700
Total:	8,699,300	7,774,400	9,294,600	9,684,700	9,634,300
Percent Change:		(10.6%)	19.6%	4.2%	3.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,259,700	4,221,200	4,551,400	4,737,100	4,720,100
Operating Expenditures	3,503,600	2,910,700	3,537,400	3,526,700	3,511,700
Capital Outlay	936,000	642,500	1,205,800	1,420,900	1,402,500
Total:	8,699,300	7,774,400	9,294,600	9,684,700	9,634,300
Full-Time Positions (FTP)	60.00	60.00	64.48	66.48	65.48

Division Description

Under the supervision of the State Board of Education, Idaho Public Television provides:

1. Coordination and distribution of educational and instructional TV programs and services for Idaho's school-age population; and coordination, promotion, and delivery of adult learning and continuing educational opportunities to all Idaho citizens at school, work, and home;
2. Production, acquisition, and broadcasting of programming services responsive to the interests of Idaho citizens;
3. Coordination, production, and delivery of non-broadcast, informal, and formal telecommunications services; and access to production facilities, distribution facilities, and services to public or private agencies engaged in educational activities;
4. Real-time coverage of the Idaho Legislature, Supreme Court hearings, and other media activities. Basic operational support includes production management, engineering maintenance, website management, and information technology support; as well as facilities and engineering support for communications programs at the University of Idaho and Idaho State University;
5. Partnerships with the Bureau of Homeland Security and the Idaho Technology Authority for the digital delivery systems across the state; and maintenance of the statewide broadcast delivery system.

Funding for the agency comes from two primary sources:

1. General Fund (0001)
2. Miscellaneous Revenue (0349): Private donations and grants, corporate and non-profit entities, and an annual grant from the Corporation for Public Broadcasting (CPB). These funds are via Friends of Idaho Public Television, Inc., a non-profit corporation. This fund is largely used for the content side of the operation, which includes the acquisition of programs and the local production of shows that are then available to Idahoans through the statewide delivery system, Internet, and other media. The CPB funds are restricted by federal law for use by the grantee for "purposes related primarily to the production or acquisition of programming."

Idaho Public Television

Comparative Summary

Analyst: Lockett

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	64.48	3,022,100	9,294,600	64.48	3,022,100	9,294,600
Noncognizable Funds and Transfers	1.00	0	62,200	1.00	0	62,200
FY 2017 Estimated Expenditures	65.48	3,022,100	9,356,800	65.48	3,022,100	9,356,800
Removal of One-Time Expenditures	(1.00)	(866,200)	(1,395,100)	(1.00)	(866,200)	(1,395,100)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	64.48	2,155,900	7,961,700	64.48	2,155,900	7,961,700
Benefit Costs	0.00	16,000	75,800	0.00	53,300	53,500
Inflationary Adjustments	0.00	2,900	2,900	0.00	2,900	2,900
Replacement Items	0.00	1,022,000	1,418,000	0.00	1,006,500	1,402,500
Statewide Cost Allocation	0.00	100	800	0.00	100	800
Change in Employee Compensation	0.00	9,200	37,200	0.00	107,400	111,200
FY 2018 Program Maintenance	64.48	3,206,100	9,496,400	64.48	3,326,100	9,532,600
1. Educational Outreach	2.00	87,800	183,900	1.00	0	97,300
Cybersecurity Insurance	0.00	1,500	4,400	0.00	1,500	4,400
FY 2018 Total	66.48	3,295,400	9,684,700	65.48	3,327,600	9,634,300
Change from Original Appropriation	2.00	273,300	390,100	1.00	305,500	339,700
% Change from Original Appropriation		9.0%	4.2%		10.1%	3.7%

Idaho Public Television

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	64.48	3,022,100	6,272,500	0	9,294,600

Noncognizable Funds and Transfers

The Public Broadcasting Service (PBS) chose IPTV as one of five stations nationwide for a new project that boosts teacher performance and helps teachers narrow the opportunity gap using IPTV's online catalog of digital media resources. IPTV will receive grants up to \$350,000 over a three-year period to hire a full-time limited-service community teacher ambassador. The position will work out of the agency's central office to create a plan that will help Idaho teachers use IPTV's digital media resources in the classroom. This position will also implement professional development and engagement activities for teachers in communities throughout the state. The grant required the community teacher ambassador to be hired before the end of calendar year 2016, so IPTV hired the position after the Governor approved an increase of the FTP cap by 1.00 FTP in November. This brings the agency's FTP authorization up to 65.48 for FY 2017. DFM also approved an increase of \$36,800 in personnel costs and \$25,400 in operating expenditures in the agency's Miscellaneous Revenue Fund through the noncognizable process which they authorized on a one-time basis. A request to continue this position into the next fiscal year is included as part of the line item in the FY 2018 budget request.

ANALYST COMMENT: In November 2016, the Division of Financial Management (DFM) approved a noncognizable appropriation of \$62,200 in personnel costs and operating expenditures for grant funds in the Miscellaneous Revenue Fund. Section 67-3516(2), Idaho Code, states, "Funds available to any agency from sources other than state funds, if not cognizable at the time when appropriations were made whether state fiscal liability is increased or not, must have prior approval of the administrator of the division of financial management and the board of examiners in order that funds may be expended, except those funds received under such conditions that preclude approval by the administrator of the division and/or the board of examiners."

Agency Request	1.00	0	62,200	0	62,200
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>62,200</i>	<i>0</i>	<i>62,200</i>

FY 2017 Estimated Expenditures					
Agency Request	65.48	3,022,100	6,334,700	0	9,356,800
<i>Governor's Recommendation</i>	<i>65.48</i>	<i>3,022,100</i>	<i>6,334,700</i>	<i>0</i>	<i>9,356,800</i>

Removal of One-Time Expenditures

Agency Request	(1.00)	(866,200)	(528,900)	0	(1,395,100)
<i>Governor's Recommendation</i>	<i>(1.00)</i>	<i>(866,200)</i>	<i>(528,900)</i>	<i>0</i>	<i>(1,395,100)</i>

Base Adjustments

The agency requests a transfer of \$60,000 from operating expenditures to personnel costs in the Miscellaneous Revenue Fund. The transfer will help pay for contract positions for special projects.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	64.48	2,155,900	5,805,800	0	7,961,700
<i>Governor's Recommendation</i>	<i>64.48</i>	<i>2,155,900</i>	<i>5,805,800</i>	<i>0</i>	<i>7,961,700</i>

Idaho Public Television

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	16,000	59,800	0	75,800
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status. Of the \$53,300 recommended from the General Fund, \$42,000 is a fund shift to the General Fund from the Miscellaneous Revenue Fund for employee benefit increases that cannot be covered by the agency's dedicated revenues.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>53,300</i>	<i>200</i>	<i>0</i>	<i>53,500</i>

Inflationary Adjustments

Provides \$2,500 for a 1% inflationary increase to the lease rate at the agency's central office in Boise with Orchard Partners. The lease rate has increased from \$391,400 to \$393,900. The agency also requests \$400 to cover increases in communication site leases from the Department of Lands at Idaho City and Flat Top Butte.

Agency Request	0.00	2,900	0	0	2,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,900</i>	<i>0</i>	<i>0</i>	<i>2,900</i>

Idaho Public Television

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

GENERAL FUND: \$250,000 for a transmission encoder system that replaces the original transmission encoder system that was acquired in 2008. This system creates the transport stream of programs that are aired on all the agency's transmitters and translators. The newer technology also allows for a better signal with less digital breakup and will allow the agency to add a fifth program channel (24 x 7 PBS Kids Channel).

\$180,000 for enhanced digital emergency alert system (EAS) equipment that replaces the original digital EAS insertion equipment which has been problematic. The current equipment is no longer supported by the manufacturer, plus the new version will allow more targeted emergency alerts to specific areas.

\$400,000 for one-third of the funding needed for an ethernet microwave system. The total cost to replace the current ethernet backbone microwave which IPTV shares with Bureau of Homeland Security is \$1,200,000. This purchase will reduce IPTV data haul charges that could be incurred if it does not replace the current microwave radios it shares with the state.

\$12,500 for a closed caption encoder. The Federal Communication Commission's requirements for closed captioning have increased and the methodology to perform the work has evolved to an IP-based method. The agency must purchase an encoder that utilizes the IP protocol.

\$8,000 for four laptop computers that are four years old and one graphics computer platform that is also four years old.

\$15,000 for servers and an encoder that allows the agency's content to be streamed on the web and into email systems. Both are four years old.

\$36,000 for a field truck for the Boise based field engineer. The existing truck is nine years old and has 150,000 miles. The vehicle must be able to travel on back roads to translators and transmitters. State contract pricing of \$33,900, plus \$2,100 for a shell and winch, are included in this request.

\$105,000 for phase three of the analog replacement to finish equipping the agency's studio at the Statehouse. Funding for this was provided by the Legislature in FY 2008, but was returned during the holdback. This is for the replacement of analog standard definition editing, routing, signal processing and patching of video and audio signals. The equipment will also allow for on-location remote productions, such as Idaho Reports.

\$15,500 for transcoders used with translators to begin replacing the front ends of several translators around the state. The agency is requesting five units initially, and will replace the oldest first. These units convert over-the-air frequencies from one channel to another channel and then provide the new channel to the final amplifier for broadcast.

MISCELLANEOUS REVENUE FUND: \$200,000 for a PBS internet connection to replace the satellite based program delivery system from PBS to member stations with a fiber-optic based terrestrial system. Funding will be provided by the Corporation for Public Broadcasting.

\$70,000 for studio lights at the North Orchard Complex in Boise and \$7,000 for a field lighting package to replace the existing kit. Both will be replaced with more efficient LED versions.

\$110,000 for a video camera package and lens to replace an existing field production camera and \$9,000 for broadcast tripods to replace worn out production tripods for use in the field.

Agency Request	0.00	1,022,000	396,000	0	1,418,000
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The Governor recommends all replacement items except five transcoders that cost a total of \$15,500.

Governor's Recommendation	0.00	1,006,500	396,000	0	1,402,500
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Idaho Public Television

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
<p>This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$300, State Controller fees will decrease by \$1,600, Attorney General fees will increase by \$2,300, and State Treasurer fees will decrease by \$200, for a net increase of \$800.</p>					
Agency Request	0.00	100	700	0	800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>100</i>	<i>700</i>	<i>0</i>	<i>800</i>
Change in Employee Compensation					
<p>For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.</p>					
Agency Request	0.00	9,200	28,000	0	37,200
<p><i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. He also recommends the pay structure for state employees be moved by 3% and includes \$3,800 from the Miscellaneous Revenue Fund for that purpose. Of the \$107,400 recommended from the General Fund, \$79,800 is a fund shift to the General Fund from the Miscellaneous Revenue Fund for compensation increases that cannot be covered by the agency's dedicated revenues.</i></p>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>107,400</i>	<i>3,800</i>	<i>0</i>	<i>111,200</i>
FY 2018 Program Maintenance					
Agency Request	64.48	3,206,100	6,290,300	0	9,496,400
<i>Governor's Recommendation</i>	<i>64.48</i>	<i>3,326,100</i>	<i>6,206,500</i>	<i>0</i>	<i>9,532,600</i>

Idaho Public Television

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Educational Outreach

The agency requests an enhancement to its educational outreach efforts with the addition of one educational outreach position, \$69,900 in personnel costs, and \$15,000 in operating expenditures, all from the General Fund. The request also includes the Public Broadcasting Service (PBS) grant-funded community teacher ambassador position that was approved in November 2016 as a noncognizable adjustment. Specifically, the FY 2018 portion of the three year PBS grant is for 1.00 FTP, \$69,900 in personnel costs, and \$26,600 in operating expenditures from the Miscellaneous Revenue Fund. The grant was funded by a private donation to PBS through the Anne Ray Charitable Trust. These 2.00 FTP will supplement one existing position already devoted to educational outreach activities.

By making presentations to teachers, parents, and caregivers about how best to utilize more than 100,000 free educational resources available from IPTV, together, these three positions will increase the statewide use of these resources. They will also have an impact on the effectiveness of the learning process, thus improving standardized test scores in literacy and STEM subjects. The agency has learned that many educators and parents are not aware of these resources or how best to employ them. The new positions will coordinate efforts to travel the state informing the community about these resources and demonstrating best practices for their utilization both at home and in the classroom. This will allow the agency to increase its presence in northern and eastern Idaho where the current costs to serve these communities from Boise is prohibitive. While IPTV provides educational material for all ages, the positions plan to concentrate most of their efforts on preschool and elementary grades.

The positions will develop educational curriculum to accompany IPTV's productions. They will also produce educational components for local programs, as well as bring educational offerings from the Corporation for Public Broadcasting (CPB) and PBS to Idaho communities. These offerings could include educational video segments, lesson plans based on state standards, teacher guides and websites and other digital learning materials. They will meet with schools, libraries, and other educational sites to demonstrate Learning Media, Literacy in a Trunk, STEM in a Trunk and a whole host of educational components produced by PBS and CPB. The positions will work closely with the State Department of Education, Office of the State Board of Education, Idaho Commission for Libraries, the STEM Action Committee, and other local educational organizations. The positions will help augment existing classroom curriculum by providing supplemental materials to educators and learners.

Agency Request	2.00	87,800	96,100	0	183,900
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The Governor does not recommend an additional educational outreach position from the General Fund but does recommend the continuation of the educational grant position filled in FY 2017 with one-time noncognizable funding. The salary is increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	97,300	0	97,300
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	1,500	2,900	0	4,400
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	1,500	2,900	0	4,400
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FY 2018 Total					
Agency Request	66.48	3,295,400	6,389,300	0	9,684,700
Governor's Recommendation	65.48	3,327,600	6,306,700	0	9,634,300

Idaho Public Television

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	2.00	273,300	116,800	0	390,100
% Change from Original App	3.1%	9.0%	1.9%		4.2%
<i>Governor's Recommendation</i>					
Change from Original App	1.00	305,500	34,200	0	339,700
% Change from Original App	1.6%	10.1%	0.5%		3.7%

Special Programs

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Forest Utilization Research	1,078,800	1,078,800	1,268,400	1,334,000	1,347,100
Geological Survey	824,200	824,200	1,123,300	1,067,400	1,080,400
Scholarships and Grants	8,808,300	8,293,100	14,453,600	20,948,400	18,951,300
Museum of Natural History	486,000	486,000	532,700	644,800	648,800
Small Bus. Development Centers	567,700	565,600	610,100	605,900	613,100
TechHelp	155,100	155,000	166,400	164,300	166,500
Total:	11,920,100	11,402,700	18,154,500	24,764,800	22,807,200
BY FUND CATEGORY					
General	9,836,700	9,696,600	15,430,100	20,640,500	18,682,800
Dedicated	0	0	1,000,000	1,000,000	1,000,000
Federal	2,083,400	1,706,100	1,724,400	3,124,300	3,124,400
Total:	11,920,100	11,402,700	18,154,500	24,764,800	22,807,200
Percent Change:		(4.3%)	59.2%	36.4%	25.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,968,600	2,444,100	3,501,200	3,667,600	3,712,800
Operating Expenditures	174,100	682,900	215,100	224,900	222,100
Capital Outlay	49,500	59,100	70,300	104,400	104,400
Trustee/Benefit	8,727,900	8,216,600	14,367,900	20,767,900	18,767,900
Total:	11,920,100	11,402,700	18,154,500	24,764,800	22,807,200
Full-Time Positions (FTP)	38.13	38.13	42.13	44.13	44.13

Division Description

Organized under the State Board of Education, Special Programs include the following:

The Forest Utilization Research (FUR) program, located at the University of Idaho, conducts research and analyzes policy to increase the productivity of Idaho's forests and rangelands.

The Idaho Geological Survey (IGS) collects, analyzes, and disseminates geologic and mineral-based asset data for the state of Idaho. IGS is headquartered at the University of Idaho with field offices at BSU and ISU.

The Scholarships and Grants program, administered by the Office of the State Board of Education, manages five scholarship and grant programs available to students attending Idaho's postsecondary educational institutions.

The Museum of Natural History, located at Idaho State University, preserves, expands, and disseminates information about the natural history of Idaho and the Intermountain West.

The Idaho Small Business Development Centers (ISBDC) provide counseling, training, research, and technical support services to small businesses and entrepreneurs. The center is headquartered at Boise State University with field offices at colleges and universities around the state.

TechHelp provides manufacturing consulting services to small and medium sized companies. TechHelp is a partnership of Idaho's three state universities and is an affiliate of the National Institute of Standards and Technology Manufacturing Extension Partnership. It is also Idaho's Economic Development Administration University Center, targeting economically distressed areas of Idaho.

Special Programs Agency Profile

Analyst: Jessup

Budget by Scholarship Program

PROGRAM	Allocation FY 2014 Original Approp.	Allocation FY 2015 Original Approp.	Allocation FY 2016 Original Approp.	Allocation FY 2017 Original Approp.	Allocation FY 2018 Request
General Fund					
Idaho Robert R. Lee Promise Scholarship - Category A	\$317,000	\$82,500	\$72,000	\$15,000	\$3,000
Idaho Robert R. Lee Promise Scholarship - Category B	3,634,500	67,500	0	0	0
Atwell Parry Work Study Program	1,186,000	1,186,000	1,186,000	1,186,000	1,186,000
Minority/At Risk Scholarship	210,000	0	0	0	0
Teachers/Nurses Loan Forgiveness Program	150,000	80,000	80,000	40,000	20,000
Armed Forces and Public Safety Officer (fee waiver)	120,000	120,000	179,052	280,000	220,000
Opportunity Scholarship	1,045,800	5,127,300	5,146,248	10,142,300	10,234,300
Adult Completers Scholarship	0	0	0	0	5,000,000
STATE TOTAL	\$6,663,300	\$6,663,300	\$6,663,300	\$11,663,300	\$16,663,300
Miscellaneous Funds					
Postsecondary Credit Scholarships	0	0	0	1,000,000	1,000,000
MISCELLANEOUS TOTAL	\$0	\$0	\$0	\$1,000,000	\$1,000,000
Federal Funds					
Unallocated Federal Appropriation	34,700	34,700	0	0	0
GEAR UP Appropriation	1,669,900	1,669,900	2,064,600	1,704,600	3,104,600
FEDERAL TOTAL	\$1,704,600	\$1,704,600	\$2,064,600	\$1,704,600	\$3,104,600
GRAND TOTAL	\$8,367,900	\$8,367,900	\$8,727,900	\$13,367,900	\$19,767,900

Scholarship Descriptions

S1027 (2013 session) repealed and consolidated two scholarship programs into the Opportunity Scholarship Program. The repealed programs are the Robert R. Lee Promise Scholarship - Categories A and B, and the Minority/At Risk Scholarship. Also, the Grow Your Own scholarship program for teachers was curtailed. The \$4,231,500 from those programs was consolidated into the Opportunity Scholarship Program.

Opportunity Scholarship: A need-based scholarship designed on a shared responsibility model with state dollars being the last dollars. This means that a student must apply for federal aid and have a self or family contribution element before they are eligible. The award amount is up to \$3,000 per year, renewable up to four years. Students must be Idaho graduates attending an eligible Idaho postsecondary institution full-time (quarter-time at community colleges), must maintain a 3.0 GPA, and must submit the Free Application for Federal Student Aid (FAFSA) every year. [Statutory Authority: §33-4303 et seq., Idaho Code]

Atwell Parry Work Study Program: An employment program that assists students with financial or educational need to attend accredited institutions of higher education in Idaho. Institutions provide a 20% match for on-campus jobs, while off-campus employers provide a 50% match. [Statutory Authority: §33-4401, Idaho Code, and FY 1994 JFAC Intent Language]

Postsecondary Credit Scholarship: House Bill 477 established the Postsecondary Credit scholarship program for students who have earned at least ten postsecondary credits while attending high school. Applications must obtain a merit-based matching scholarship from business or industry representing business.

Special Programs

Agency Profile

Analyst: Jessup

Scholarship Descriptions (continued)

Teachers/Nurses Loan Forgiveness Program: Provides loans equal to full-time student fees for selected nursing and teacher education students. Loans are forgiven if the recipient teaches or practices in Idaho for two years after graduation. The law allows up to 16 new awards per year for teachers and 13 for nurses. [Statutory Authority: §33-3722, Idaho Code]

Armed Forces and Public Safety Officer Scholarship (fee waiver): Provides tuition and fees, on-campus housing and subsistence, and up to \$500 per semester for books to spouses or children of Idaho citizens who were prisoners of war, missing in action, killed or disabled in any armed conflict of which the United States was a party, or killed or disabled in the line of duty while employed in Idaho as a public safety officer. Awardees must attend an Idaho public college or university. [Statutory Authority: §33-4302, Idaho Code]

GEAR UP Federal Scholarship: The GEAR UP Idaho Scholarship is available to students who participated in the early intervention component (7th-10th grade) of the GEAR UP program and graduated in 2012, 2013 or 2014. The monetary value of the GEAR UP Idaho scholarship award to a student is set at the maximum amount of the Federal Pell Grant as established by the federal government for the given year. The total amount of financial aid from all sources shall not exceed the student's total educational costs.

GEAR UP 2 Federal Scholarship: The GEAR UP 2 Idaho Scholarship is available to students who participated in the early intervention component (7th-10th grade) of the GEAR UP program and will graduate high school in 2017 and 2018. The monetary value of the GEAR UP Idaho scholarship award to students will depend on how many eligible applicants apply. The amount of each scholarship will be determined by taking the total amount of funds and dividing this amount by the number of applicants. The total amount of financial aid from all sources shall not exceed the student's total educational costs.

Special Programs

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	42.13	15,430,100	18,154,500	42.13	15,430,100	18,154,500
Removal of One-Time Expenditures	0.00	(169,900)	(170,400)	0.00	(169,900)	(170,400)
FY 2018 Base	42.13	15,260,200	17,984,100	42.13	15,260,200	17,984,100
Benefit Costs	0.00	37,000	37,300	0.00	22,000	22,200
Inflationary Adjustments	0.00	2,800	2,800	0.00	0	0
Replacement Items	0.00	98,400	98,400	0.00	98,400	98,400
Change in Employee Compensation	0.00	29,700	29,800	0.00	88,200	88,500
FY 2018 Program Maintenance	42.13	15,428,100	18,152,400	42.13	15,468,800	18,193,200
1. Adult Completers Scholarship	1.00	5,095,300	5,095,300	1.00	3,097,200	3,097,200
2. GEAR UP Scholarships	0.00	0	1,400,000	0.00	0	1,400,000
3. Development Officer	1.00	117,100	117,100	1.00	116,800	116,800
FY 2018 Total	44.13	20,640,500	24,764,800	44.13	18,682,800	22,807,200
Change from Original Appropriation	2.00	5,210,400	6,610,300	2.00	3,252,700	4,652,700
% Change from Original Appropriation		33.8%	36.4%		21.1%	25.6%

Special Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	42.13	15,430,100	1,000,000	1,724,400	18,154,500

Removal of One-Time Expenditures

Forest Utilization Research: removes funding for 27th payroll, and \$3,000 one-time capital outlay related to a new FTP;

Idaho Geological Survey: removes funding for 27th payroll, \$20,500 one-time for replacement items, and \$34,400 one-time capital outlay related to two new FTP;

Scholarships and Grants: removes funding for 27th payroll;

Museum of Natural History: removes funding for 27th payroll, and \$12,400 one-time to replace computer and instructional equipment;

Small Business Development Centers: removes funding for 27th payroll;

TechHelp: Removes funding for 27th payroll.

Agency Request	0.00	(169,900)	0	(500)	(170,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(169,900)</i>	<i>0</i>	<i>(500)</i>	<i>(170,400)</i>

FY 2018 Base					
Agency Request	42.13	15,260,200	1,000,000	1,723,900	17,984,100
<i>Governor's Recommendation</i>	<i>42.13</i>	<i>15,260,200</i>	<i>1,000,000</i>	<i>1,723,900</i>	<i>17,984,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	37,000	0	300	37,300
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>22,000</i>	<i>0</i>	<i>200</i>	<i>22,200</i>

Inflationary Adjustments

Forest Utilization Research: Request for \$1,800 for general inflation for operational expenditures, most significantly professional services, computer services, and cost of travel.

Idaho Geological Survey: Request for \$600 for general inflation to operational expenditures, most significantly travel, computer services, and communication costs.

Museum of Natural History: Request for \$200 for general inflation to operational expenditures, most significantly maintenance services, maintenance supplies, and communication costs.

Small Business Development Centers: Request for \$200 for general inflation to operational expenditures, most significantly professional services.

Agency Request	0.00	2,800	0	0	2,800
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Special Programs

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
Forest Utilization Research: Request of \$71,100 for CAT 305.5 compact excavator and reforestation head, and \$9,800 for a Brown Raptor 03 forestry mulching head to be used with the excavator. The excavator currently utilized by the Forest Utilization Research Program was acquired in 1982. This request addresses three important functions for student-led forestry work: reforestation, fire management and suppression, and best management practices.					
Idaho Geological Survey: Request for two Lidar-capable research stations (\$3,600), one workstation (\$1,600), one specialized desktop computer (\$1,200), and one desk (\$1,600). The computer included in request is specialized to operate specified programming utilized by the IGS.					
Museum of Natural History: Request of \$9,500 for one Duet 42" PCAP touch screen table. At present, the program utilizes a table acquired in 2002.					
Agency Request	0.00	98,400	0	0	98,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>98,400</i>	<i>0</i>	<i>0</i>	<i>98,400</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	29,700	0	100	29,800
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>88,200</i>	<i>0</i>	<i>300</i>	<i>88,500</i>

FY 2018 Program Maintenance

Agency Request	42.13	15,428,100	1,000,000	1,724,300	18,152,400
<i>Governor's Recommendation</i>	<i>42.13</i>	<i>15,468,800</i>	<i>1,000,000</i>	<i>1,724,400</i>	<i>18,193,200</i>

1. Adult Completers Scholarship

Scholarships and Grants

This request is for 1.00 FTP and an appropriation from the General Fund for the Adult Completers Scholarship. Of these funds, \$89,300 is for ongoing personnel costs, \$3,000 is for ongoing operating expenses, \$3,000 for one-time for capital outlay, and \$5,000,000 for ongoing trustee & benefit payments. OSBE reports that board personnel currently administer five scholarships in addition to the Adult Completers Scholarship but would be unable to absorb the additional responsibilities were the program expanded pursuant to this request. The additional FTP would provide necessary staff support to administer the scholarship. The Adult Completers Scholarship is intended to support adult students returning to college after an absence of three or more years who are completing their first undergraduate degree.

Agency Request	1.00	5,095,300	0	0	5,095,300
<i>The Governor recommends \$3,000,000 for scholarships. The position is recommended with the salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>3,097,200</i>	<i>0</i>	<i>0</i>	<i>3,097,200</i>

2. GEAR UP Scholarships

Scholarships and Grants

This request is for an ongoing appropriation of \$1,400,000 of Federal Grant funds for GEAR UP Scholarships. GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Program) is a federal grant program designed to increase college readiness for low-income students. Changes in federal regulations are anticipated to result in an increase of the students eligible for GEAR UP scholarship funds. Additional authority and spending is requested to respond to this increase in demand.

Agency Request	0.00	0	0	1,400,000	1,400,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>1,400,000</i>	<i>1,400,000</i>

Special Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Development Officer					Museum of Natural History
<p>This request is for 1.00 FTP and an appropriation of \$117,100 from the General Fund for the creation of a development officer at the Museum of Natural History. Of this request, \$110,100 is ongoing for personnel costs, \$4,000 is ongoing for operating expenses, and \$3,000 is one-time for capital outlay. The development officer would increase the museum's fundraising capacity, create a dedicated position to focus on fundraising, engage directly with the community, and work to expand exhibit offerings.</p>					
Agency Request	1.00	117,100	0	0	117,100
<p><i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
Governor's Recommendation	1.00	116,800	0	0	116,800
FY 2018 Total					
Agency Request	44.13	20,640,500	1,000,000	3,124,300	24,764,800
Governor's Recommendation	44.13	18,682,800	1,000,000	3,124,400	22,807,200
Agency Request					
Change from Original App	2.00	5,210,400	0	1,399,900	6,610,300
% Change from Original App	4.7%	33.8%	0.0%	81.2%	36.4%
Governor's Recommendation					
Change from Original App	2.00	3,252,700	0	1,400,000	4,652,700
% Change from Original App	4.7%	21.1%	0.0%	81.2%	25.6%

Superintendent of Public Instruction

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	10,371,600	9,971,500	14,184,800	14,915,500	14,994,500
Dedicated	6,395,900	3,948,500	9,319,900	9,297,000	9,326,500
Federal	17,071,500	11,255,900	17,386,100	17,337,000	17,402,900
Total:	33,839,000	25,175,900	40,890,800	41,549,500	41,723,900
Percent Change:		(25.6%)	62.4%	1.6%	2.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	12,067,500	10,770,600	13,658,400	13,562,100	13,736,500
Operating Expenditures	18,668,300	12,385,400	19,533,900	19,515,700	19,515,700
Capital Outlay	67,000	108,000	67,000	40,200	40,200
Trustee/Benefit	3,036,200	1,911,900	7,631,500	8,431,500	8,431,500
Total:	33,839,000	25,175,900	40,890,800	41,549,500	41,723,900
Full-Time Positions (FTP)	142.00	142.00	142.00	142.00	142.00

Division Description

The State Department of Education is an executive agency of the State Board of Education and is established pursuant to Section 33-125, Idaho Code. 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 board for all elementary and secondary school matters

Assessment and Accountability

The State Department of Education is responsible for a number of student assessments and accountability efforts. These include the following:

1. The Idaho Standards Achievement Test by Smarter Balance® (ISAT) that is aligned to the Idaho Student Achievement Standards in English/Language Arts, Mathematics, and Science
 Administered in grades 3-8 and 10
 Includes Interim Assessments and the Digital Resource Library
2. The Idaho Alternate Assessment (ISAT – ALT) in English/Language Arts, mathematics and science. The ELA and Math tests were developed by the National Center and State Collaborative for students with the most significant cognitive disabilities and administered in grades 3 - 8 and 11. The alternate assessment in science is a student portfolio completed in grades 5, 7 and 10.
3. The Idaho English Language Proficiency Assessment (ELPA)
 Large Scale English Language Proficiency assessment administered to students in Kindergarten through 12th grade who have been identified as English Learners.
4. Idaho Reading Indicator (IRI), a screener for early literacy skills, administered in grades K-3.
5. Civics End of Course Assessment, administered any time after the 7th grade and documented on the student transcript for the graduation requirement.
6. Biology End of Course Assessment, tested after the completion of a High School Biology course.
7. Chemistry End of Course Assessment, tested after the completion of a High School Chemistry course.
8. SAT, administered by The College Board in the 11th grade.
9. PSAT administered by The College Board, traditionally given in the 10th grade.
10. National Assessment on Educational Progress (NAEP)
 Reading and math assessments administered to a sample of Idaho students in grades 4, 8, and 12.

ISAT 2015 and 2016 RESULTS
Percentage of Students Proficient & Advanced

Grade	English / Language Arts		Math	
	2015	2016	2015	2016
3	48	49	50	52
4	46	50	43	47
5	52	54	38	40
6	49	51	37	39
7	51	53	38	42
8	52	54	37	38
10	61	62	30	31

Superintendent of Public Instruction

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	142.00	14,184,800	40,890,800	142.00	14,184,800	40,890,800
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	142.00	14,184,800	40,890,800	142.00	14,184,800	40,890,800
Removal of One-Time Expenditures	0.00	(192,300)	(454,700)	0.00	(192,300)	(454,700)
FY 2018 Base	142.00	13,992,500	40,436,100	142.00	13,992,500	40,436,100
Benefit Costs	0.00	85,000	173,300	0.00	60,600	122,900
Replacement Items	0.00	0	41,800	0.00	0	41,800
Statewide Cost Allocation	0.00	(35,100)	(37,900)	0.00	(35,100)	(37,900)
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	52,700	113,400	0.00	156,100	338,200
FY 2018 Program Maintenance	142.00	14,096,100	40,727,700	142.00	14,175,100	40,902,100
1. Expand K-12 Broadband Program	0.00	800,000	800,000	0.00	800,000	800,000
Cybersecurity Insurance	0.00	19,400	21,800	0.00	19,400	21,800
FY 2018 Total	142.00	14,915,500	41,549,500	142.00	14,994,500	41,723,900
Change from Original Appropriation	0.00	730,700	658,700	0.00	809,700	833,100
% Change from Original Appropriation		5.2%	1.6%		5.7%	2.0%

Superintendent of Public Instruction

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	142.00	14,184,800	9,319,900	17,386,100	40,890,800

Noncognizable Funds and Transfers

Adjusts FTP to match estimated expenditures from the specific fund sources primarily from moving personnel costs from the Central Services Division of the Public School Support Program to the Superintendent of Public Instruction's budget in FY 2017.

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	142.00	14,184,800	9,319,900	17,386,100	40,890,800
<i>Governor's Recommendation</i>	<i>142.00</i>	<i>14,184,800</i>	<i>9,319,900</i>	<i>17,386,100</i>	<i>40,890,800</i>

Removal of One-Time Expenditures

Remove one-time funding for capital outlay and the 27th payroll.

Agency Request	0.00	(192,300)	(91,200)	(171,200)	(454,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(192,300)</i>	<i>(91,200)</i>	<i>(171,200)</i>	<i>(454,700)</i>

FY 2018 Base					
Agency Request	142.00	13,992,500	9,228,700	17,214,900	40,436,100
<i>Governor's Recommendation</i>	<i>142.00</i>	<i>13,992,500</i>	<i>9,228,700</i>	<i>17,214,900</i>	<i>40,436,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	85,000	26,300	62,000	173,300
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>60,600</i>	<i>18,600</i>	<i>43,700</i>	<i>122,900</i>

Replacement Items

The request for one-time replacement items includes two network servers, \$12,000; two network switches, \$5,000; one UPS backup system, \$1,000; software, \$1,600; and 14 laptop computers, \$22,200; for a total of \$41,800.

Agency Request	0.00	0	24,800	17,000	41,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>24,800</i>	<i>17,000</i>	<i>41,800</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$5,000, State Controller fees will decrease by \$800, Attorney General fees will decrease by \$39,800, State Treasurer fees will decrease by \$1,500, and facilities rental costs will decrease by \$800, for a net reduction of \$37,900.

Agency Request	0.00	(35,100)	(2,400)	(400)	(37,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(35,100)</i>	<i>(2,400)</i>	<i>(400)</i>	<i>(37,900)</i>

Annualizations

Funding is requested for the constitutional officers' pay increase authorized by the Legislature in Chapter 356, Laws of 2014. This request funds the Superintendent of Public Instruction's \$1,000 increase for salary and benefits from July 1, 2017, through December 31, 2017. The Superintendent's salary for calendar year 2017 is \$105,771.

Agency Request	0.00	1,000	0	0	1,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,000</i>	<i>0</i>	<i>0</i>	<i>1,000</i>

Superintendent of Public Instruction

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. It also includes an additional \$1,000 for the Superintendent of Public Instruction's pay increase as authorized by the Legislature in Chapter 356, Laws of 2014. Commencing on the first Monday in January 2018, the Superintendent's pay will increase by 1.5% from \$105,771 to \$107,357 per annum.

Agency Request	0.00	52,700	18,600	42,100	113,400
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	156,100	55,800	126,300	338,200
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FY 2018 Program Maintenance

Agency Request	142.00	14,096,100	9,296,000	17,335,600	40,727,700
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Governor's Recommendation	142.00	14,175,100	9,325,500	17,401,500	40,902,100
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1. Expand K-12 Broadband Program

This request is for \$800,000 ongoing from the General Fund to reimburse school districts and charter schools for the non-Erate portion of extending broadband connectivity beyond the single aggregation points to all schools. Extending services is also known as the wide-area network (WAN). Currently, the \$3.4 million in the base provides support for broadband-related services to districts and charter schools and reimburses schools for the the non-Erate portion of the broadband services they purchase. Broadband is purchased to ensure continued access to the public Internet and online classes. However, this program reimburses for costs provided to only one location in a school district, and therefore, districts with multiple schools/locations are then burdened to provide broadband access to students in its other locations without any support from the program. This request would address this equity gap and is recommended by Education Opportunity Resource Committee (EORC), which is tasked with making budget and policy recommendations to the department regarding the broadband program. The EORC was created through passage of the Education Opportunity Resource Act during the 2016 legislative session. The act was passed to establish a resource for Idaho's education and library system in providing broadband and related services to students.

Agency Request	0.00	800,000	0	0	800,000
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Governor's Recommendation	0.00	800,000	0	0	800,000
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	19,400	1,000	1,400	21,800
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	19,400	1,000	1,400	21,800
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FY 2018 Total

Agency Request	142.00	14,915,500	9,297,000	17,337,000	41,549,500
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Governor's Recommendation	142.00	14,994,500	9,326,500	17,402,900	41,723,900
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Agency Request

Change from Original App	0.00	730,700	(22,900)	(49,100)	658,700
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% Change from Original App	0.0%	5.2%	(0.2%)	(0.3%)	1.6%
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Governor's Recommendation

Change from Original App	0.00	809,700	6,600	16,800	833,100
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% Change from Original App	0.0%	5.7%	0.1%	0.1%	2.0%
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Vocational Rehabilitation

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Extended Employment Services	3,908,100	3,907,200	4,207,200	4,418,000	4,209,100
Vocational Rehabilitation	21,332,200	20,137,100	23,368,900	24,296,200	23,611,200
Deaf & Hard of Hearing Council	203,400	202,800	215,800	330,400	219,900
Total:	25,443,700	24,247,100	27,791,900	29,044,600	28,040,200
BY FUND CATEGORY					
General	7,557,800	7,558,300	8,336,100	8,862,100	8,391,500
Dedicated	2,042,400	1,138,200	2,046,900	2,049,800	2,050,700
Federal	15,843,500	15,550,600	17,408,900	18,132,700	17,598,000
Total:	25,443,700	24,247,100	27,791,900	29,044,600	28,040,200
Percent Change:		(4.7%)	14.6%	4.5%	0.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	10,012,300	9,502,900	10,742,600	10,783,000	10,806,900
Operating Expenditures	1,523,500	1,638,200	1,733,200	1,762,200	1,744,800
Capital Outlay	70,000	454,400	67,600	246,800	240,000
Trustee/Benefit	13,837,900	12,651,600	15,248,500	16,252,600	15,248,500
Total:	25,443,700	24,247,100	27,791,900	29,044,600	28,040,200
Full-Time Positions (FTP)	152.50	152.50	152.50	153.50	152.50

Division Description

The Idaho Division of Vocational Rehabilitation (IDVR) is an agency under the oversight of the Office of the State Board of Education. The Division is charged with several major responsibilities: Management of the State/Federal Vocational Rehabilitation (VR) Program, Extended Employment Services (EES), and the fiscal management of the Council for the Deaf and Hard of Hearing (CDHH).

Programs under the Division:

Vocational Rehabilitation (VR): The Public VR program is one of the oldest and most successful Federal/State programs in the United States. VR serves individuals with severe disabilities that impose significant barriers to gainful employment. VR assists Idahoans with a diverse array of disabilities to prepare, obtain, advance in, and retain employment based on their unique skills and abilities. The VR program provides services to eligible Idahoans with disabilities to assist them in transitioning from unemployment to gainful employment or to maintain employment; dependence to independence. The Vocational Rehabilitation program is a way to self-sufficiency. The VR program works in concert with the State Rehabilitation Council (SRC). The SRC's role is in an advisory capacity.

Extended Employment Services (EES): The EES program provides skill development in a non-integrated setting; or long term/on the job supports in community competitive employment for individuals with the most significant disabilities to include developmental disabilities, traumatic brain injuries, specific learning disabilities and mental illnesses. The program provides funding to individuals with severe disabilities who are deemed unable to maintain employment without on-going support.

Council for the Deaf and Hard of Hearing (CDHH): CDHH is an independent agency under the Division. This is a flow-through council for budgetary and administrative support purposes only with no direct programmatic implication for the Division. The Council's vision is to ensure that individuals who are deaf, hard of hearing, or hearing impaired have a centralized location to obtain resources and information about services available.

Vocational Rehabilitation

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	152.50	8,336,100	27,791,900	152.50	8,336,100	27,791,900
1. Deaf Awareness Day Event	0.00	0	3,000	0.00	0	3,000
FY 2017 Total Appropriation	152.50	8,336,100	27,794,900	152.50	8,336,100	27,794,900
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	152.50	8,336,100	27,794,900	152.50	8,336,100	27,794,900
Removal of One-Time Expenditures	0.00	(88,800)	(393,100)	0.00	(88,800)	(393,100)
FY 2018 Base	152.50	8,247,300	27,401,800	152.50	8,247,300	27,401,800
Benefit Costs	0.00	42,300	188,600	0.00	29,900	133,600
Inflationary Adjustments	0.00	49,300	213,500	0.00	4,600	9,200
Replacement Items	0.00	52,800	243,100	0.00	49,700	240,000
Statewide Cost Allocation	0.00	(600)	(2,800)	0.00	(600)	(2,800)
Change in Employee Compensation	0.00	20,200	85,800	0.00	60,300	256,200
FY 2018 Program Maintenance	152.50	8,411,300	28,130,000	152.50	8,391,200	28,038,000
1. Increased Provider Rates	0.00	214,300	214,300	0.00	0	0
2. Resources for VR Customers	0.00	125,000	587,000	0.00	0	0
3. Communication & Outreach Coordinator	1.00	111,100	111,100	0.00	0	0
Cybersecurity Insurance	0.00	400	2,200	0.00	300	2,200
FY 2018 Total	153.50	8,862,100	29,044,600	152.50	8,391,500	28,040,200
Change from Original Appropriation	1.00	526,000	1,252,700	0.00	55,400	248,300
% Change from Original Appropriation		6.3%	4.5%		0.7%	0.9%

Vocational Rehabilitation

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	152.50	8,336,100	2,046,900	17,408,900	27,791,900

1. Deaf Awareness Day Event

Council for the Deaf and Hard of Hearing

An ongoing \$3,000 appropriation is requested from the Miscellaneous Revenue Fund to support and reimburse expenses incurred for the annual statewide deaf awareness day event. Funding for this event is solely from private donations by corporate and non-profit entities.

Agency Request	0.00	0	3,000	0	3,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,000</i>	<i>0</i>	<i>3,000</i>

FY 2017 Total Appropriation					
Agency Request	152.50	8,336,100	2,049,900	17,408,900	27,794,900
<i>Governor's Recommendation</i>	<i>152.50</i>	<i>8,336,100</i>	<i>2,049,900</i>	<i>17,408,900</i>	<i>27,794,900</i>

Noncognizable Funds and Transfers

Transfers 0.38 FTP between Vocational Rehabilitation to Extended Employment Services.

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	152.50	8,336,100	2,049,900	17,408,900	27,794,900
<i>Governor's Recommendation</i>	<i>152.50</i>	<i>8,336,100</i>	<i>2,049,900</i>	<i>17,408,900</i>	<i>27,794,900</i>

Removal of One-Time Expenditures

Removes \$316,300 provided one-time for the 27th payroll, \$9,200 for one-time CEC related to the 27th payroll, and \$67,600 for a replacement vehicle and computers.

Agency Request	0.00	(88,800)	(1,900)	(302,400)	(393,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(88,800)</i>	<i>(1,900)</i>	<i>(302,400)</i>	<i>(393,100)</i>

FY 2018 Base					
Agency Request	152.50	8,247,300	2,048,000	17,106,500	27,401,800
<i>Governor's Recommendation</i>	<i>152.50</i>	<i>8,247,300</i>	<i>2,048,000</i>	<i>17,106,500</i>	<i>27,401,800</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	42,300	1,200	145,100	188,600
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>29,900</i>	<i>900</i>	<i>102,800</i>	<i>133,600</i>
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Inflationary Adjustments

Vocational Rehabilitation requests a total of \$212,000 for inflationary adjustments, medical inflation for trustee & benefit payments, and contract inflation (\$47,800 from the General Fund, \$164,200 from the Federal Grant Fund). The Council for the Deaf and Hard of Hearing requests \$1,500 from the General Fund for the inflationary costs of travel and miscellaneous expenses.

Agency Request	0.00	49,300	0	164,200	213,500
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The Governor does not recommend funding for general or medical inflation, but does recommend \$4,600 both from the General Fund and from federal funds for contract inflation for the Vocational Rehabilitation Program.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,600</i>	<i>0</i>	<i>4,600</i>	<i>9,200</i>
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Vocational Rehabilitation

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
The division requests appropriations to repair, replace, and alter items to carryout vital functions and serve its population. The request includes replacement of an aged phone system (\$14,400 from the General Fund, \$52,100 from Federal Grant Fund), 25 laptop computers (\$6,000 from the General Fund, \$21,500 from Federal Grant Fund), 20 desktop computers as part of a five-year replacement cycle (\$3,300 from the General Fund, \$11,700 from Federal Grant Fund), ten routers (\$3,300 from the General Fund, \$11,700 from Federal Grant Fund), video conference machines (\$5,900 from the General Fund, \$21,100 from Federal Grant Fund), 50 flat-panel monitors (\$14,100), and three vehicles (\$16,000 from the General Fund, \$61,200 from Federal Grant Fund). [One-time]					
Agency Request	0.00	52,800	0	190,300	243,100
<i>The Governor does not recommend \$3,100 for computer screens from the General Fund.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>49,700</i>	<i>0</i>	<i>190,300</i>	<i>240,000</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$1,200, State Controller fees will decrease by \$400, Attorney General fees will decrease by \$2,300, and State Treasurer fees will decrease by \$1,300, for a net reduction of \$2,800.

Agency Request	0.00	(600)	0	(2,200)	(2,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(600)</i>	<i>0</i>	<i>(2,200)</i>	<i>(2,800)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	20,200	600	65,000	85,800
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>60,300</i>	<i>1,800</i>	<i>194,100</i>	<i>256,200</i>

FY 2018 Program Maintenance

Agency Request	152.50	8,411,300	2,049,800	17,668,900	28,130,000
<i>Governor's Recommendation</i>	<i>152.50</i>	<i>8,391,200</i>	<i>2,050,700</i>	<i>17,596,100</i>	<i>28,038,000</i>

1. Increased Provider Rates

Extended Employment Services

The Extended Employment Services Program (EES) requests an appropriation of \$214,300 in trustee & benefit payments from the General Fund to cover provider rate increases. As part of the EES program, individuals with disabilities are provided ongoing job supports in either a non-integrated setting or community competitive employment through a Community Rehabilitation Program (CRP) provider. In 2016, the division director met with providers to further understand the impact that the level of the fee-for-services set by the state relate to the ability of the providers to recruit and retain qualified workers in accordance with intent language from the Joint Senate Finance-House Appropriations Committee for FY 2017. This request is an outcome of those discussions. The requested appropriation would provide a 5.7% increase to the level of fee-for-service for both Work Services and Community Supported Employment under the EES program. This increase would augment the ability of workplace providers to secure staff that work directly with EES program participants. [Ongoing]

Agency Request	0.00	214,300	0	0	214,300
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Vocational Rehabilitation

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Resources for VR Customers

Vocational Rehabilitation

The Vocational Rehabilitation Program requests \$587,000 in trustee & benefit payments to pay for assessment, training, education, tools, and other relevant vocational services to assist youth, students, and adults in the vocational rehabilitation program. The program has experienced an approximate 7% increase in service expenditures annually, but the number of individuals served has not increased. As a result of the Workforce Innovation and Opportunity Act (WIOA), 15% of federal funds must be spent on pre-employment transition services for students with disabilities, which places a limitation on funds available to support services for the non-student and adult population. Additional fiscal impacts as the result of WIOA are anticipated. The program requests additional funds for trustee & benefit payments to ensure that services continue for all of the service population in an uninterrupted manner. [Ongoing]

Agency Request	0.00	125,000	0	462,000	587,000
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Not recommended by the Governor.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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3. Communication & Outreach Coordinator

Council for the Deaf and Hard of Hearing

The Council for the Deaf and Hard of Hearing requests an appropriation of 1.00 FTP and \$111,100 from the General Fund for a communication and outreach coordinator. Of this appropriation, \$91,500 would be utilized for ongoing personnel costs, \$15,900 for ongoing operating expenditures, and \$3,700 for one-time capital outlay. The coordinator would be charged with increasing awareness of the council's role, services, programming, and public education. The new position would also conduct public education of the federal and state regulations related to accessibility and accommodations, developing and disseminating information and resources, and managing external and internal communications. This is the third year that the council has submitted this appropriation request. [Ongoing & One-time]

Agency Request	1.00	111,100	0	0	111,100
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Not recommended by the Governor.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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Cybersecurity Insurance

Vocational Rehabilitation

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	400	0	1,800	2,200
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>300</i>	<i>0</i>	<i>1,900</i>	<i>2,200</i>
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FY 2018 Total					
Agency Request	153.50	8,862,100	2,049,800	18,132,700	29,044,600
<i>Governor's Recommendation</i>	<i>152.50</i>	<i>8,391,500</i>	<i>2,050,700</i>	<i>17,598,000</i>	<i>28,040,200</i>

Agency Request

Change from Original App	1.00	526,000	2,900	723,800	1,252,700
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% Change from Original App	0.7%	6.3%	0.1%	4.2%	4.5%
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Governor's Recommendation

<i>Change from Original App</i>	<i>0.00</i>	<i>55,400</i>	<i>3,800</i>	<i>189,100</i>	<i>248,300</i>
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<i>% Change from Original App</i>	<i>0.0%</i>	<i>0.7%</i>	<i>0.2%</i>	<i>1.1%</i>	<i>0.9%</i>
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Idaho Legislative Budget Book

Health and Human Services

2017 Legislative Session

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Catastrophic Health Care Program

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	15,049,000	10,103,900	18,000,000	17,999,500	17,999,500
Dedicated	0	6,573,300	0	0	0
Total:	15,049,000	16,677,200	18,000,000	17,999,500	17,999,500
Percent Change:		10.8%	7.9%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	383,300	366,600	387,700	387,200	387,200
Trustee/Benefit	14,665,700	16,310,600	17,612,300	17,612,300	17,612,300
Total:	15,049,000	16,677,200	18,000,000	17,999,500	17,999,500

Department Description

The Catastrophic Health Care Program was established to meet the needs of the medically indigent in Idaho who do not qualify for state or federal health and welfare programs, but do qualify for county assistance. Beginning July 1, 2009, the resident county is responsible for the first \$11,000 in medical bills for the medically indigent in any twelve month period. The state program is responsible for all medical bills in excess of \$11,000. Appropriations from the General Fund to this program are transferred into the Catastrophic Health Care Fund which is perpetually appropriated for expenses incurred.

Catastrophic Health Care Program Agency Profile

Analyst: Tatro

Revenue and Payments Summary

Year	CAT Board		Previous Year Bills	Reimbursed	Seatbelt Income	Orig App	Supp/Res	Actual State Payments	Total Reported Program Costs
	All Cases	Approved Cases							
2003	6,194	808	\$250,000	\$1,665,385	\$0	\$10,435,000	\$1,693,800	\$14,139,743	\$28,055,418
2004	4,910	810	\$690,000	\$2,047,548	\$143,759	\$8,961,700	\$4,000,000	\$14,907,239	\$27,780,612
2005	4,872	849	\$170,000	\$1,948,582	\$165,796	\$12,660,500	\$3,675,000	\$18,512,162	\$32,518,791
2006	3,832	1,063	\$3,575,000	\$2,329,670	\$136,226	\$15,260,300	\$5,000,000	\$23,023,445	\$38,358,979
2007	3,709	969	\$0	\$3,176,882	\$121,321	\$20,766,800	\$0	\$24,648,020	\$38,366,817
2008	3,771	1,101	\$0	\$3,583,869	\$107,669	\$20,768,400	\$0	\$25,423,697	\$41,740,875
2009	4,323	1,187	\$833,110	\$2,932,069	\$139,168	\$20,767,700	\$2,500,000	\$26,677,166	\$44,516,529
2010	4,358	1,298	\$2,733,308	\$2,769,736	\$132,548	\$19,771,700	\$14,000,000	\$31,181,297	\$44,566,305
2011	4,590	1,286	\$5,548,363	\$2,320,990	\$152,832	\$18,271,200	\$4,325,000	\$31,230,609	\$51,115,564
2012	6,491	1,292	\$349,919	\$2,726,508	\$152,017	\$22,267,700	\$14,070,000	\$38,585,800	\$55,272,391
2013	5,308	1,150	\$0	\$2,222,572	\$126,887	\$36,532,800	(\$6,000,000)	\$31,061,400	\$52,670,052
2014	4,839	1,108	\$155,894	\$2,525,675	\$91,915	\$34,830,100	(\$6,430,773)	\$28,388,435	\$51,528,726
2015	3,795	721	\$0	\$2,540,678	\$106,697	\$34,966,300	\$0	\$18,970,491	\$36,329,213
2016	4,080	634	\$0	\$3,006,344	\$98,578	\$27,000,000	(\$28,892,700)	\$16,582,239	\$33,949,636

Definitions:

All Cases: Number of indigent cases reported by counties, including CAT Board Approved cases, and those that cost less than the catastrophic amount.

CAT Board Approved Cases: The number of indigent cases that exceed the catastrophic amount of \$11,000.

Previous Year Bills: The amount of bills unpaid in the prior year.

Reimbursed: The amount received from indigents who are able to pay a portion of their bills. Reimbursed funds are continuously appropriated.

Seatbelt Income: The amount of revenue received from seatbelt ticket fines per \$49-673, Idaho Code.

Orig App: Original appropriation for that fiscal year.

Supp/Rescission: Supplemental or rescission for that fiscal year.

Actual State Payments: As reported for the fiscal year in the statewide accounting system.

Total Reported Program Costs: As reported in the Catastrophic Health Care Cost Program Annual Report. Includes state and county costs.

Catastrophic Health Care Program

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	18,000,000	18,000,000	0.00	18,000,000	18,000,000
Reappropriation	0.00	4,945,100	4,945,100	0.00	4,945,100	4,945,100
1. Reduce Excess General Fund Approp	0.00	(4,945,100)	(4,945,100)	0.00	(4,945,100)	(4,945,100)
FY 2017 Total Appropriation	0.00	18,000,000	18,000,000	0.00	18,000,000	18,000,000
FY 2018 Base	0.00	18,000,000	18,000,000	0.00	18,000,000	18,000,000
Statewide Cost Allocation	0.00	(500)	(500)	0.00	(500)	(500)
FY 2018 Total	0.00	17,999,500	17,999,500	0.00	17,999,500	17,999,500
Change from Original Appropriation	0.00	(500)	(500)	0.00	(500)	(500)
% Change from Original Appropriation		0.0%	0.0%		0.0%	0.0%

Catastrophic Health Care Program

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	18,000,000	0	0	18,000,000

Reappropriation

Unencumbered expenditures in FY 2016 were \$16,677,200, or \$4,945,100 less than appropriated. This balance will remain in the Catastrophic Health Care Fund unless action is taken by the Legislature.

Agency Request	0.00	4,945,100	0	0	4,945,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,945,100</i>	<i>0</i>	<i>0</i>	<i>4,945,100</i>

1. Reduce Excess General Fund Approp

The Catastrophic Health Care Program requests a rescission of \$4,945,100 to be transferred from the Catastrophic Health Care (CAT) Fund to the General Fund. The excess is the result of fewer claims than expected being processed by the CAT Board in FY 2016.

Agency Request	0.00	(4,945,100)	0	0	(4,945,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(4,945,100)</i>	<i>0</i>	<i>0</i>	<i>(4,945,100)</i>

FY 2017 Total Appropriation					
Agency Request	0.00	18,000,000	0	0	18,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>18,000,000</i>	<i>0</i>	<i>0</i>	<i>18,000,000</i>

FY 2018 Base					
Agency Request	0.00	18,000,000	0	0	18,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>18,000,000</i>	<i>0</i>	<i>0</i>	<i>18,000,000</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. State Controller fees will decrease by \$300 and State Treasurer fees will decrease by \$200, for a net reduction of \$500.

Agency Request	0.00	(500)	0	0	(500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(500)</i>	<i>0</i>	<i>0</i>	<i>(500)</i>

FY 2018 Total					
Agency Request	0.00	17,999,500	0	0	17,999,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>17,999,500</i>	<i>0</i>	<i>0</i>	<i>17,999,500</i>

Agency Request					
Change from Original App	0.00	(500)	0	0	(500)
% Change from Original App		0.0%			0.0%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>(500)</i>	<i>0</i>	<i>0</i>	<i>(500)</i>
<i>% Change from Original App</i>		<i>0.0%</i>			<i>0.0%</i>

Idaho Legislative Budget Book

Department of Health and Welfare

2017 Legislative Session

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Department of Health and Welfare

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Child Welfare	63,531,700	60,708,700	65,724,800	69,127,200	69,359,900
Developmentally Disabled Srvcs	30,316,400	26,196,700	31,280,300	31,400,000	31,671,900
Independent Councils	9,013,300	5,429,700	9,001,300	9,071,900	9,083,100
Indirect Support Services	39,407,700	39,024,400	40,723,200	47,099,200	46,621,200
Medicaid, Division of	2,125,168,900	2,062,325,800	2,233,804,500	2,307,573,500	2,306,610,200
Mental Health Services	36,713,000	33,009,300	42,706,600	59,704,500	56,098,200
Psychiatric Hospitalization	35,129,800	36,108,600	38,075,600	48,183,800	38,652,700
Public Health Services	113,066,600	103,449,400	115,757,100	114,227,800	114,148,300
Service Integration	5,886,400	5,323,900	6,043,500	6,039,200	6,062,100
Substance Abuse	16,675,900	17,844,400	16,822,800	15,110,600	15,127,700
Welfare, Division of	151,659,800	145,554,600	168,949,700	171,648,400	172,040,800
Healthcare Policy Initiatives	10,035,900	6,129,400	10,235,900	12,164,100	12,938,500
Licensing and Certification	6,306,200	6,186,200	7,518,900	7,164,500	6,895,700
Total:	2,642,911,600	2,547,291,100	2,786,644,200	2,898,514,700	2,885,310,300
BY FUND CATEGORY					
General	648,395,000	628,567,400	677,099,700	733,854,300	720,509,500
Dedicated	343,561,800	331,860,300	377,250,800	395,429,600	395,552,800
Federal	1,650,954,800	1,586,863,400	1,732,293,700	1,769,230,800	1,769,248,000
Total:	2,642,911,600	2,547,291,100	2,786,644,200	2,898,514,700	2,885,310,300
Percent Change:		(3.6%)	9.4%	4.0%	3.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	198,791,100	187,355,900	213,240,700	219,140,200	220,882,900
Operating Expenditures	173,805,100	142,479,400	187,292,900	189,999,200	188,253,600
Capital Outlay	367,800	1,604,200	1,343,700	4,971,600	3,852,600
Trustee/Benefit	2,267,240,900	2,215,851,600	2,382,060,200	2,484,403,700	2,472,321,200
Lump Sum	2,706,700	0	2,706,700	0	0
Total:	2,642,911,600	2,547,291,100	2,786,644,200	2,898,514,700	2,885,310,300
Full-Time Positions (FTP)	2,845.76	2,845.76	2,881.43	2,926.38	2,920.38

Department Description

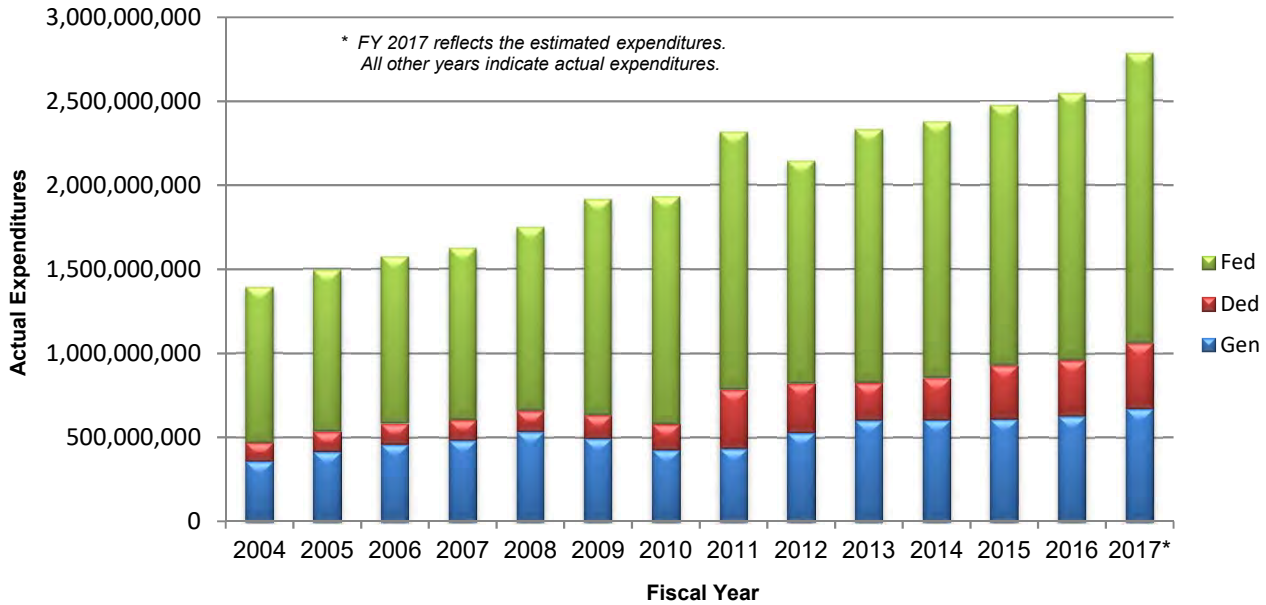
The Idaho Department of Health and Welfare provides services and regulatory programs in partnership with taxpayers, consumers, and providers to promote economic well-being, support vulnerable children and adults, enhance public health, and encourage self-sufficiency.

Department of Health and Welfare Agency Profile

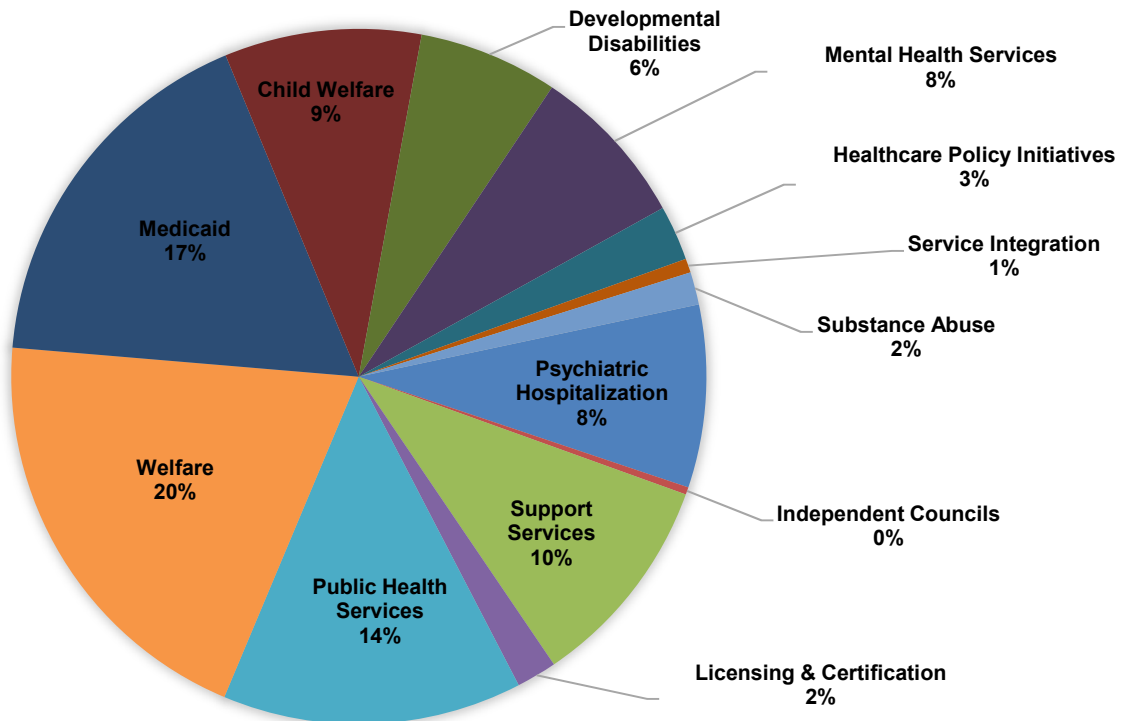
Analyst: Tatro

Budget Overview

Expenditures by General, Dedicated, and Federal Funds



FY 2017 Original Appropriation by Division, Personnel Costs & Operating Expenditures Only



Department of Health and Welfare

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	2,881.43	677,099,700	2,786,644,200	2,881.43	677,099,700	2,786,644,200
Reappropriation	0.00	715,000	715,000	0.00	715,000	715,000
Supplementals						
Child Welfare						
2. Increased Demand for Services	0.00	868,100	868,100	0.00	868,100	868,100
4. Salary Increases - FLSA Changes	0.00	33,100	55,100	0.00	0	0
Indirect Support Services						
6. Additional Enhanced Federal Funds	0.00	0	1,360,000	0.00	0	1,360,000
Division of Medicaid						
1. KW Lawsuit Compliance	2.00	186,600	373,200	2.00	186,600	373,200
2. Home and Community Based Services	3.00	84,200	168,300	3.00	84,200	168,300
5. MMIS Contract Operations: T-MSIS	0.00	29,900	298,800	0.00	0	0
7. Evaluation of Inpatient Hospital Svcs	0.00	25,000	50,000	0.00	0	0
9. Additional Receipt Authority	0.00	0	10,000,000	0.00	0	10,000,000
Mental Health Services						
1. Jeff D Lawsuit Agreement	11.00	127,700	255,400	11.00	127,700	255,400
Psychiatric Hospitalization						
1. Projected Budget Shortfall	0.00	0	0	0.00	500,000	500,000
Public Health Services						
3. Expanded Access Program	0.00	128,600	128,600	0.00	128,600	128,600
7. Ryan White HIV/AIDS Grant	0.00	0	509,300	0.00	0	509,300
8. Prescription Drug Grant	0.00	0	432,400	0.00	0	432,400
Substance Abuse Treatment & Prevention						
6. Access to Recovery Federal Grant	0.00	0	1,500,000	0.00	0	1,500,000
Division of Welfare						
1. Unfunded FTP Transfer to Medicaid	(5.00)	0	0	(5.00)	0	0
Rescissions						
Division of Medicaid						
1. Hospital Cost Settlements	0.00	(6,063,100)	(21,200,000)	0.00	(6,063,100)	(21,200,000)
2. Non-Emergency Medical Transportation	0.00	(398,600)	(1,400,000)	0.00	(398,600)	(1,400,000)
FY 2017 Total Appropriation	2,892.43	672,836,200	2,780,758,400	2,892.43	673,248,200	2,780,854,500
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	2,892.43	672,836,200	2,780,758,400	2,892.43	673,248,200	2,780,854,500
Removal of One-Time Expenditures	(1.00)	(5,133,000)	(28,147,100)	(1.00)	(5,578,100)	(28,298,300)
Base Adjustments	0.00	2,874,100	8,143,400	0.00	2,874,100	7,993,400
FY 2018 Base	2,891.43	670,577,300	2,760,754,700	2,891.43	670,544,200	2,760,549,600
Benefit Costs	0.00	1,400,000	3,292,500	0.00	976,800	2,297,500
Inflationary Adjustments	0.00	265,800	265,800	0.00	174,300	174,300
Replacement Items	0.00	2,451,700	5,305,800	0.00	1,735,000	4,110,100
Statewide Cost Allocation	0.00	210,500	432,500	0.00	210,500	432,500
Annualizations	0.00	2,822,100	3,184,700	0.00	2,793,900	3,137,600
Change in Employee Compensation	0.00	736,800	1,724,000	0.00	2,186,900	5,079,000
Nondiscretionary Adjustments	0.00	21,296,000	71,548,500	0.00	21,296,000	71,548,500
FY 2018 Program Maintenance	2,891.43	699,760,200	2,846,508,500	2,891.43	699,917,600	2,847,329,100
Line Items						
Child Welfare						
3. CW Information System	0.00	297,700	1,026,700	0.00	297,700	1,026,700
18. Foster Care Reimbursement Increase	0.00	347,800	839,100	0.00	347,800	839,100
19. Foster Care Visitation Support Staff	6.00	82,300	280,100	6.00	82,300	264,600
Services for the Developmentally Disabled						
30. Reclassify Therapists - Year 2	0.00	0	0	0.00	0	0
46. School Based Medicaid Services	0.00	0	0	2.00	155,200	155,200
Independent Councils						

Department of Health and Welfare

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
43. Research Analyst Position	0.00	72,200	72,200	0.00	73,100	73,100
Indirect Support Services						
17. Operational Services Staffing	3.00	0	87,100	3.00	0	88,100
21. Financial Services Position	1.00	0	42,000	1.00	0	38,500
26. Fraud and Abuse Detection Software	0.00	0	1,115,000	0.00	0	1,115,000
34. Internal Audit Position	1.00	0	39,800	0.00	0	0
35. Adult Protection Investigator	1.00	0	36,300	1.00	0	36,900
36. Administrative Support Position	1.00	0	55,800	1.00	0	56,600
Division of Medicaid						
2. Jeff D Settlement	0.00	1,181,600	4,150,000	0.00	1,181,600	4,150,000
5. MMIS Contract Operations: T-MSIS	0.00	65,400	654,100	0.00	65,400	654,100
7. Provider Enrollment Improvements	0.00	114,000	1,140,000	0.00	0	0
12. Financial Manager Position	1.00	52,200	104,200	1.00	50,400	100,700
14. Estate Recovery Position	1.00	27,700	55,600	1.00	26,000	52,100
28. EPSDT Requests - New Position	1.00	36,200	72,500	1.00	34,500	69,000
Mental Health Services						
2. Jeff D Settlement - New Staff	7.00	(660,900)	(140,200)	7.00	(659,600)	(137,700)
10. Felony Probationers Mental Healthcare	1.00	11,232,400	11,232,400	1.00	11,232,700	11,232,700
11. RALFs and SED Care	1.00	5,888,200	5,888,200	1.00	2,000,300	2,000,300
Psychiatric Hospitalization						
8. Secure Mental Health Facility	2.00	9,654,700	9,654,700	0.00	295,700	295,700
13. Physician Pay Increase	0.00	284,200	284,200	0.00	243,900	243,900
20. Install Perimeter Fencing	0.00	0	80,000	0.00	0	80,000
39. Psychology Externships	0.00	15,000	15,000	0.00	15,000	15,000
40. Clinical Application Specialist	1.00	63,500	63,500	0.00	0	0
Public Health Services						
15. Epidemiologist Pay Increase	0.00	25,800	48,500	0.00	23,000	43,200
16. Epidemiology Program Position	1.00	77,200	77,200	1.00	77,700	77,700
22. Cancer Data Registry	0.00	200,000	185,000	0.00	0	0
23. Cover Immunizations for TRICARE	0.00	613,000	613,000	0.00	613,000	613,000
24. Food Protection Program	1.00	21,800	21,800	0.00	0	0
25. Developmental Science Program	1.00	69,900	69,900	1.00	71,300	71,300
29. Time Sensitive Emergencies	0.00	0	0	0.00	0	0
32. MIECHV Position	0.35	0	23,200	0.35	0	23,400
42. Contract Payment Correction	0.00	0	0	0.00	0	0
44. Retirement Plan Eligibility Change	0.00	0	0	0.00	0	1,600
Substance Abuse Treatment & Prevention						
37. SUD Provider Rate Increase	0.00	302,000	302,000	0.00	302,000	302,000
Division of Welfare						
4. CSES Modernization	0.00	2,720,000	8,000,000	0.00	2,720,000	8,000,000
6. Child Care Subsidy Funding	0.00	975,400	3,391,600	0.00	975,400	3,391,600
Healthcare Policy Initiatives						
31. Telehealth & HQPC Support	0.00	108,500	108,500	0.00	0	0
33. SHIP Grant	0.00	0	1,780,000	0.00	0	1,780,000
41. SHIP Public Involvement Coordinator	0.60	0	45,100	0.60	0	45,800
45. Graduate Medical Education	0.00	0	0	0.00	251,500	875,000
Licensing and Certification						
9. Surveyor Pay Increase	0.00	82,500	264,000	0.00	61,300	196,300
27. New Surveyors - Asst Living Facilities	3.00	89,100	267,400	0.00	0	0
Omnibus Decisions	0.00	54,700	110,700	0.00	54,700	110,700
FY 2018 Total	2,926.38	733,854,300	2,898,664,700	2,920.38	720,509,500	2,885,310,300

Department of Health and Welfare

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
Chg from FY 2017 Orig Approp.	44.95	56,754,600	112,020,500	38.95	43,409,800	98,666,100
% Chg from FY 2017 Orig Approp.	1.6%	8.4%	4.0%	1.4%	6.4%	3.5%

Child Welfare

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Child Welfare	34,479,200	31,714,700	36,672,300	39,035,700	39,268,400
Foster & Assistance Payments	29,052,500	28,994,000	29,052,500	30,091,500	30,091,500
Total:	63,531,700	60,708,700	65,724,800	69,127,200	69,359,900
BY FUND CATEGORY					
General	20,153,400	21,245,500	20,846,000	23,300,500	23,363,100
Dedicated	1,046,900	77,100	1,046,900	797,100	797,100
Federal	42,331,400	39,386,100	43,831,900	45,029,600	45,199,700
Total:	63,531,700	60,708,700	65,724,800	69,127,200	69,359,900
Percent Change:		(4.4%)	8.3%	5.2%	5.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	26,607,700	25,508,300	28,519,700	30,091,000	30,323,700
Operating Expenditures	7,871,500	6,206,400	8,152,600	8,944,700	8,944,700
Trustee/Benefit	29,052,500	28,994,000	29,052,500	30,091,500	30,091,500
Total:	63,531,700	60,708,700	65,724,800	69,127,200	69,359,900
Full-Time Positions (FTP)	389.50	389.50	388.75	394.75	394.75

Division Description

The Division of Child Welfare has two budgeted programs and is responsible for child protection, foster care, and adoptions. The Child Welfare Program is responsible for the operating costs of the program including personnel, operating, and capital expenditures. The Foster & Assistance Payments Program includes trustee & benefit payments for services or items purchased directly for children in the child welfare system.

Child Welfare

Comparative Summary

Analyst: Tatro

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	388.75	20,846,000	65,724,800	388.75	20,846,000	65,724,800
2. Increased Demand for Services	0.00	868,100	868,100	0.00	868,100	868,100
4. Salary Increases - FLSA Changes	0.00	33,100	55,100	0.00	0	0
FY 2017 Total Appropriation	388.75	21,747,200	66,648,000	388.75	21,714,100	66,592,900
Noncognizable Funds and Transfers	0.00	0	(249,800)	0.00	0	(249,800)
FY 2017 Estimated Expenditures	388.75	21,747,200	66,398,200	388.75	21,714,100	66,343,100
Removal of One-Time Expenditures	0.00	(378,900)	(1,100,800)	0.00	(378,900)	(1,100,800)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	388.75	21,368,300	65,297,400	388.75	21,335,200	65,242,300
Benefit Costs	0.00	139,500	445,800	0.00	97,500	311,700
Statewide Cost Allocation	0.00	3,700	13,400	0.00	3,700	13,400
Annualizations	0.00	958,400	977,300	0.00	930,200	930,200
Change in Employee Compensation	0.00	73,700	235,400	0.00	239,600	719,900
Nondiscretionary Adjustments	0.00	25,800	0	0.00	25,800	0
FY 2018 Program Maintenance	388.75	22,569,400	66,969,300	388.75	22,632,000	67,217,500
3. Child Welfare Information System	0.00	297,700	1,026,700	0.00	297,700	1,026,700
18. Foster Care Reimbursement Increase	0.00	347,800	839,100	0.00	347,800	839,100
19. Foster Care Visitation Support Staff	6.00	82,300	280,100	6.00	82,300	264,600
Cybersecurity Insurance	0.00	3,300	12,000	0.00	3,300	12,000
FY 2018 Total	394.75	23,300,500	69,127,200	394.75	23,363,100	69,359,900
Change from Original Appropriation	6.00	2,454,500	3,402,400	6.00	2,517,100	3,635,100
% Change from Original Appropriation		11.8%	5.2%		12.1%	5.5%

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	388.75	20,846,000	1,046,900	43,831,900	65,724,800

2. Increased Demand for Services

Child Welfare, Foster & Assistance Payments

The department requests \$1,348,600 in ongoing personnel costs and \$449,700 in ongoing trustee & benefit payments to provide for the increased demand in child welfare services. Of the request \$868,100, is being requested as an ongoing FY 2017 supplemental appropriation and the remainder is being requested as an FY 2018 budget annualization. These funds would be used for various services including foster care payments for children who are not eligible to receive Social Security IV-E funding; on-call workers to provide after hours support for emergencies related to child safety; substance abuse liaisons to assist in recovery efforts for families; staff training; and to support child welfare activities for tribal youth.

The department originally requested support from the General Fund in 2010, but prior to legislative action, the department identified an alternative source of funds through the Social Service Block Grant (SSBG). For the past several years, the department has been able to use the SSBG grant moneys for related purposes, but the cash balance of SSBG funds has declined and cannot be used to sustain the estimated needs. Further, federal funding for SSBG has remained constant during this time but the demand has increased. [Ongoing]

Agency Request	0.00	868,100	0	0	868,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>868,100</i>	<i>0</i>	<i>0</i>	<i>868,100</i>

4. Salary Increases - FLSA Changes

Child Welfare

On May 18, 2016, President Obama and Labor Secretary Perez announced the publication of the Department of Labor's final rule that updated the overtime regulations for salaried staff. The final rule's effective date is December 1, 2016 and at that time four million workers nationwide will automatically receive overtime pay protections. One key provision of the rule is to set the standard salary level at the 40th percentile of earning of full-time salaried workers to \$913 per week. The rule also establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentile and to ensure that they continue to provide useful and effective tests for exemption. Health and Welfare has 71 social worker 2 (SW2) positions that will be affected by the new rule without changes to their salaries. As a result, the department requests \$102,200, with \$55,100 being requested as a supplemental appropriation, and the remainder being requested as an annualization, to increase the pay for the SW2 positions. The request is weighted heavily on the General Fund, because the department indicated that federal funds are capped.

If this request for increased salary is approved, then the pay of each SW2 will increase to at least the minimum of \$913 per week (\$22.83 per hour) and the new labor rules will not affect those employees. If the request is not approved, then these department employees will receive 1.5 hours of comp time for each hour worked above 40 hours in the week, and the number of accrued vacation hours will be decreased by 23.4 hours per employee per year. In FY 2016, the SW2 positions coded 9,930 hours of comp time or the equivalent of 4.80 FTP and using a straight-line projection, these positions are on track to code 12,804 (6.20 FTP) in FY 2017. [Ongoing]

ANALYST COMMENT: The Division of Human Resources issued guidance to all state agencies on November 23, 2016 to suspend actions to move exempt employees to non-exempt FLSA status. The decision comes from the court case Nevada v. United States Department of Labor, Civil Action No. 4:16-CV-00731, 2016 U.S. Dist. LEXIS 162048. This judge in this case issued a nationwide preliminary injunction on implementation of the new overtime rule. Pay increases that have already been given to maintain exempt status will not be revoked. No further pay increases based upon FLSA exempt status will be approved until further notice.

Agency Request	0.00	33,100	0	22,000	55,100
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Total Appropriation					
Agency Request	388.75	21,747,200	1,046,900	43,853,900	66,648,000
<i>Governor's Recommendation</i>	<i>388.75</i>	<i>21,714,100</i>	<i>1,046,900</i>	<i>43,831,900</i>	<i>66,592,900</i>

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Noncognizable Funds and Transfers			Foster & Assistance Payments		
Transfers \$249,800 of dedicated fund trustee & benefit payments to the Benefit Payments Program in the Division of Welfare for the Grocery Tax Credit Program.					
Agency Request	0.00	0	(249,800)	0	(249,800)
<i>Governor's Recommendation</i>	0.00	0	(249,800)	0	(249,800)
FY 2017 Estimated Expenditures					
Agency Request	388.75	21,747,200	797,100	43,853,900	66,398,200
<i>Governor's Recommendation</i>	388.75	21,714,100	797,100	43,831,900	66,343,100
Removal of One-Time Expenditures					
Agency Request	0.00	(378,900)	0	(721,900)	(1,100,800)
<i>Governor's Recommendation</i>	0.00	(378,900)	0	(721,900)	(1,100,800)
Base Adjustments					
Restores the one-time transfer of \$249,800 to the Foster & Assistance Payments Program, and then transfers the same amount to the Benefit Payments Program on an ongoing basis to align excess appropriation with estimated needs in other department programs.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0
FY 2018 Base					
Agency Request	388.75	21,368,300	797,100	43,132,000	65,297,400
<i>Governor's Recommendation</i>	388.75	21,335,200	797,100	43,110,000	65,242,300
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	139,500	0	306,300	445,800
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	97,500	0	214,200	311,700
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$13,400.					
Agency Request	0.00	3,700	0	9,700	13,400
<i>Governor's Recommendation</i>	0.00	3,700	0	9,700	13,400
Annualizations			Child Welfare, Foster & Assistance Payments		
Provides for \$47,100 in ongoing personnel costs for the supplemental appropriation request relating to changes in the Fair Labor Standards Act. Also provides for \$697,600 for the ongoing annualized personnel costs and \$232,600 of ongoing trustee & benefit payments for the increased demand for child welfare and foster care services.					
Agency Request	0.00	958,400	0	18,900	977,300
<i>The Governor recommends \$930,200 from the General Fund for costs related to increased services as requested in the Child Welfare and Foster & Assistance Payments Programs.</i>					
<i>Governor's Recommendation</i>	0.00	930,200	0	0	930,200

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	73,700	0	161,700	235,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	239,600	0	480,300	719,900

Nondiscretionary Adjustments			Foster & Assistance Payments		
Increases the General Fund by \$25,800 and decreases a like amount in federal funds to reflect a decrease in the Title XIX Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. The rate will change from 71.51% to 71.17% for FY 2018.					
Agency Request	0.00	25,800	0	(25,800)	0
Governor's Recommendation	0.00	25,800	0	(25,800)	0

FY 2018 Program Maintenance					
Agency Request	388.75	22,569,400	797,100	43,602,800	66,969,300
Governor's Recommendation	388.75	22,632,000	797,100	43,788,400	67,217,500

3. Child Welfare Information System

Child Welfare

The department uses a case management system, iCare, to document and track case information. The system is also used to process payments to foster families and for any services related to the care of eligible children, determination of funding eligibility, and generation of referrals to Medicaid and Child Support. The Child Welfare Program served 2,434 children in foster care in FY 2015 and processed \$12.1 million in payments for these placements. While iCare remains functional in its current form, it has reached the end of its serviceable life with IT upgrades and modifications being expensive and challenging for staff. As a result, for FY 2017, the department requested, and the Legislature appropriated \$260,000 to conduct an analysis to determine the next steps. The department is currently estimating that the project will take several years and cost approximately \$25,000,000 (all funds). The department also notes that a more refined project cost estimate will be available after the preliminary process analyses and pre-planning efforts are completed; these efforts were funded in FY 2017. The department intends to build the new system in a modular design, which will allow for a simpler and presumably less expensive option. For this request, the department is asking for \$1,026,700 in one-time operating expenditures to procure experienced contracted resources that will eventually lead project efforts, continue to analyze current and proposed business processes, and cover the department's indirect rates. [One-time]

Agency Request	0.00	297,700	0	729,000	1,026,700
Governor's Recommendation	0.00	297,700	0	729,000	1,026,700

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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18. Foster Care Reimbursement Increase

Foster & Assistance Payments

The department requests \$839,100 of ongoing trustee & benefit payments to increase the foster care rates by 20% and to increase the associated adoption subsidy payments. Foster care payments assist foster parents in providing shelter, food, clothing, supervision, educational necessities, and other personal incidentals required to promote the safety, permanency, and well-being of children in foster care. Foster parents also receive additional allowances for personal incidentals in addition to the monthly rate for items such as books, school supplies, diapers, and clothing. Current monthly rates in Idaho are \$329 for children aged 0-5 years, \$366 for children aged 6-12, and \$487 for children aged 13 plus. The request would increase the monthly rates to \$395, \$439, and \$584 respectively. According to an analysis of other states: Wyoming, Montana, Washington, and Oregon all pay more than \$521 per month for those aged 0-5, more than \$521 for those aged 6-12, and more than \$620 for those aged 13 plus. Idaho had the lowest rates of all the western-region states; the next closest state is Colorado at \$349 per month for those aged 0-10. From 2012 to 2015 the number of licensed foster homes in Idaho has decreased by 17% (201 homes) and the number of children placed in foster care decreased by 4% (92 children). In comparison, the annual expenditures increased by 7% from \$11.3 million to \$12.1 million.

Adoption subsidies have also increased and the current assistance payments are an average of \$359 per month for the 200 plus adoptions that occur each year, plus the adoptions that have already occurred. The state provides adoption subsidy payments for the child until the child reaches 18 years of age. The amount of the subsidy is based on an assessment of the child's needs prior to adoption. However, if the needs of the child change before the child reaches the age of 18, the family may re-negotiate the amount of the monthly subsidy at that time. With the additional 200 plus adoptions being added each year, the department anticipates an additional need of \$76,000 for FY 2018; \$251,000 for FY 2019; \$426,000 for FY 2020; and \$601,000 for FY 2021. It is anticipated that the request for FY 2018 and beyond will be at about 42% General Fund and 58% federal funds. It is expected that the department will be making a line-item request for this purpose for the next several years. With the adoption subsidy increase requested in this line-item new adoptive parents will receive a greater subsidy than what current adoptive parents are receiving. However, if a parent under the current system wishes to increase the subsidy, they will need to make a request of the department. [Ongoing]

Agency Request	0.00	347,800	0	491,300	839,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>347,800</i>	<i>0</i>	<i>491,300</i>	<i>839,100</i>

19. Foster Care Visitation Support Staff

Child Welfare

To assist with the arranging for, transporting, and supervising visitation between children in care and their parents, siblings, and in some cases, other relatives the department is requesting 6.00 FTP and \$280,100 in personnel costs. These six client service technicians will assume responsibilities that a licensed social worker is currently performing so the social worker can focus on other needs of the children in the state's care. Requested staff will be responsible for the transportation of vulnerable children placed in the department's foster care program. These positions will also be responsible for supervising visitations between parents and children in the foster care program. [Ongoing]

Agency Request	6.00	82,300	0	197,800	280,100
<i>Salaries adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>6.00</i>	<i>82,300</i>	<i>0</i>	<i>182,300</i>	<i>264,600</i>

Cybersecurity Insurance

Child Welfare

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	3,300	0	8,700	12,000
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,300</i>	<i>0</i>	<i>8,700</i>	<i>12,000</i>

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Total					
Agency Request	394.75	23,300,500	797,100	45,029,600	69,127,200
<i>Governor's Recommendation</i>	394.75	23,363,100	797,100	45,199,700	69,359,900
Agency Request					
Change from Original App	6.00	2,454,500	(249,800)	1,197,700	3,402,400
% Change from Original App	1.5%	11.8%	(23.9%)	2.7%	5.2%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	6.00	2,517,100	(249,800)	1,367,800	3,635,100
<i>% Change from Original App</i>	1.5%	12.1%	(23.9%)	3.1%	5.5%

Services for the Developmentally Disabled

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Community DD Services	19,382,800	17,907,800	20,414,600	20,345,000	20,647,500
Southwest Idaho Treatment Center	10,933,600	8,288,900	10,865,700	11,055,000	11,024,400
Total:	30,316,400	26,196,700	31,280,300	31,400,000	31,671,900
BY FUND CATEGORY					
General	12,463,400	11,413,600	13,066,200	13,205,300	13,357,500
Dedicated	2,470,600	1,570,600	2,492,500	2,493,000	2,496,500
Federal	15,382,400	13,212,500	15,721,600	15,701,700	15,817,900
Total:	30,316,400	26,196,700	31,280,300	31,400,000	31,671,900
Percent Change:		(13.6%)	19.4%	0.4%	1.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	20,349,900	17,709,300	21,138,600	21,222,500	21,591,600
Operating Expenditures	4,568,700	3,807,200	4,767,500	4,800,000	4,801,800
Capital Outlay	0	107,100	0	144,200	45,200
Trustee/Benefit	5,397,800	4,573,100	5,374,200	5,233,300	5,233,300
Total:	30,316,400	26,196,700	31,280,300	31,400,000	31,671,900
Full-Time Positions (FTP)	308.71	308.71	307.71	307.71	309.71

Division Description

Services for the Developmentally Disabled has two budgeted programs.

COMMUNITY DEVELOPMENTAL DISABILITY SERVICES: The Idaho Developmental Disabilities Services Act authorizes the Department of Health and Welfare to assume the leadership role for planning and arranging community services for children and adults with developmental disabilities; and persons who are disabled prior to age 22 due to environmental, genetic, or health factors. Identification, screening and eligibility determinations are key responsibilities of the seven regional adult and child developmental programs. Services such as therapy, housing, employment, service coordination, and respite care are contracted to numerous private providers. The regional programs provide monitoring and quality assurance to determine that the consumer has an opportunity for informed choice and that services are implemented in a safe, cost-effective and efficient manner.

SOUTHWEST IDAHO TREATMENT CENTER (SWITC, formerly the Idaho State School and Hospital): As part of the statewide developmental disabilities service delivery system, SWITC (located in Nampa), is a specialized provider of services to the most severely impaired clients in the state. SWITC serves only those clients who have no other placement option due to severe behavior or medical issues.

Services for the Developmentally Disabled

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	307.71	13,066,200	31,280,300	307.71	13,066,200	31,280,300
Removal of One-Time Expenditures	0.00	(257,200)	(567,200)	0.00	(257,200)	(567,200)
FY 2018 Base	307.71	12,809,000	30,713,100	307.71	12,809,000	30,713,100
Benefit Costs	0.00	147,700	343,600	0.00	103,300	240,300
Replacement Items	0.00	147,400	147,400	0.00	45,200	45,200
Statewide Cost Allocation	0.00	5,200	15,400	0.00	5,200	15,400
Change in Employee Compensation	0.00	73,200	166,600	0.00	216,800	488,800
Nondiscretionary Adjustments	0.00	18,000	0	0.00	18,000	0
FY 2018 Program Maintenance	307.71	13,200,500	31,386,100	307.71	13,197,500	31,502,800
30. Reclassify Therapists - Year 2	0.00	0	0	0.00	0	0
46. School Based Medicaid Services	0.00	0	0	2.00	155,200	155,200
Cybersecurity Insurance	0.00	4,800	13,900	0.00	4,800	13,900
FY 2018 Total	307.71	13,205,300	31,400,000	309.71	13,357,500	31,671,900
Change from Original Appropriation	0.00	139,100	119,700	2.00	291,300	391,600
% Change from Original Appropriation		1.1%	0.4%		2.2%	1.3%

Services for the Developmentally Disabled

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	307.71	13,066,200	2,492,500	15,721,600	31,280,300
Removal of One-Time Expenditures					
Agency Request	0.00	(257,200)	(8,900)	(301,100)	(567,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(257,200)</i>	<i>(8,900)</i>	<i>(301,100)</i>	<i>(567,200)</i>
FY 2018 Base					
Agency Request	307.71	12,809,000	2,483,600	15,420,500	30,713,100
<i>Governor's Recommendation</i>	<i>307.71</i>	<i>12,809,000</i>	<i>2,483,600</i>	<i>15,420,500</i>	<i>30,713,100</i>
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	147,700	6,500	189,400	343,600
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>103,300</i>	<i>4,500</i>	<i>132,500</i>	<i>240,300</i>
Replacement Items					
Southwest Idaho Treatment Center					
The department requests \$147,400 to replace vehicles, medical equipment, landscaping equipment and furniture. The entire request is from the General Fund.					
Agency Request	0.00	147,400	0	0	147,400
<i>The Governor recommends \$29,500 to replace one vehicle and \$15,700 to replace a dental X-ray machine.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>45,200</i>	<i>0</i>	<i>0</i>	<i>45,200</i>
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$15,400.					
Agency Request	0.00	5,200	0	10,200	15,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>5,200</i>	<i>0</i>	<i>10,200</i>	<i>15,400</i>
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	73,200	2,900	90,500	166,600
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$500 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>216,800</i>	<i>8,400</i>	<i>263,600</i>	<i>488,800</i>
Nondiscretionary Adjustments					
Southwest Idaho Treatment Center					
Increases the General Fund by \$18,000 and decreases a like amount in federal funds to reflect a decrease in the Title XIX Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. The rate will change from 71.51% to 71.17% for FY 2018.					
Agency Request	0.00	18,000	0	(18,000)	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>18,000</i>	<i>0</i>	<i>(18,000)</i>	<i>0</i>
FY 2018 Program Maintenance					
Agency Request	307.71	13,200,500	2,493,000	15,692,600	31,386,100
<i>Governor's Recommendation</i>	<i>307.71</i>	<i>13,197,500</i>	<i>2,496,500</i>	<i>15,808,800</i>	<i>31,502,800</i>

Services for the Developmentally Disabled

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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30. Reclassify Therapists - Year 2

Community Developmental Disability Services

The department is in the process of reclassifying 11 positions in the Infant Toddler Program. The reclassification, once complete, would bring the number of early intervention therapists (occupational therapists, physical therapists, and speech pathologists) to a total of 21, or three per region. These positions will be reclassified from existing social worker, developmental specialist, and psychosocial rehabilitation specialist positions. During this transition, no employee will be laid off, instead the department will reclassify with each vacancy. To accomplish this goal, the department is requesting a transfer of \$140,900 from trustee & benefit payments to personnel costs. The additional personnel dollars will provide for a higher pay of staff and any unused personnel costs would be transferred back to trustee & benefit payments. Without the additional therapists, the department will continue to contract with private providers in the community. For FY 2017, the Legislature approved a similar object transfer of \$169,100. [Ongoing]

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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46. School Based Medicaid Services

Community Developmental Disability Services

Agency Request	0.00	0	0	0	0
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The Governor recommends 2.00 FTP and \$155,200 from the General Fund for the management of a Medicaid school-based services third-party billing agency contract. He wants the department to manage a contract with a third-party billing agency to give school districts throughout the state the option for assistance with Medicaid claims and reimbursement forms. This contract should provide a reduction in current administrative contract costs and ultimately reduce the number of inaccurate claims and fines to school districts. New staff include one program supervisor and one program specialist to manage the contract. School-based services accounted for more than \$40,000,000 of the Medicaid budget in FY 2016.

<i>Governor's Recommendation</i>	<i>2.00</i>	<i>155,200</i>	<i>0</i>	<i>0</i>	<i>155,200</i>
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage will begin on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total, \$333,300 of the ongoing request is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	4,800	0	9,100	13,900
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,800</i>	<i>0</i>	<i>9,100</i>	<i>13,900</i>
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FY 2018 Total					
Agency Request	307.71	13,205,300	2,493,000	15,701,700	31,400,000
<i>Governor's Recommendation</i>	<i>309.71</i>	<i>13,357,500</i>	<i>2,496,500</i>	<i>15,817,900</i>	<i>31,671,900</i>

Agency Request

Change from Original App	0.00	139,100	500	(19,900)	119,700
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% Change from Original App	0.0%	1.1%	0.0%	(0.1%)	0.4%
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Governor's Recommendation

<i>Change from Original App</i>	<i>2.00</i>	<i>291,300</i>	<i>4,000</i>	<i>96,300</i>	<i>391,600</i>
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<i>% Change from Original App</i>	<i>0.6%</i>	<i>2.2%</i>	<i>0.2%</i>	<i>0.6%</i>	<i>1.3%</i>
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Independent Councils

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Developmental Disab. Council	667,300	563,800	693,200	764,600	771,000
Domestic Violence Council	8,346,000	4,865,900	8,308,100	8,307,300	8,312,100
Total:	9,013,300	5,429,700	9,001,300	9,071,900	9,083,100
BY FUND CATEGORY					
General	121,500	121,500	128,000	200,500	203,600
Dedicated	640,100	430,200	554,600	548,700	551,600
Federal	8,251,700	4,878,000	8,318,700	8,322,700	8,327,900
Total:	9,013,300	5,429,700	9,001,300	9,071,900	9,083,100
Percent Change:		(39.8%)	65.8%	0.8%	0.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	718,700	546,200	807,700	864,300	875,500
Operating Expenditures	675,800	354,600	574,800	587,800	587,800
Capital Outlay	0	0	0	1,000	1,000
Trustee/Benefit	7,618,800	4,528,900	7,618,800	7,618,800	7,618,800
Total:	9,013,300	5,429,700	9,001,300	9,071,900	9,083,100
Full-Time Positions (FTP)	10.00	10.00	10.00	10.00	10.00

Division Description

Independent Councils include the Developmental Disabilities Council and the Domestic Violence Council.

DEVELOPMENTAL DISABILITIES COUNCIL: Established to maintain a central point for cooperation and coordination between the public and private sectors, ensuring that those with developmental disabilities receive the services or other assistance necessary to achieve maximum independence, productivity and integration into the community.

DOMESTIC VIOLENCE COUNCIL: 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. This program is primarily funded with federal funds in addition to a state-imposed fee of \$15 for each marriage license and a state-imposed fee of \$20 for each divorce action.

Independent Councils

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	10.00	128,000	9,001,300	10.00	128,000	9,001,300
Removal of One-Time Expenditures	0.00	(2,400)	(19,400)	0.00	(2,400)	(19,400)
FY 2018 Base	10.00	125,600	8,981,900	10.00	125,600	8,981,900
Benefit Costs	0.00	1,800	11,200	0.00	1,300	7,900
Change in Employee Compensation	0.00	900	6,600	0.00	3,600	20,200
FY 2018 Program Maintenance	10.00	128,300	8,999,700	10.00	130,500	9,010,000
43. Research Analyst Position	0.00	72,200	72,200	0.00	73,100	73,100
FY 2018 Total	10.00	200,500	9,071,900	10.00	203,600	9,083,100
Change from Original Appropriation	0.00	72,500	70,600	0.00	75,600	81,800
% Change from Original Appropriation		56.6%	0.8%		59.1%	0.9%

Independent Councils

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	10.00	128,000	554,600	8,318,700	9,001,300

Removal of One-Time Expenditures

Agency Request	0.00	(2,400)	(8,600)	(8,400)	(19,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(2,400)</i>	<i>(8,600)</i>	<i>(8,400)</i>	<i>(19,400)</i>

FY 2018 Base	10.00	125,600	546,000	8,310,300	8,981,900
<i>Governor's Recommendation</i>	<i>10.00</i>	<i>125,600</i>	<i>546,000</i>	<i>8,310,300</i>	<i>8,981,900</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	1,800	1,100	8,300	11,200
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,300</i>	<i>800</i>	<i>5,800</i>	<i>7,900</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	900	1,600	4,100	6,600
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$100 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,600</i>	<i>4,800</i>	<i>11,800</i>	<i>20,200</i>

FY 2018 Program Maintenance	10.00	128,300	548,700	8,322,700	8,999,700
<i>Governor's Recommendation</i>	<i>10.00</i>	<i>130,500</i>	<i>551,600</i>	<i>8,327,900</i>	<i>9,010,000</i>

43. Research Analyst Position

Developmental Disabilities Council

The Developmental Disabilities Council requests \$72,200 from the General Fund to hire a research analyst position. Work related to this position has been historically handled by interns and other staff. The federal Administration on Intellectual and Developmental Disabilities, which is the primary funder for the council, is requiring additional data collection to justify existing funding. This position would be dedicated to gathering relevant data points, which in turn would allow other staff to focus on other responsibilities related to advocacy and training services for the disability community. The request is only for personnel costs of \$58,200, as the council has an existing vacant and unfunded FTP. The request also includes \$9,000 for office furniture, remodeling of existing space, and a computer. [Ongoing and one-time]

Agency Request	0.00	72,200	0	0	72,200
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>73,100</i>	<i>0</i>	<i>0</i>	<i>73,100</i>

FY 2018 Total	10.00	200,500	548,700	8,322,700	9,071,900
<i>Governor's Recommendation</i>	<i>10.00</i>	<i>203,600</i>	<i>551,600</i>	<i>8,327,900</i>	<i>9,083,100</i>

Agency Request

Change from Original App	0.00	72,500	(5,900)	4,000	70,600
% Change from Original App	0.0%	56.6%	(1.1%)	0.0%	0.8%

Governor's Recommendation

Change from Original App	0.00	75,600	(3,000)	9,200	81,800
% Change from Original App	0.0%	59.1%	(0.5%)	0.1%	0.9%

Indirect Support Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	16,460,600	14,391,600	17,141,200	18,992,200	18,768,900
Dedicated	4,507,100	4,387,200	3,125,800	3,257,400	3,280,400
Federal	18,440,000	20,245,600	20,456,200	24,849,600	24,571,900
Total:	39,407,700	39,024,400	40,723,200	47,099,200	46,621,200
Percent Change:		(1.0%)	4.4%	15.7%	14.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	23,381,500	21,606,600	25,098,600	26,510,100	26,808,900
Operating Expenditures	16,026,200	16,784,800	14,975,200	16,437,400	16,436,100
Capital Outlay	0	633,000	649,400	4,151,700	3,376,200
Total:	39,407,700	39,024,400	40,723,200	47,099,200	46,621,200
Full-Time Positions (FTP)	289.60	289.60	291.60	298.60	297.60

Division Description

Indirect Support Services provides administrative functions for the Department of Health and Welfare:

- The Office of the Director provides central policy direction;
- The Office of Legal Services provides legal advice, monitoring and litigation services;
- Financial Services manages the budget and cash flow, controls the accounting and reporting process, performs internal reviews, and processes all personnel actions;
- The Division of Information Systems plans and operates all data processing and IT activities;
- The Division of Operational Services manages physical assets, contracts and purchasing; and provides human resource functions, which include civil rights, workforce development, recruitment, process and system research, and employee relations; and
- The Bureau of Audits and Investigations provides support to the department's public assistance programs through the following units: Criminal History; Internal Audit; Fraud Analysis; Medicaid Program Integrity; and Welfare Fraud Investigations.

Indirect Support Services

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	291.60	17,141,200	40,723,200	291.60	17,141,200	40,723,200
6. Additional Enhanced Federal Funds	0.00	0	1,360,000	0.00	0	1,360,000
FY 2017 Total Appropriation	291.60	17,141,200	42,083,200	291.60	17,141,200	42,083,200
Noncognizable Funds and Transfers	0.00	(630,000)	(630,000)	0.00	(744,000)	(744,000)
FY 2017 Estimated Expenditures	291.60	16,511,200	41,453,200	291.60	16,397,200	41,339,200
Removal of One-Time Expenditures	0.00	(325,700)	(1,573,500)	0.00	(325,700)	(1,573,500)
Base Adjustments	0.00	630,000	630,000	0.00	744,000	744,000
FY 2018 Base	291.60	16,815,500	40,509,700	291.60	16,815,500	40,509,700
Benefit Costs	0.00	142,700	329,600	0.00	99,600	230,000
Replacement Items	0.00	1,757,400	4,275,200	0.00	1,387,600	3,499,700
Statewide Cost Allocation	0.00	166,000	350,300	0.00	166,000	350,300
Change in Employee Compensation	0.00	95,700	221,100	0.00	285,300	659,100
FY 2018 Program Maintenance	291.60	18,977,300	45,685,900	291.60	18,754,000	45,248,800
17. Operational Services Staffing	3.00	0	87,100	3.00	0	88,100
21. Financial Services Position	1.00	0	42,000	1.00	0	38,500
26. Fraud and Abuse Detection Software	0.00	0	1,115,000	0.00	0	1,115,000
34. Internal Audit Position	1.00	0	39,800	0.00	0	0
35. Adult Protection Investigator	1.00	0	36,300	1.00	0	36,900
36. Administrative Support Position	1.00	0	55,800	1.00	0	56,600
Cybersecurity Insurance	0.00	14,900	37,300	0.00	14,900	37,300
FY 2018 Total	298.60	18,992,200	47,099,200	297.60	18,768,900	46,621,200
Change from Original Appropriation	7.00	1,851,000	6,376,000	6.00	1,627,700	5,898,000
% Change from Original Appropriation		10.8%	15.7%		9.5%	14.5%

Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	291.60	17,141,200	3,125,800	20,456,200	40,723,200

6. Additional Enhanced Federal Funds

Since FY 2013, the department has been receiving an enhanced earned revenue rate (ERR) from the federal government for various IT projects, including the Medicaid Readiness Project. The enhanced funding for these projects has increased the federal share of costs to about 75%; traditional share is 50%. Throughout this time period the department has participated in several IT projects at an enhanced rate; once an enhanced funded project ended, another enhanced funded project would begin. Current correspondence with federal funders indicate that the enhanced funding will continue, but with fewer projects at the 75% rate. The department estimates that FY 2017 will maintain a 68% average rate. As a result, the department is requesting \$1,360,000 in federal funds. With the enhanced match rate, the department has been able to use existing General Funds for other department needs, and when possible, the department has reverted any funds saved from the enhanced ERR. For the past four years the program, either voluntarily or through legislative action, transferred or reverted more than 20% of its Original Appropriation for General Fund personnel costs: FY 2013 was 20.5% or \$1,874,300; FY 2014 was 25.9% or \$2,441,900; FY 2015 was 34.5% or \$3,556,500; and FY 2016 was 29.1% or \$2,966,700. [Ongoing]

Agency Request	0.00	0	0	1,360,000	1,360,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>1,360,000</i>	<i>1,360,000</i>

FY 2017 Total Appropriation					
Agency Request	291.60	17,141,200	3,125,800	21,816,200	42,083,200
<i>Governor's Recommendation</i>	<i>291.60</i>	<i>17,141,200</i>	<i>3,125,800</i>	<i>21,816,200</i>	<i>42,083,200</i>

Noncognizable Funds and Transfers

Transfers \$614,300 from personnel costs to operating expenditures and transfers \$630,000 from Indirect Support Services to Self-Reliance Operations. All transfers are from General Fund personnel costs.

Agency Request	0.00	(630,000)	0	0	(630,000)
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In addition, the Governor recommends that the agency request, and DFM approve, a one-time program transfer of \$114,000 from operating expenditures in Indirect Support Services to Medicaid to cover costs related to provider enrollment integrity requirements.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(744,000)</i>	<i>0</i>	<i>0</i>	<i>(744,000)</i>
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FY 2017 Estimated Expenditures					
Agency Request	291.60	16,511,200	3,125,800	21,816,200	41,453,200
<i>Governor's Recommendation</i>	<i>291.60</i>	<i>16,397,200</i>	<i>3,125,800</i>	<i>21,816,200</i>	<i>41,339,200</i>

Removal of One-Time Expenditures

Agency Request	0.00	(325,700)	(58,200)	(1,189,600)	(1,573,500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(325,700)</i>	<i>(58,200)</i>	<i>(1,189,600)</i>	<i>(1,573,500)</i>

Base Adjustments

Restores \$614,300 to personnel costs and restores \$630,000 to Indirect Support Services from Self-Reliance Operations.

Agency Request	0.00	630,000	0	0	630,000
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In addition, the Governor recommends the one-time \$114,000 program transfer to Medicaid operating expenditures be reversed.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>744,000</i>	<i>0</i>	<i>0</i>	<i>744,000</i>
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FY 2018 Base					
Agency Request	291.60	16,815,500	3,067,600	20,626,600	40,509,700
<i>Governor's Recommendation</i>	<i>291.60</i>	<i>16,815,500</i>	<i>3,067,600</i>	<i>20,626,600</i>	<i>40,509,700</i>

Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	142,700	22,100	164,800	329,600
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	99,600	15,400	115,000	230,000
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Replacement Items

The department requests \$25,500 for alteration and repair projects; \$1,038,900 to replace 45 vehicles; and \$3,210,800 to replace IT equipment. The request is for \$1,757,400 from the General Fund and \$2,517,800 from federal funds.

Agency Request	0.00	1,757,400	0	2,517,800	4,275,200
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The Governor recommends all alteration and repair projects and all replacement items except for 33 vehicles.

Governor's Recommendation	0.00	1,387,600	0	2,112,100	3,499,700
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$8,300, State Controller fees will decrease by \$10,200, Attorney General fees will increase by \$377,000, and State Treasurer fees will decrease by \$24,800, for a net increase of \$350,300.

Agency Request	0.00	166,000	0	184,300	350,300
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Governor's Recommendation	0.00	166,000	0	184,300	350,300
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	95,700	14,800	110,600	221,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	285,300	44,100	329,700	659,100
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FY 2018 Program Maintenance					
Agency Request	291.60	18,977,300	3,104,500	23,604,100	45,685,900
Governor's Recommendation	291.60	18,754,000	3,127,100	23,367,700	45,248,800

17. Operational Services Staffing

The department provides facility and staffing support to more than 30 locations throughout the state with oversight provided by seven field staff located in three statewide hubs. The north hub consists of Regions 1 and 2, which stretches from Bonners Ferry to Grangeville, and has three support staff. The west hub consists of Regions 3 and 4, which stretches from Payette to Mountain Home, and has four support staff. The east hub consists of Regions 5, 6, and 7, and stretches from Twin Falls to Salmon, and has three support staff. These hub staff are responsible for building safety, security, motor pool tracking, maintenance and repair, facility-related emergencies, and overall regional-staff support. The department requests \$174,200 and 3.00 FTP to help distribute the workload and support in these hubs. Of the request, \$87,100 is from federal funds and \$87,100 is from the General Fund, however the General Fund request would be realized from existing appropriations. [Ongoing and one-time]

Agency Request	3.00	0	0	87,100	87,100
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	3.00	0	0	88,100	88,100
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Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
21. Financial Services Position					
<p>The department requests 1.00 FTP and \$80,700 to hire an additional financial specialist to assist with the responsibilities for the Division of Welfare. Welfare is the second largest budgeted division (behind Medicaid) and includes Child Support Program; Aid to the Aged, Blind, and Disabled Program; Temporary Assistance to Families in Idaho (TAFI); Supplemental Nutrition Assistance Program (SNAP or Food Stamps); and the Child Care Subsidies Program. Currently the work is being managed by one financial specialist with oversight from management. The General Fund portion of this request (\$38,700) would be realized with existing General Fund appropriation. [Ongoing]</p>					
Agency Request	1.00	0	0	42,000	42,000
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	1.00	0	0	38,500	38,500
26. Fraud and Abuse Detection Software					
<p>To increase data mining capabilities in the Bureau of Audit & Investigation, the department requests \$1,115,000 from dedicated receipts and federal funds to purchase Truven's software J-SURS. J-SURS is a CMS-certified fraud and abuse detection system that is currently used in 15 states. The system is designed to reduce healthcare fraud, waste and abuse. Of the request, \$615,000 is one-time from federal funds. [Ongoing and one-time]</p>					
Agency Request	0.00	0	125,000	990,000	1,115,000
Governor's Recommendation	0.00	0	125,000	990,000	1,115,000
34. Internal Audit Position					
<p>The department's Internal Audit Unit has expanded its role in several areas and as a result requests 1.00 FTP and \$79,600. Expanded roles include: 1) track and review external service organization audits; 2) track and initiate management decisions related to sub-recipients single audit reports, which are now required by federal regulations; 3) track and review sub-recipient indirect cost rate plans for all department programs; 4) increase reviews in critical grant programs, as a result of federal grant administration requirements; and 5) facilitate process improvements. The department currently has two financial specialists conducting similar work, and this request would increase that total to three. Ongoing funding would be used for personnel costs and one-time funding is for computers, furniture, and office supplies. The General Fund portion of the request (\$39,800) would be realized from existing General Fund appropriation. [Ongoing and one-time]</p>					
Agency Request	1.00	0	0	39,800	39,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
35. Adult Protection Investigator					
<p>The statutory basis for adult protection investigations are provided for in Chapter 53, Title 39, Idaho Code, entitled "Adult Abuse, Neglect and Exploitation Act" (AANE). Health & Welfare administered this act at inception in 1982 until July 1, 1995. In 1995, the Idaho Commission on Aging agreed to assume all responsibility for the adult protection services and Idaho Code was amended to designate the commission as the responsible agency. AANE requires the commission to investigate allegations of abuse, neglect, self-neglect, or exploitation involving a vulnerable adult, to make appropriate referrals to law enforcement, and to arrange for the provision of necessary services. Health & Welfare has determined that the work performed by the commission is not sufficient for the department to substantiate a "perpetrator" or determine if a more thorough investigation needs to occur. The department believes that illegal actions are going unreported and therefore is requesting 1.00 FTP and \$72,600 to hire a fraud investigator to sustain administrative action and to initiate criminal action against perpetrators who exploit, abuse, or neglect vulnerable adults. The request also includes \$1,300 of one-time operating expenditures for office equipment and furniture. The General Fund portion of the request (\$36,300) would be realized from existing General Fund appropriation. [Ongoing & one-time]</p>					
Agency Request	1.00	0	0	36,300	36,300
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	1.00	0	0	36,900	36,900

Indirect Support Services

Budget by Decision Unit FTP General Dedicated Federal Total

36. Administrative Support Position

To account for an increased workload in the Medicaid Program Integrity Unity (MPIU) for investigations, asset recovery, and termination/exclusion support the department requests \$55,800 and 1.00 FTP for an administrative support position. Currently this work is being done by other existing program staff or temporary employees. Work related to investigations has been done by temporary employees to assist with routine paperwork related to audits, but do not directly contribute to the audit. Asset recovery is being handled by a collection agency, but the department reports that the collection agency typically does not recoup much beyond their fees and with the added position, the department will be able to collect and recover more assets. The third part is for the work being requested in line item 35 for an adult protection investigator. The request includes \$2,600 of one-time expenses for office furniture and equipment. [Ongoing and one-time]

Agency Request	1.00	0	27,900	27,900	55,800
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>28,300</i>	<i>28,300</i>	<i>56,600</i>
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	14,900	0	22,400	37,300
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>14,900</i>	<i>0</i>	<i>22,400</i>	<i>37,300</i>
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FY 2018 Total

Agency Request	298.60	18,992,200	3,257,400	24,849,600	47,099,200
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<i>Governor's Recommendation</i>	<i>297.60</i>	<i>18,768,900</i>	<i>3,280,400</i>	<i>24,571,900</i>	<i>46,621,200</i>
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Agency Request

Change from Original App	7.00	1,851,000	131,600	4,393,400	6,376,000
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% Change from Original App	2.4%	10.8%	4.2%	21.5%	15.7%
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Governor's Recommendation

<i>Change from Original App</i>	<i>6.00</i>	<i>1,627,700</i>	<i>154,600</i>	<i>4,115,700</i>	<i>5,898,000</i>
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<i>% Change from Original App</i>	<i>2.1%</i>	<i>9.5%</i>	<i>4.9%</i>	<i>20.1%</i>	<i>14.5%</i>
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Division of Medicaid

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	69,527,300	50,533,800	71,711,400	73,052,900	72,089,600
Coordinated Medicaid Plan	344,494,700	546,066,100	556,231,600	564,115,400	564,115,400
Enhanced Medicaid Plan	1,168,224,800	845,352,500	931,200,800	968,846,700	968,846,700
Basic Medicaid Plan	542,922,100	620,373,400	674,660,700	701,558,500	701,558,500
Total:	2,125,168,900	2,062,325,800	2,233,804,500	2,307,573,500	2,306,610,200
BY FUND CATEGORY					
General	501,599,400	485,541,800	519,607,200	538,131,800	538,085,900
Dedicated	269,735,100	267,377,400	303,144,800	328,070,300	328,070,300
Federal	1,353,834,400	1,309,406,600	1,411,052,500	1,441,371,400	1,440,454,000
Total:	2,125,168,900	2,062,325,800	2,233,804,500	2,307,573,500	2,306,610,200
Percent Change:		(3.0%)	8.3%	3.3%	3.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	14,793,100	14,028,400	15,717,900	16,208,000	16,384,700
Operating Expenditures	53,908,000	35,735,700	54,066,300	54,917,700	53,777,700
Trustee/Benefit	2,056,467,800	2,012,561,700	2,164,020,300	2,236,447,800	2,236,447,800
Total:	2,125,168,900	2,062,325,800	2,233,804,500	2,307,573,500	2,306,610,200
Full-Time Positions (FTP)	208.00	208.00	209.00	217.00	217.00

Division Description

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.

MEDICAID ADMINISTRATION & MEDICAL MANAGEMENT: Includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and the Children's Health Insurance Program (CHIP) (Title XXI). Administrative functions include managing provider payments, contracting with state agencies and universities for medical management, and conducting drug utilization reviews and individual assessments. Prior to FY 2007, all Medicaid expenditures were reported under the Medical Assistance Services Program. The program has been renamed Medicaid Administration & Medical Management.

COORDINATED MEDICAID PLAN: Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

ENHANCED MEDICAID PLAN: Medicaid-eligible group primarily made up of children and adults (non-elderly) with disabilities, or other individuals with special health needs, such as foster children. Individuals included in this plan, may elect to remain in this plan after they turn 65 years old.

BASIC MEDICAID PLAN: Medicaid-eligible group 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.

Division of Medicaid

Agency Profile

Analyst: Tatro

Medicaid Plans: Caseloads and Trustee & Benefit Payments (All Funds)

	FY 2016 Expenditures		FY 2017 Orig Approp		FY 2018 Request	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Basic Plan						
Caseload	213,442	74.0%	224,609	74.2%	231,562	74.2%
Budget	\$620,373,400	30.8%	\$674,660,700	31.2%	\$701,558,500	31.4%
Average Case	\$2,907		\$3,004		\$3,030	
Enhanced Plan						
Caseload	48,917	17.0%	51,351	17.0%	53,110	17.0%
Budget	\$845,352,500	42.0%	\$931,200,800	43.1%	\$968,846,700	43.4%
Average Case	\$17,281		\$18,134		\$18,242	
Coordinated Plan						
Caseload	26,018	9.0%	26,823	8.9%	27,284	8.7%
Budget	\$546,066,100	27.1%	\$556,231,600	25.7%	\$564,115,400	25.2%
Average Case	\$20,988		\$20,737		\$20,676	
Total						
Caseload	288,377	100%	302,783	100%	311,956	100%
Budget	\$2,011,792,000	100%	\$2,162,093,100	100%	\$2,234,520,600	100%
Average Case	\$6,976.26		\$7,140.73		\$7,162.94	

The lower report is based on paid claims. Differences between the two tables are composed of the Disproportionate Share Hospital (DSH), Upper Payment Limits (UPL) payments, and other non-claims specific contracts.

FY 2015, FY 2016, and Quarter 1 of FY 2017, Medicaid Claims Expenditures by Service Grouping and by Per Member Per Month (PMPM)

	FY 2015	PMPM	FY 2016	PMPM	FY 2017 - Q1	PMPM
Hospital	\$482,372,595	\$145	\$457,096,537	\$132	\$110,109,426	\$128
Developmental Disability Services	\$213,669,636	\$64	\$248,718,915	\$72	\$64,537,443	\$75
Institutional Care	\$201,278,668	\$61	\$207,097,446	\$60	\$52,285,515	\$61
Medical (Non-Hospital)	\$195,061,351	\$59	\$211,509,791	\$61	\$51,657,892	\$60
Prescriptions	\$174,840,333	\$53	\$193,006,056	\$56	\$50,215,484	\$58
Mental Health	\$144,706,801	\$44	\$151,760,171	\$44	\$37,534,127	\$44
Long Term Services & Supports	\$115,407,958	\$35	\$117,010,765	\$34	\$29,253,090	\$34
Medicare Related	\$76,544,419	\$23	\$86,724,719	\$25	\$23,933,307	\$28
Durable Medical Equipment	\$54,284,895	\$16	\$60,762,887	\$18	\$15,220,293	\$18
Dental Services	\$48,001,320	\$14	\$50,250,602	\$15	\$12,891,278	\$15
School Based Services	\$35,017,293	\$11	\$40,885,097	\$12	\$6,323,539	\$7
Medical Transportation	\$28,273,252	\$9	\$31,481,210	\$9	\$8,924,455	\$10
All Other Claims	\$46,702,990	\$14	\$47,821,306	\$14	\$13,852,581	\$16
Total	\$1,816,161,512	\$532	\$1,904,125,502	\$537	\$476,738,430	\$553

Division of Medicaid

Comparative Summary

Analyst: Tatro

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	209.00	519,607,200	2,233,804,500	209.00	519,607,200	2,233,804,500
1. KW Lawsuit Compliance	2.00	186,600	373,200	2.00	186,600	373,200
2. Home and Community Based Services	3.00	84,200	168,300	3.00	84,200	168,300
5. MMIS Contract Operations: T-MSIS	0.00	29,900	298,800	0.00	0	0
7. Evaluation of Inpatient Hospital Svcs	0.00	25,000	50,000	0.00	0	0
9. Additional Receipt Authority	0.00	0	10,000,000	0.00	0	10,000,000
1. Hospital Cost Settlements	0.00	(6,063,100)	(21,200,000)	0.00	(6,063,100)	(21,200,000)
2. Non-Emergency Medical Transportation	0.00	(398,600)	(1,400,000)	0.00	(398,600)	(1,400,000)
FY 2017 Total Appropriation	214.00	513,471,200	2,222,094,800	214.00	513,416,300	2,221,746,000
Noncognizable Funds and Transfers	0.00	0	0	0.00	114,000	114,000
FY 2017 Estimated Expenditures	214.00	513,471,200	2,222,094,800	214.00	513,530,300	2,221,860,000
Removal of One-Time Expenditures	0.00	(447,200)	(2,036,500)	0.00	(392,300)	(1,687,700)
Base Adjustments	0.00	2,874,100	10,000,000	0.00	2,760,100	9,886,000
FY 2018 Base	214.00	515,898,100	2,230,058,300	214.00	515,898,100	2,230,058,300
Benefit Costs	0.00	90,500	231,600	0.00	62,200	159,800
Statewide Cost Allocation	0.00	1,400	2,900	0.00	1,400	2,900
Annualizations	0.00	47,200	94,400	0.00	47,200	94,400
Change in Employee Compensation	0.00	50,800	129,900	0.00	152,400	388,900
Nondiscretionary Adjustments	0.00	20,565,500	70,877,500	0.00	20,565,500	70,877,500
FY 2018 Program Maintenance	214.00	536,653,500	2,301,394,600	214.00	536,726,800	2,301,581,800
2. Jeff D Settlement	0.00	1,181,600	4,150,000	0.00	1,181,600	4,150,000
5. MMIS Contract Operations: T-MSIS	0.00	65,400	654,100	0.00	65,400	654,100
7. Provider Enrollment Improvements	0.00	114,000	1,140,000	0.00	0	0
12. Financial Manager Position	1.00	52,200	104,200	1.00	50,400	100,700
14. Estate Recovery Position	1.00	27,700	55,600	1.00	26,000	52,100
28. EPSDT Requests - New Position	1.00	36,200	72,500	1.00	34,500	69,000
Cybersecurity Insurance	0.00	1,200	2,500	0.00	1,200	2,500
FY 2018 Total	217.00	538,131,800	2,307,573,500	217.00	538,085,900	2,306,610,200
Change from Original Appropriation	8.00	18,524,600	73,769,000	8.00	18,478,700	72,805,700
% Change from Original Appropriation		3.6%	3.3%		3.6%	3.3%

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	209.00	519,607,200	303,144,800	1,411,052,500	2,233,804,500

1. KW Lawsuit Compliance

Medicaid Administration and Medical Mgmt

In January 2012, twelve developmentally disabled (DD) Medicaid participants sued the department over changes made to their benefits. In March 2014, the federal district court granted class action status in the K.W. vs Armstrong lawsuit, which extended the suit to approximately 3,900 participants receiving benefits under a waiver for persons with developmental disabilities. 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 got resolved in court. Between FY 2015 and FY 2016, the department spent \$611,600 on legal services and expect more costs to accrue in FY 2017 and FY 2018.

To implement the terms of the settlement, the department requests \$200,000 in one-time operating expenditures to change how they conduct assessments and to change the budget setting methodology; the court has rejected the department's third proposed budget notice. The department also requests \$50,000 in ongoing operating expenditures to implement the court-ordered training to support adequate due process for adult Medicaid participants with developmental disabilities who contest a DHW decision hearing. The final piece of the request is for 2.00 FTP to be transferred from Self-Reliance Operations in the Division of Welfare to Medicaid, \$118,200 in ongoing personnel costs, and \$5,000 in one-time operating expenditures; of which \$123,200 is being requested as an FY 2017 supplemental appropriation and the remainder is being requested as an FY 2018 annualization. These positions are being requested to support workload increases related to the court-ordered changes to the budget and assessment process in the KW Lawsuit. The one-time operating expenditures are for the purchase of office furniture and computers. [Ongoing and one-time]

Agency Request	2.00	186,600	0	186,600	373,200
<i>Governor's Recommendation</i>	2.00	186,600	0	186,600	373,200

2. Home and Community Based Services

Medicaid Administration and Medical Mgmt

The department requests a transfer of 3.00 FTP from Self-Reliance Operations to Medicaid, \$160,800 in ongoing personnel costs, and \$7,500 in one-time operating expenditures; of which \$168,300 is being requested as an FY 2017 supplemental appropriation and the remainder is being requested as an FY 2018 annualization. The positions are needed to address workload increases to comply with new federal regulations (42 CFR 430, 431, 435, 436, 440, 441, and 447) for the Home and Community Based Services. These regulations require an increase in administrative oversight of community settings and the service planning process and require a quality assurance program be implemented. This will require staff to visit residential and other service settings and work with providers. Two of the positions are being requested at 85% of policy to account for the complexity and skills needed for the program. One-time operating expenditures include funding to purchase office furniture and computers. [Ongoing and one-time]

Agency Request	3.00	84,200	0	84,100	168,300
<i>Governor's Recommendation</i>	3.00	84,200	0	84,100	168,300

5. MMIS Contract Operations: T-MSIS

Medicaid Administration and Medical Mgmt

The department requests \$298,800 in operating expenditures, with 10% or \$29,900 from the General Fund, to continue with the implementation of the federally required financial reporting system called Transformed Medicaid Statistical Information System (TMSIS). 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 to existing data, and capture and report on additional data elements. During the 2016 legislative session, the Legislature appropriated \$1.1 million for this purpose as a supplemental appropriation. However, prior to last session in August of 2015, the department was notified that the initial requirements were going to change, but the department's supplemental request was not modified because of the time it took to review and understand the complexities of the federal changes. The department was able to encumber \$420,000 from FY 2016 into FY 2017. There is a corresponding line item that requests \$654,100 one-time and 10% is from the General Fund. [One-time]

Agency Request	0.00	29,900	0	268,900	298,800
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The Governor recommends using existing appropriation from other department programs to cover the costs of the required enhancements to the T-MSIS system.

<i>Governor's Recommendation</i>	0.00	0	0	0	0
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Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Evaluation of Inpatient Hospital Svcs					Medicaid Administration and Medical Mgmt
<p>The department requests \$50,000 to backfill operating expenditures being spent to evaluate whether inpatient mental health services should be included in the OPTUM contract. The Office of Performance Evaluations, in their 2016 report Design of the Idaho Behavioral Health Plan, recommended that "the department formally evaluate whether including inpatient services in the Idaho Behavioral Health Plan has merit." The report does not provide a deadline for addressing this recommendation, however the department's intent is to have this recommendation addressed in time for the legislative session. [One-time]</p>					
Agency Request	0.00	25,000	0	25,000	50,000
<i>The Governor recommends using existing appropriation for the evaluation of inpatient hospital services.</i>					
Governor's Recommendation	0.00	0	0	0	0
9. Additional Receipt Authority					Enhanced Medicaid Plan
<p>The department requests \$10 million in ongoing dedicated receipts to deal with the fluctuations in the amount it receives for drug rebates and hospital cost settlements. This appropriation would be used in lieu of the General Fund when revenues from rebates are higher than forecasted. This request was a collaborative approach with the department, Legislative Services Office Budget & Policy Analysis Division, and the Division of Financial Management. This request is in addition to \$15 million that was appropriated in FY 2016. This additional receipt appropriation per legislative intent language is not included in the forecast and is only to be used when receipts are higher than the forecast.</p>					
Agency Request	0.00	0	10,000,000	0	10,000,000
Governor's Recommendation	0.00	0	10,000,000	0	10,000,000
1. Hospital Cost Settlements					Basic, Coordinated, & Enhanced Plans
<p>The department requests a rescission for savings related to hospital cost settlements. Hospital cost settlements are coming in \$21,200,000 lower than originally forecasted. Factors affecting the reduction in hospital costs include the implementation of ICD-10, the new diagnostic code reporting system; and improvements to third party billing recoveries. As a result, the department requests a rescission of \$6,063,100 from the General Fund and \$15,136,900 from federal funds. The request includes \$11,024,000 from the Enhanced Plan, \$2,968,000 from the Coordinated Plan, and \$7,208,000 from the Basic Plan. Of the total, \$10 million is considered one-time and is restored in a base adjustment.</p>					
Agency Request	0.00	(6,063,100)	0	(15,136,900)	(21,200,000)
Governor's Recommendation	0.00	(6,063,100)	0	(15,136,900)	(21,200,000)
2. Non-Emergency Medical Transportation					Basic, Coordinated, & Enhanced Plans
<p>Non-emergency medical transportation is an optional program for clients that need transportation to and from medical appointments. A new contract went into affect on July 1, 2016. The new contracted broker VEYO was awarded a \$70.4 million contract for three years, with no more than 20% of the award to be used for contract administration. VEYO submitted a per member per month bid of \$6.59 which is \$0.41 less than the prior contractor. The proposed reduction was associated with "money-saving" software that once implemented would save providers time and money when scheduling clients; this software however, is still in development. As the broker, it is VEYO's responsibility to coordinate the NEMT services for Medicaid eligible participants. Each month the number of trips has remained relatively constant at about 102,000, and services are received by about 30% of Medicaid participants; all Medicaid eligible participants can request these transportation services. The department therefore requests a rescission to the General Fund of \$398,600 and a rescission of \$1,001,400 in federal funds for a total of \$1,400,000.</p>					
Agency Request	0.00	(398,600)	0	(1,001,400)	(1,400,000)
Governor's Recommendation	0.00	(398,600)	0	(1,001,400)	(1,400,000)
FY 2017 Total Appropriation					
Agency Request	214.00	513,471,200	313,144,800	1,395,478,800	2,222,094,800
Governor's Recommendation	214.00	513,416,300	313,144,800	1,395,184,900	2,221,746,000

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Noncognizable Funds and Transfers					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends that the agency request, and DFM approve, a one-time program transfer from Indirect Support Services to Medicaid for the improved provider enrollment integrity requirements.</i>					
Governor's Recommendation	0.00	114,000	0	0	114,000
FY 2017 Estimated Expenditures					
Agency Request	214.00	513,471,200	313,144,800	1,395,478,800	2,222,094,800
Governor's Recommendation	214.00	513,530,300	313,144,800	1,395,184,900	2,221,860,000
Removal of One-Time Expenditures					
Agency Request	0.00	(447,200)	0	(1,589,300)	(2,036,500)
Governor's Recommendation	0.00	(392,300)	0	(1,295,400)	(1,687,700)
Base Adjustments					
Restores \$10,000,000 with \$2,874,100 from the General Fund to the base for ongoing claims costs related to hospitals.					
Agency Request	0.00	2,874,100	0	7,125,900	10,000,000
<i>Restores \$114,000 to Indirect Support Services.</i>					
Governor's Recommendation	0.00	2,760,100	0	7,125,900	9,886,000
FY 2018 Base					
Agency Request	214.00	515,898,100	313,144,800	1,401,015,400	2,230,058,300
Governor's Recommendation	214.00	515,898,100	313,144,800	1,401,015,400	2,230,058,300
Benefit Costs			Medicaid Administration and Medical Mgmt		
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	90,500	0	141,100	231,600
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
Governor's Recommendation	0.00	62,200	0	97,600	159,800
Statewide Cost Allocation			Medicaid Administration and Medical Mgmt		
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$2,900.					
Agency Request	0.00	1,400	0	1,500	2,900
Governor's Recommendation	0.00	1,400	0	1,500	2,900
Annualizations			Medicaid Administration and Medical Mgmt		
Requests \$94,400 in personnel costs to annualize costs associated with the supplemental appropriation request 1, which relates to the K.W. lawsuit and the supplemental appropriation request 2, which relates to changes in the Home & Community Based Services Program.					
Agency Request	0.00	47,200	0	47,200	94,400
<i>The Governor recommends \$654,100 of annualized funding for the Transformed Medicaid Statistical System (T-MSIS) contract as requested in supplemental 5.</i>					
Governor's Recommendation	0.00	47,200	0	47,200	94,400

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					Medicaid Administration and Medical Mgmt
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	50,800	0	79,100	129,900
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$700 for that purpose.</i>					
Governor's Recommendation	0.00	152,400	0	236,500	388,900

Nondiscretionary Adjustments

Basic, Coordinated, & Enhanced Plans

The Division of Medicaid requests the following nondiscretionary adjustments:

COST-BASED PRICING: Increases of \$4,492,000 from the General Fund and \$10,917,000 in federal funds. Medicaid reimburses certain entities such as hospitals, nursing facilities, home health, and prescription drug companies for the cost of providing the good or service. Other providers are often paid based on the established Medicaid approved rate. Cost-surveys are conducted frequently to ensure that the reimbursement amount is accurate.

MANDATORY PRICING: Increases of \$1,118,000 from the General Fund and \$2,717,200 in federal funds. Mandatory pricing relates to Medicaid being required to pay for services at a federally designated rate; this includes Federally Qualified Health Centers (FQHC) Rural Health Clinics (RHC), and Indian Health Clinics (IHC).

CASELOAD: Increases of \$15,319,000 from the General Fund and \$37,228,300 in federal funds. Caseload is the number of estimated new Idahoans eligible for Medicaid services.

UTILIZATION: Decreases of \$266,600 from the General Fund and \$647,400 in federal funds. Utilization is the estimated change for the use of services provided in Medicaid.

DEDICATED RECEIPTS: Increase of \$14,925,500 in dedicated funds and offsetting decreases of \$4,249,700 from the General Fund and \$10,675,800 in federal funds. The department relies on pharmaceutical rebates, hospital cost settlements, and other reimbursements to offset the need for new General Funds and federal funds.

FMAP ADJUSTMENT: An increase of \$4,152,800 from the General Fund and a decrease of a like amount in federal funds to reflect a decrease in the blended Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. The rate will change from 71.51% to 71.17% for FY 2018.

Agency Request	0.00	20,565,500	14,925,500	35,386,500	70,877,500
Governor's Recommendation	0.00	20,565,500	14,925,500	35,386,500	70,877,500

FY 2018 Program Maintenance					
Agency Request	214.00	536,653,500	328,070,300	1,436,670,800	2,301,394,600
Governor's Recommendation	214.00	536,726,800	328,070,300	1,436,784,700	2,301,581,800

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Jeff D Settlement

Enhanced Medicaid Plan

Jeff D is a class-action lawsuit from 1980 that was the result of comingling children and adults at State Hospital South (SHS), which led to abuse of children, lack of educational and treatment services at the hospital, and a lack of community-based mental health services. After 37 years of legal disputes and unfulfilled obligations, the courts agreed to dismiss the case upon concurrence of the settlement agreement. This agreement is intended to not only improve mental health services for children in Idaho, but also help to prevent similar situations that took place at SHS from occurring again.

In June 2015, the state signed a settlement agreement with the federal district court to implement a more meaningful system of care for children with serious emotional disturbances (SED). Implementation of the settlement will take several years, followed by several years of follow-up and verification that the settlement is being implemented as intended. To fund the requirements set forth in the settlement agreement, the department is proposing an amendment to the Medicaid State Plan so that services can be provided at Medicaid rates and with matching federal dollars. The request is for \$4.15 million with \$1,181,600 from the General Fund. This request is contingent upon passage of proposed legislation. There is a corresponding request in the Children's Mental Health Program for 7.00 FTP and a net reduction of \$140,200 so that the services can be provided for and billed through Medicaid. [Ongoing]

Agency Request	0.00	1,181,600	0	2,968,400	4,150,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,181,600</i>	<i>0</i>	<i>2,968,400</i>	<i>4,150,000</i>

5. MMIS Contract Operations: T-MSIS

Medicaid Administration and Medical Mgmt

The department requests \$654,100 in operating expenditures, with 10% or \$65,400, from the General Fund to continue with the implementation of 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. During the 2016 legislative session, the Legislature appropriated \$1.1 million for this purpose as a supplemental appropriation. However, prior to last session in August of 2015, the department was notified that the initial requirements were going to change, but the department's supplemental request was not modified because of the time it took to review and understand the complexities of the federal changes. The department was able to encumber \$420,000 from FY 2016 into FY 2017. There is a corresponding supplemental request of \$298,800 one-time and 10% is from the General Fund. [One-time]

Agency Request	0.00	65,400	0	588,700	654,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>65,400</i>	<i>0</i>	<i>588,700</i>	<i>654,100</i>

7. Provider Enrollment Improvements

Medicaid Administration and Medical Mgmt

The department requests \$1,140,000 to provide IT system enhancements to help safeguard the provider enrollment process. The required updates are provided for in 42 CFR part 455 subpart E and 42 CFR part 455.410. These updates are intended to help keep the state from being defrauded by dishonest providers. The enhancements will also include controls to ensure that only eligible providers can be reimbursed for providing Medicaid services. The request is funded at 90% federal at \$1,026,000 and 10% General Funds at \$114,000. For FY 2017, the Legislature funded a similar request with \$905,000 from federal funds and \$100,600 from the General Fund. [One-time]

Agency Request	0.00	114,000	0	1,026,000	1,140,000
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The Governor recommends funding for provider enrollment improvements through a FY 2017 program transfer from Indirect Support Services.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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12. Financial Manager Position **Medicaid Administration and Medical Mgmt**

The department requests \$104,200 and 1.00 FTP to hire an additional financial manager for support in preparing, analyzing, and reporting on the department's largest budget, Medicaid. Small errors in Medicaid projections can have a multi-million dollar impact on the state's General Fund. To assist the department in hiring a highly qualified candidate, the position is being requested at 100% of policy, which is \$72,301 in annual salary plus benefits. One-time funding of \$2,500 is for office furniture and equipment. [Ongoing and one-time]

Agency Request	1.00	52,200	0	52,000	104,200
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	50,400	0	50,300	100,700
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14. Estate Recovery Position **Medicaid Administration and Medical Mgmt**

The Medicaid Estate Recovery Program recoups funds from eligible Medicaid participant estates' after the participant passes away. The "clock" for estate recovery starts when the participant reaches the age of 55. The program recovers about 2-3% of what was paid out in eligible claims. There is a five-year look back period for asset handlings and ownership. The program reviews each case to determine if the case is cost effective to pursue for recovery. The program primarily focuses on the more valuable assets (i.e. houses, bank accounts, land, trusts, etc.). The federal government provides a framework to states on how the program is to operate, but allows each state flexibility with the implementation. The application for Medical Assistance Services states: "If I receive Medicaid after age 55, my estate may be subject to recovery of medical expenses paid on my behalf, and that any transfer of assets may be set aside by a court if I do not receive adequate value."

In 2015, the Estate Recovery Program collected \$8,870,200, and \$2,508,200 was then used in lieu of the General Fund. To collect the \$8.9 million, the Medicaid program spent \$398,800. The department requests an additional 1.00 FTP and \$55,600 to increase collections for the program. One-time funding of \$2,500 is for office furniture and equipment. [Ongoing and one-time]

Agency Request	1.00	27,700	0	27,900	55,600
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	26,000	0	26,100	52,100
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28. EPSDT Requests - New Position **Medicaid Administration and Medical Mgmt**

The department requests 1.00 FTP and \$72,500 to hire a program specialist to comply with the Early Periodic Screening, Diagnosis and Treatment (EPSDT) benefit, which allows a child under 21 to receive medically necessary services that exceed the limits of the Idaho Medicaid plan; including dental, mental health, developmental, and specialty services. With changes made at the federal level to this program, additional work is required to complete the clinical review. The final federal rules deem the Children's Health Insurance Program (CHIP) coverage to be compliant with mental health parity (as required in the 1996 Mental Health Parity Act) if CHIP provides EPSDT benefits and complies with the general EPSDT requirements in Section 1902(a)(43), including informing beneficiaries of the benefit. One-time funding of \$2,500 is for office furniture and equipment. [Ongoing and one-time]

Agency Request	1.00	36,200	0	36,300	72,500
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	34,500	0	34,500	69,000
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Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
					Medicaid Administration and Medical Mgmt
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	1,200	0	1,300	2,500
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	1,200	0	1,300	2,500
FY 2018 Total					
Agency Request	217.00	538,131,800	328,070,300	1,441,371,400	2,307,573,500
Governor's Recommendation	217.00	538,085,900	328,070,300	1,440,454,000	2,306,610,200
Agency Request					
Change from Original App	8.00	18,524,600	24,925,500	30,318,900	73,769,000
% Change from Original App	3.8%	3.6%	8.2%	2.1%	3.3%
<i>Governor's Recommendation</i>					
Change from Original App	8.00	18,478,700	24,925,500	29,401,500	72,805,700
% Change from Original App	3.8%	3.6%	8.2%	2.1%	3.3%

Mental Health Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Children's Mental Health	12,608,000	9,946,500	15,182,200	14,669,500	14,758,500
Adult Mental Health	24,105,000	23,062,800	27,524,400	45,035,000	41,339,700
Total:	36,713,000	33,009,300	42,706,600	59,704,500	56,098,200
BY FUND CATEGORY					
General	27,227,200	25,517,000	32,289,300	49,558,600	45,895,800
Dedicated	873,700	405,100	1,723,400	623,800	625,700
Federal	8,612,100	7,087,200	8,693,900	9,522,100	9,576,700
Total:	36,713,000	33,009,300	42,706,600	59,704,500	56,098,200
Percent Change:		(10.1%)	29.4%	39.8%	31.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	21,463,500	20,049,100	22,973,500	24,307,800	24,589,700
Operating Expenditures	4,851,800	4,227,300	7,368,400	7,232,800	7,232,800
Capital Outlay	0	6,900	0	0	0
Trustee/Benefit	10,397,700	8,726,000	12,364,700	28,163,900	24,275,700
Total:	36,713,000	33,009,300	42,706,600	59,704,500	56,098,200
Full-Time Positions (FTP)	287.16	287.16	288.23	308.23	308.23

Division Description

CHILDREN'S MENTAL HEALTH: The Children's Mental Health Program provides assessment and evaluation, clinical case management, hospitalization, residential treatment, and therapeutic foster care for children with serious emotional disturbances.

ADULT MENTAL HEALTH: Services in Idaho are community-based, consumer-guided, and organized through a system of care for adult citizens who experience serious and persistent mental illness. Services are delivered primarily through seven regional, state-operated community mental health centers.

Mental Health Services

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	288.23	32,289,300	42,706,600	288.23	32,289,300	42,706,600
Reappropriation	0.00	715,000	715,000	0.00	715,000	715,000
1. Jeff D Lawsuit Agreement	11.00	127,700	255,400	11.00	127,700	255,400
FY 2017 Total Appropriation	299.23	33,132,000	43,677,000	299.23	33,132,000	43,677,000
Noncognizable Funds and Transfers	0.00	0	(140,400)	0.00	0	(140,400)
FY 2017 Estimated Expenditures	299.23	33,132,000	43,536,600	299.23	33,132,000	43,536,600
Removal of One-Time Expenditures	0.00	(2,284,900)	(3,539,700)	0.00	(2,284,900)	(3,539,700)
Base Adjustments	0.00	0	80,400	0.00	0	80,400
FY 2018 Base	299.23	30,847,100	40,077,300	299.23	30,847,100	40,077,300
Benefit Costs	0.00	265,600	326,200	0.00	183,900	224,100
Statewide Cost Allocation	0.00	8,900	10,300	0.00	8,900	10,300
Annualizations	0.00	1,816,500	2,113,000	0.00	1,816,500	2,113,000
Change in Employee Compensation	0.00	152,900	188,200	0.00	458,100	569,100
FY 2018 Program Maintenance	299.23	33,091,000	42,715,000	299.23	33,314,500	42,993,800
2. Jeff D Settlement - New Staff	7.00	(660,900)	(140,200)	7.00	(659,600)	(137,700)
10. Felony Probationers Mental Healthcare	1.00	11,232,400	11,232,400	1.00	11,232,700	11,232,700
11. RALFs and SED Care	1.00	5,888,200	5,888,200	1.00	2,000,300	2,000,300
Cybersecurity Insurance	0.00	7,900	9,100	0.00	7,900	9,100
FY 2018 Total	308.23	49,558,600	59,704,500	308.23	45,895,800	56,098,200
Change from Original Appropriation	20.00	17,269,300	16,997,900	20.00	13,606,500	13,391,600
% Change from Original Appropriation		53.5%	39.8%		42.1%	31.4%

Mental Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	288.23	32,289,300	1,723,400	8,693,900	42,706,600

Reappropriation

Adult Mental Health

Pursuant to H579 (2016), the Adult Mental Health Program was authorized to reappropriate or carryover the unencumbered and unspent appropriation of \$715,000 provided to establish and operate two new behavioral health community crisis centers in Health & Welfare Regions 4 and 5 as outlined in Section 11 of the bill. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	715,000	0	0	715,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>715,000</i>	<i>0</i>	<i>0</i>	<i>715,000</i>

1. Jeff D Lawsuit Agreement

Children's Mental Health

Jeff D is a class-action lawsuit from 1980 that was the result of comingling children and adults at State Hospital South (SHS), which led to abuse of children, lack of educational and treatment services at the hospital, and a lack of community-based mental health services. After 30 plus years of legal disputes and unfulfilled obligations, the federal district court agreed to dismiss the case upon concurrence of the settlement agreement. This agreement is intended to improve mental health services for children in Idaho, and to help prevent similar situations that took place at SHS from occurring again.

In June 2015, the state signed a settlement agreement with the court to implement a more meaningful system of care for children with serious emotional disturbances. Implementation of the settlement will take several years, followed by several years of follow-up and verification that the settlement is being implemented as intended. To begin the process immediately, the department is requesting 11.00 FTP and \$848,400 to hire various positions at central office. Two of the positions will be used for the quality management, improvement, and accountability (QMIA) portion as required in the agreement; two positions will be for data analytics; four positions for implementation of the evaluation assessment tool that was funded by the Legislature during the 2016 session, known as CANS or Children and Adolescent Needs and Strengths assessment; and the final three positions will provide program support and oversight. The request includes this FY 2017 supplemental appropriation request for \$255,400 and an FY 2018 annualization of \$593,000. [Ongoing]

Agency Request	11.00	127,700	0	127,700	255,400
<i>Governor's Recommendation</i>	<i>11.00</i>	<i>127,700</i>	<i>0</i>	<i>127,700</i>	<i>255,400</i>

FY 2017 Total Appropriation					
Agency Request	299.23	33,132,000	1,723,400	8,821,600	43,677,000
<i>Governor's Recommendation</i>	<i>299.23</i>	<i>33,132,000</i>	<i>1,723,400</i>	<i>8,821,600</i>	<i>43,677,000</i>

Noncognizable Funds and Transfers

Transfers \$140,400 of federal fund operating expenditures from Children's Mental Health to the Substance Abuse Treatment and Prevention Program, one-time. Also transfers \$253,100 from General Fund personnel costs to operating expenditures that nets to zero.

Agency Request	0.00	0	0	(140,400)	(140,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>(140,400)</i>	<i>(140,400)</i>

FY 2017 Estimated Expenditures					
Agency Request	299.23	33,132,000	1,723,400	8,681,200	43,536,600
<i>Governor's Recommendation</i>	<i>299.23</i>	<i>33,132,000</i>	<i>1,723,400</i>	<i>8,681,200</i>	<i>43,536,600</i>

Removal of One-Time Expenditures

Agency Request	0.00	(2,284,900)	(1,103,300)	(151,500)	(3,539,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(2,284,900)</i>	<i>(1,103,300)</i>	<i>(151,500)</i>	<i>(3,539,700)</i>

Mental Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Base Adjustments

Restores \$140,400 of federal fund operating expenditures to Children's Mental Health from the Substance Abuse Treatment and Prevention Program; restores \$253,100 to General Fund personnel costs; and transfers \$50,000 of trustee & benefit payments and \$10,000 of operating expenditures from federal funds to the Suicide Prevention and Awareness Program.

Agency Request	0.00	0	0	80,400	80,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>80,400</i>	<i>80,400</i>

FY 2018 Base					
Agency Request	299.23	30,847,100	620,100	8,610,100	40,077,300
<i>Governor's Recommendation</i>	<i>299.23</i>	<i>30,847,100</i>	<i>620,100</i>	<i>8,610,100</i>	<i>40,077,300</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	265,600	2,400	58,200	326,200
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>183,900</i>	<i>1,700</i>	<i>38,500</i>	<i>224,100</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$10,300.

Agency Request	0.00	8,900	0	1,400	10,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>8,900</i>	<i>0</i>	<i>1,400</i>	<i>10,300</i>

Annualizations

Adult & Children's Mental Health

Adult Mental Health includes \$1.52 million for the remaining General Funds needed to annualize operations for the community crisis centers approved for region 4 and 5; partial funding was provided for each center in the 2016 session. Children's Mental Health includes \$593,000 from the General Fund and federal funds for the annualized personnel costs of the 11 positions being requested in supplemental 1 for the Jeff D lawsuit settlement.

Agency Request	0.00	1,816,500	0	296,500	2,113,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,816,500</i>	<i>0</i>	<i>296,500</i>	<i>2,113,000</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	152,900	1,300	34,000	188,200
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>458,100</i>	<i>3,900</i>	<i>107,100</i>	<i>569,100</i>

FY 2018 Program Maintenance					
Agency Request	299.23	33,091,000	623,800	9,000,200	42,715,000
<i>Governor's Recommendation</i>	<i>299.23</i>	<i>33,314,500</i>	<i>625,700</i>	<i>9,053,600</i>	<i>42,993,800</i>

Mental Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Jeff D Settlement - New Staff

Children's Mental Health

Jeff D is a class-action lawsuit from 1980 that was the result of comingling children and adults at State Hospital South (SHS), which led to abuse of children, lack of educational and treatment services at the hospital, and a lack of community-based mental health services. After 30 plus years of legal disputes and unfulfilled obligations, the federal district court agreed to dismiss the case upon concurrence of the settlement agreement. This agreement is intended to improve mental health services for children in Idaho, and to help prevent similar situations that took place at SHS from occurring again.

In June 2015, the state signed a settlement agreement with the court to implement a more meaningful system of care for children with serious emotional disturbances. Implementation of the settlement will take several years, followed by several years of follow-up and verification that the settlement is being implemented as intended. To continue with implementation of the settlement agreement, the department requests an additional 7.00 FTP and a net reduction of \$140,200 with the intent that services will be provided for and billed through Medicaid. There is a corresponding request for the Division of Medicaid that includes \$1,181,600 from the General Fund and \$2,968,400 from federal funds to pay for these services through Medicaid. Paying for these services through Medicaid however, requires approval from the Center for Medicare and Medicaid Services (CMS) through an amendment to the State Plan. The department will submit its state plan amendment for approval, but also needs approval from the Legislature with proposed legislation. If the amendment is not approved by CMS, then the department will submit an 1115 waiver. The overall goal of the department is to increase the number of services for eligible children and pay for those services through Medicaid, however the department is still in the planning stages and therefore does not know if there is a sufficient amount of providers willing and able to provide services for this population at Medicaid rates. [Ongoing]

Agency Request	7.00	(660,900)	0	520,700	(140,200)
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	7.00	(659,600)	0	521,900	(137,700)

10. Felony Probationers Mental Healthcare

Adult Mental Health

Pursuant to Section 19-2524(3)(g), Idaho Code, the Department of Health & Welfare is responsible for the costs associated with court-ordered mental health examinations and treatment. Furthermore, pursuant to Section 20-216(2), Idaho Code, the Departments of Correction and Health & Welfare are jointly responsible for submitting an annual report to the Legislature that analyzes criminogenic needs and funding gaps for the treatment (including for mental health) of moderate and high-risk probationers and parolees. To that end, a study conducted by the Western Interstate Commission for Higher Education (WICHE) identified 7,388 offenders with moderate to high risk recidivism potential and having high mental health needs. Results from the study estimate that the approximate cost to provide mental health to this population annually is \$1,514 per person, or \$126 per person per month. Implementation of these services would be overseen by a management services contractor as the department believes that is the most efficient model. Therefore the department requests 1.00 FTP, \$77,400 in personnel costs, \$1.46 million in operating expenditures for the 15% administrative contract, and \$9.7 million for trustee & benefit payments to provide mental health services to felony probationers and parolees. Health & Welfare spends about \$30,400 a year on this population. [Ongoing]

Agency Request	1.00	11,232,400	0	0	11,232,400
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	1.00	11,232,700	0	0	11,232,700

Mental Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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11. RALFs and SED Care

Adult Mental Health

The department requests \$5,888,200 and 1.00 FTP to establish and implement a new system of care for Idahoans with serious and persistent mental illnesses that cannot live independently. This new program is the Homes with Adult Residential Treatment (HART) model, which is most similar to the Residential Assisted Living Facilities (RALF). The department estimates that several currently licensed RALFs will transition to the new HART model. The primary difference between the two systems of care is the staffing of a milieu (surroundings) manager. The milieu manager is not a Medicaid-reimbursable service, according to the department. The request was calculated at \$31.84 per day using an average sized facility of 500 beds and a single staff person on duty 24/7. An eligible participant in the new program must have a serious and persistent mental illness, need assistance with personal care services, and will receive priority if they have already been in the state hospital (or comparable) system. [Ongoing]

For FY 2017, the Legislature appropriated \$1 million, one-time, to provide bridge funding for this population while the department's Adult Mental Health and Medicaid Programs worked with providers to identify an appropriate long-term solution.

Agency Request	1.00	5,888,200	0	0	5,888,200
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The Governor recommends bridge funding to continue necessary reimbursement adjustments to support individuals with a severe mental illness and cannot live independently. Funding is recommended to pilot the newly developed HART model. [Ongoing]

Governor's Recommendation	1.00	2,000,300	0	0	2,000,300
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Cybersecurity Insurance

Adult Mental Health, Children's Mental Health

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	7,900	0	1,200	9,100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	7,900	0	1,200	9,100
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FY 2018 Total					
Agency Request	308.23	49,558,600	623,800	9,522,100	59,704,500
Governor's Recommendation	308.23	45,895,800	625,700	9,576,700	56,098,200

Agency Request

Change from Original App	20.00	17,269,300	(1,099,600)	828,200	16,997,900
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% Change from Original App	6.9%	53.5%	(63.8%)	9.5%	39.8%
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Governor's Recommendation

Change from Original App	20.00	13,606,500	(1,097,700)	882,800	13,391,600
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% Change from Original App	6.9%	42.1%	(63.7%)	10.2%	31.4%
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Psychiatric Hospitalization

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Community Hospitalization	3,069,000	3,368,900	3,069,000	12,723,700	3,364,700
State Hospital North	8,417,700	8,405,600	9,229,400	9,539,300	9,370,400
State Hospital South	23,643,100	24,334,100	25,777,200	25,920,800	25,917,600
Total:	35,129,800	36,108,600	38,075,600	48,183,800	38,652,700
BY FUND CATEGORY					
General	19,188,200	19,485,400	20,441,400	31,153,000	21,577,000
Dedicated	10,319,900	10,739,500	11,470,800	10,949,200	10,953,200
Federal	5,621,700	5,883,700	6,163,400	6,081,600	6,122,500
Total:	35,129,800	36,108,600	38,075,600	48,183,800	38,652,700
Percent Change:		2.8%	5.4%	26.5%	1.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	26,161,300	26,331,000	28,914,700	29,330,400	29,348,300
Operating Expenditures	5,269,800	5,736,400	5,135,900	5,287,800	5,115,300
Capital Outlay	318,800	357,500	595,100	577,900	405,700
Trustee/Benefit	3,379,900	3,683,700	3,429,900	12,987,700	3,783,400
Total:	35,129,800	36,108,600	38,075,600	48,183,800	38,652,700
Full-Time Positions (FTP)	369.12	369.12	391.35	394.35	391.35

Division Description

Psychiatric Hospitalization is organized into three budgeted programs: Community Hospitalization, State Hospital South (SHS), and State Hospital North (SHN).

Funding for Community Hospitalization was transferred from Community Mental Health into a separate program beginning in FY 2006. These funds are used to pay for patient care once an individual has been committed to state custody, and before a bed is available in one of the two state institutions.

Both State Hospital South in Blackfoot, and State Hospital North in Orofino, provide short- and long-term 24-hour residential care and treatment for persons who are not able to remain safely in the community setting. State Hospital South has 106 psychiatric treatment beds on four separate units, and a 29-bed nursing home facility in a separate multi-story building on the campus. State Hospital North has a capacity of 55 beds.

Psychiatric Hospitalization Agency Profile

Analyst: Tatro

STATE HOSPITAL NORTH

Adult Inpatient Psychiatric Services

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
• Patient Days	17,514	17,408	16,153	16,834	18,026
• Admissions	289	278	217	243	233
• Avg. Daily Census	48	48	44	46	49
• Daily Occupancy Rate	80.0%	79.0%	74.0%	77.0%	82.0%
• 30 Day Readmission Rate	1.4%	2.2%	2.3%	2.1%	0.9%
• 180 Day Readmission Rate	9.7%	8.6%	10.6%	11.5%	7.7%
• Cost Per Patient Day	\$443	\$463	\$506	\$509	\$492

STATE HOSPITAL SOUTH

Adult Inpatient Psychiatric Services

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
• Patient Days	29,555	26,241	27,375	26,005	28,112
• Admissions	484	550	608	547	640
• Avg. Daily Census	81	72	75	71	77
• Median Length of Stay (days)	36	33	29	30	32
• Daily Occupancy Rate	89.7%	79.9%	83.3%	79.2%	85.3%
• 30 Day Readmission Rate	2.5%	2.5%	1.6%	2.6%	3.8%
• 180 Day Readmission Rate	12.2%	12.3%	14.1%	14.3%	15.2%
• Cost Per Patient Day	\$452	\$533	\$533	\$600	\$589

Syringa Skilled Nursing Facility

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
• Patient Days	9,071	8,986	8,856	8,837	9,935
• Admissions	10	15	11	14	17
• Daily Occupancy Rate	95.5%	84.9%	83.7%	83.5%	88.1%
• Cost Per Patient Day	\$476	\$568	\$588	\$621	\$604

Adolescent Unit

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
• Patient Days	3,677	4,176	4,181	4,562	4,574
• Admissions	81	110	122	149	131
• Daily Occupancy Rate	62.8%	71.5%	71.6%	78.1%	78.1%
• Median Length of Stay (days)	42	33	31	29	31
• 30 Day Readmission Rate	0.0%	0.0%	0.8%	2.7%	0.0%
• 180 Day Readmission Rate	7.4%	3.6%	3.3%	8.1%	4.6%
• Cost Per Patient Day	\$647	\$676	\$643	\$724	\$747

Psychiatric Hospitalization

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	391.35	20,441,400	38,075,600	391.35	20,441,400	38,075,600
1. Projected Budget Shortfall	0.00	0	0	0.00	500,000	500,000
FY 2017 Total Appropriation	391.35	20,441,400	38,075,600	391.35	20,941,400	38,575,600
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	391.35	20,441,400	38,075,600	391.35	20,941,400	38,575,600
Removal of One-Time Expenditures	0.00	(502,400)	(1,761,800)	0.00	(1,002,400)	(2,261,800)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	391.35	19,939,000	36,313,800	391.35	19,939,000	36,313,800
Benefit Costs	0.00	275,300	455,300	0.00	193,500	319,700
Inflationary Adjustments	0.00	265,800	265,800	0.00	174,300	174,300
Replacement Items	0.00	482,100	793,900	0.00	302,200	540,700
Statewide Cost Allocation	0.00	14,600	17,000	0.00	14,600	17,000
Change in Employee Compensation	0.00	130,000	225,300	0.00	370,000	637,300
Nondiscretionary Adjustments	0.00	15,700	0	0.00	15,700	0
FY 2018 Program Maintenance	391.35	21,122,500	38,071,100	391.35	21,009,300	38,002,800
8. Secure Mental Health Facility	2.00	9,654,700	9,654,700	0.00	295,700	295,700
13. Physician Pay Increase	0.00	284,200	284,200	0.00	243,900	243,900
20. Install Perimeter Fencing	0.00	0	80,000	0.00	0	80,000
39. Psychology Externships	0.00	15,000	15,000	0.00	15,000	15,000
40. Clinical Application Specialist	1.00	63,500	63,500	0.00	0	0
Cybersecurity Insurance	0.00	13,100	15,300	0.00	13,100	15,300
FY 2018 Total	394.35	31,153,000	48,183,800	391.35	21,577,000	38,652,700
Change from Original Appropriation	3.00	10,711,600	10,108,200	0.00	1,135,600	577,100
% Change from Original Appropriation		52.4%	26.5%		5.6%	1.5%

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	391.35	20,441,400	11,470,800	6,163,400	38,075,600
1. Projected Budget Shortfall					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$500,000 from the General Fund for trustee & benefit payments to cover a projected shortfall in the Community Hospitalization Program. [One-time]</i>					
Governor's Recommendation	0.00	500,000	0	0	500,000
FY 2017 Total Appropriation					
Agency Request	391.35	20,441,400	11,470,800	6,163,400	38,075,600
Governor's Recommendation	391.35	20,941,400	11,470,800	6,163,400	38,575,600
Noncognizable Funds and Transfers					
State Hospital North					
Transfers \$126,100 from personnel costs to operating expenditures at SHN from the General Fund.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
FY 2017 Estimated Expenditures					
Agency Request	391.35	20,441,400	11,470,800	6,163,400	38,075,600
Governor's Recommendation	391.35	20,941,400	11,470,800	6,163,400	38,575,600
Removal of One-Time Expenditures					
Agency Request	0.00	(502,400)	(1,071,700)	(187,700)	(1,761,800)
Governor's Recommendation	0.00	(1,002,400)	(1,071,700)	(187,700)	(2,261,800)
Base Adjustments					
Restores \$126,100 to personnel costs from operating expenditures at SHN from the General Fund.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2018 Base					
Agency Request	391.35	19,939,000	10,399,100	5,975,700	36,313,800
Governor's Recommendation	391.35	19,939,000	10,399,100	5,975,700	36,313,800
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	275,300	100,500	79,500	455,300
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
Governor's Recommendation	0.00	193,500	70,400	55,800	319,700
Inflationary Adjustments					
State Hospital North, State Hospital South					
For medical inflation State Hospital North requests \$33,100 and State Hospital South (SHS) requests \$141,200. For general inflation, SHS requests \$91,500. All inflation increases are from the General Fund.					
Agency Request	0.00	265,800	0	0	265,800
<i>The Governor recommends only medical inflation requests.</i>					
Governor's Recommendation	0.00	174,300	0	0	174,300

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items			State Hospital North, State Hospital South		
State Hospital North: Requests \$257,100 to replace lighting, cabinetry, condensing units, IT equipment, kitchen equipment, and patient furniture. The entire request is from the General Fund.					
State Hospital South: Requests \$536,800 to replace vehicles, air conditioning systems, patient equipment, and to provide roof repair and tree removal. Of the request \$225,000 is from the General Fund, \$93,600 is from dedicated receipts, and \$218,200 is from the Mental Hospital Endowment Income Fund.					
Agency Request	0.00	482,100	311,800	0	793,900
<i>State Hospital North: The Governor recommends \$12,000 to replace miscellaneous kitchen appliance equipment; \$18,300 to update electronic medical records; \$31,200 to replace patient room furniture; \$2,500 for custodial equipment; and \$13,200 for computers.</i>					
<i>State Hospital South: The Governor recommends all replacement items, except vehicles.</i>					
Governor's Recommendation	0.00	302,200	238,500	0	540,700
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$17,000.					
Agency Request	0.00	14,600	0	2,400	17,000
Governor's Recommendation	0.00	14,600	0	2,400	17,000
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	130,000	57,800	37,500	225,300
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$12,100 for that purpose.</i>					
Governor's Recommendation	0.00	370,000	165,200	102,100	637,300
Nondiscretionary Adjustments			State Hospital South		
Increases the General Fund by \$15,700 and decreases a like amount in federal funds to reflect a decrease in the Title XIX Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. The rate will change from 71.51% to 71.17% for FY 2018.					
Agency Request	0.00	15,700	0	(15,700)	0
Governor's Recommendation	0.00	15,700	0	(15,700)	0
FY 2018 Program Maintenance					
Agency Request	391.35	21,122,500	10,869,200	6,079,400	38,071,100
Governor's Recommendation	391.35	21,009,300	10,873,200	6,120,300	38,002,800

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Secure Mental Health Facility

Community Hospitalization

The department requests \$9,654,700 and 2.00 FTP to contract with a private provider for four-to-five years for a 15-bed secure mental health facility. The department's goal is to construct and transition to a state run facility in that time. The department's initial proposal was that these beds would be located at a single facility, but after issuing an RFP, the department believes that other options may be identified. The line item request was not calculated using results from an RFI, but rather from other states, current contract rates, and estimated increases for risk and liability. The estimated cost is about \$2,000 per day with an average daily census of 13 beds.

Currently, the department has a contract with the Department of Correction for three secure beds, but this is insufficient for current needs. This means that Health & Welfare must prioritize and determine the three most dangerous individuals to be housed at the correctional facility and all others are to be housed at one of the state hospitals or willing community hospital.

In 2008, the state invested in a comprehensive study on this same issue and was ready to build a 120-bed secure facility through IDOC, but with uncertainty from Health & Welfare, the project never broke ground. In that report, it was determined that the Southwest Idaho Treatment Center (SWITC) in Nampa, could house these individuals on a temporary basis until the facility could be built. The department did not support using the SWITC campus for this purpose as the department is proposing to sell the SWITC Campus and rebuild a new SWITC elsewhere. [Ongoing]

Agency Request	2.00	9,654,700	0	0	9,654,700
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The Governor recognizes the critical need for secured mental health bed capacity and recommends an alternate multi-part plan. The Governor recommends the relocation of the state psychiatric adolescent hospital from State Hospital South in Blackfoot to a new facility to be located in the Treasure Valley. The Governor recommends a General Fund appropriation of \$10,296,200 to be transferred to the Permanent Building Fund to build a 16-bed adolescent psychiatric hospital to be known as State Hospital West. Upon completion of the new hospital, the Governor recommends converting the vacated adolescent unit at State Hospital South to a high-risk adult 20-bed psychiatric unit. Recognizing the immediate need for secured bed capacity, the Governor recommends the funding in this decision unit to increase the number of contract beds at the Department of Correction from three to nine. [Ongoing]

Governor's Recommendation	0.00	295,700	0	0	295,700
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13. Physician Pay Increase

State Hospital North, State Hospital South

The department requests \$284,200 from the General Fund to increase the starting salary of hospital physicians to \$105 per hour and \$120 per hour for medical directors. Idaho's state hospitals are not unique in their struggles to recruit, hire, and retain physicians as nationwide the demand is outpacing the supply. In the past year State Hospital North (SHN) has lost two physicians: one who went to the private market for an additional \$100,000 in compensation and the other left for an additional \$200,000 to return to her home country. In lieu of having state physicians, the hospitals hire locum tenens, or private doctors that work on contract with the hospital, to meet the needs of accreditation and patient safety. Currently, the department has a contract for locum tenens that pays about \$75 more per hour than what it would cost if the request was funded. This includes an all inclusive rate of \$7,200 per 40-hour week (\$180 per hour), or \$190 per hour if working less than 40 hours per week. In FY 2016, the department spent \$226,800 on locum tenens, which included \$107,500 for SHN and \$119,300 for SHS. The average locum tenens cost for each hospital for the past seven years is \$124,200 for SHN and \$93,600 for SHS. The goal of this request is to reduce the need for locum tenens with hired state employees. [Ongoing]

Agency Request	0.00	284,200	0	0	284,200
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The Governor recommends funding for the pay increases however, the recommendation has been adjusted downward to account for the 3% CEC already included in the Governor's budget recommendation.

Governor's Recommendation	0.00	243,900	0	0	243,900
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Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
20. Install Perimeter Fencing					State Hospital South
State Hospital South requests \$80,000 to install metal fencing that would be 3/4 inch squares and six-foot high and would run 1,115 feet along a portion of the perimeter. The contractor's bid was \$70.95 per lineal foot. This fencing would not enclose the campus but rather provide fencing along Chandler Way which would be used to help keep non-residents and non-staff off of the campus during local community and sporting events and will help keep patients that have eloped from heading in the direction of the middle school and sports complex. Currently, Blackfoot residents will park on the campus and then walk over to the youth sports fields that the city leases from the hospital. [One-time]					
Agency Request	0.00	0	80,000	0	80,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>80,000</i>	<i>0</i>	<i>80,000</i>
39. Psychology Externships					State Hospital South
The department requests \$15,000 to pay for a doctorate-level externship in psychology at State Hospital South (SHS). The hospital anticipates that the student would be enrolled at Idaho State University in the PhD-Clinical Psychology Program, but will keep the applications open to all eligible students. The extern would not be an employee of the hospital, but would work at SHS through a contract of 15 hours per week for 11 months at about \$20 per hour. The extern, under the supervision of a licensed psychologist, would perform services for patients such as testing, group therapy and counseling. [Ongoing]					
Agency Request	0.00	15,000	0	0	15,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>15,000</i>	<i>0</i>	<i>0</i>	<i>15,000</i>
40. Clinical Application Specialist					State Hospital North
The department requests 1.00 FTP and \$63,500 from the General Fund to hire a clinical application specialist to serve as a liaison between the electronic health records system (vxVista) users, information technology staff, and consultants. The position would handle complaints, identify system problems, recommend program changes, implement process solutions, create technical documents, as well as testing and handling upgrades to the system. [Ongoing]					
Agency Request	1.00	63,500	0	0	63,500
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cybersecurity Insurance					State Hospital North, State Hospital South
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	13,100	0	2,200	15,300
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>13,100</i>	<i>0</i>	<i>2,200</i>	<i>15,300</i>
FY 2018 Total					
Agency Request	394.35	31,153,000	10,949,200	6,081,600	48,183,800
<i>Governor's Recommendation</i>	<i>391.35</i>	<i>21,577,000</i>	<i>10,953,200</i>	<i>6,122,500</i>	<i>38,652,700</i>
Agency Request					
Change from Original App	3.00	10,711,600	(521,600)	(81,800)	10,108,200
% Change from Original App	0.8%	52.4%	(4.5%)	(1.3%)	26.5%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>1,135,600</i>	<i>(517,600)</i>	<i>(40,900)</i>	<i>577,100</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>5.6%</i>	<i>(4.5%)</i>	<i>(0.7%)</i>	<i>1.5%</i>

Public Health Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Physical Health Services	96,978,100	90,363,100	97,985,300	96,538,000	96,447,900
Emergency Medical Services	11,381,500	8,975,800	11,848,100	11,767,800	11,802,700
Laboratory Services	4,707,000	4,110,500	4,952,600	4,859,000	4,832,000
Suicide Prevention and Awareness	0	0	971,100	1,063,000	1,065,700
Total:	113,066,600	103,449,400	115,757,100	114,227,800	114,148,300
BY FUND CATEGORY					
General	6,787,700	6,782,600	7,771,900	8,646,300	8,400,100
Dedicated	43,716,000	37,786,800	44,700,100	41,293,800	41,360,200
Federal	62,562,900	58,880,000	63,285,100	64,287,700	64,388,000
Total:	113,066,600	103,449,400	115,757,100	114,227,800	114,148,300
Percent Change:		(8.5%)	11.9%	(1.3%)	(1.4%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	16,005,200	14,952,300	17,531,600	17,792,800	17,964,600
Operating Expenditures	37,268,800	34,099,900	38,244,700	38,905,600	38,584,100
Capital Outlay	39,000	472,600	99,200	89,300	24,500
Trustee/Benefit	57,046,900	53,924,600	57,174,900	57,440,100	57,575,100
Lump Sum	2,706,700	0	2,706,700	0	0
Total:	113,066,600	103,449,400	115,757,100	114,227,800	114,148,300
Full-Time Positions (FTP)	221.50	221.50	233.34	235.69	234.69

Division Description

The Division of Public Health Services includes Physical Health Services, Emergency Medical Services, Laboratory Services, and Suicide Prevention and Awareness.

Physical Health Services provide services in 17 different program areas that are primarily delivered through contracts with the local public health districts and other providers. Program areas include immunizations, chronic and communicable disease prevention and intervention, food safety, reduction in health risks from environmental exposures, promotion of maternal and child health, improving access to rural health care, and vital records.

Emergency Medical Services (EMS) plans and implements a statewide system designed to respond to critical illness and injury situations, including medical response to disasters. The program is responsible for EMS personnel training; ambulance licensing; emergency medical technicians (EMT) and other EMS personnel certification; operation of the statewide EMS communications center; providing technical assistance and grants to community EMS units; evaluation of EMS system performance, and other related activities.

Laboratory Services is one of several basic support systems administered by the Division of Public Health for a variety of physical health programs, environmental control programs, and other divisions and programs of the department. Laboratories also provide support to the local district health departments and other departments of state government, in accordance with written agreements.

Suicide Prevention and Awareness was established by the Legislature in 2016 with passage of H566. The program was initially approved for 4.00 FTP, and \$971,100 and was created in accordance with the recommendations of the Health Quality Planning Commission (HQPC) report that was finalized on December 9, 2015. The report was required with passage of SCR104 of the 2015 legislative session. Funds will be used for youth programs, to support the suicide hotline, and to create a public awareness campaign.

Public Health Services

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	233.34	7,771,900	115,757,100	233.34	7,771,900	115,757,100
3. Expanded Access Program	0.00	128,600	128,600	0.00	128,600	128,600
7. Ryan White HIV/AIDS Grant	0.00	0	509,300	0.00	0	509,300
8. Prescription Drug Grant	0.00	0	432,400	0.00	0	432,400
FY 2017 Total Appropriation	233.34	7,900,500	116,827,400	233.34	7,900,500	116,827,400
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	233.34	7,900,500	116,827,400	233.34	7,900,500	116,827,400
Removal of One-Time Expenditures	(1.00)	(421,300)	(4,210,800)	(1.00)	(421,300)	(4,210,800)
Base Adjustments	0.00	0	60,000	0.00	0	60,000
FY 2018 Base	232.34	7,479,200	112,676,600	232.34	7,479,200	112,676,600
Benefit Costs	0.00	55,000	268,800	0.00	38,300	188,100
Replacement Items	0.00	64,800	89,300	0.00	0	24,500
Statewide Cost Allocation	0.00	5,300	7,300	0.00	5,300	7,300
Change in Employee Compensation	0.00	29,600	140,800	0.00	87,600	415,200
FY 2018 Program Maintenance	232.34	7,633,900	113,182,800	232.34	7,610,400	113,311,700
15. Epidemiologist Pay Increase	0.00	25,800	48,500	0.00	23,000	43,200
16. Epidemiology Program Position	1.00	77,200	77,200	1.00	77,700	77,700
22. Cancer Data Registry	0.00	200,000	185,000	0.00	0	0
23. Cover Immunizations for TRICARE	0.00	613,000	613,000	0.00	613,000	613,000
24. Food Protection Program	1.00	21,800	21,800	0.00	0	0
25. Developmental Science Program	1.00	69,900	69,900	1.00	71,300	71,300
29. Time Sensitive Emergencies	0.00	0	0	0.00	0	0
32. MIECHV Position	0.35	0	23,200	0.35	0	23,400
42. Contract Payment Correction	0.00	0	0	0.00	0	0
44. Retirement Plan Eligibility Change	0.00	0	0	0.00	0	1,600
Cybersecurity Insurance	0.00	4,700	6,400	0.00	4,700	6,400
FY 2018 Total	235.69	8,646,300	114,227,800	234.69	8,400,100	114,148,300
Change from Original Appropriation	2.35	874,400	(1,529,300)	1.35	628,200	(1,608,800)
% Change from Original Appropriation		11.3%	(1.3%)		8.1%	(1.4%)

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	233.34	7,771,900	44,700,100	63,285,100	115,757,100

3. Expanded Access Program

Physical Health Services

During the 2015 legislative session, the department introduced legislation (S1156) to give the director the authority to enter into agreements for the administration and supervision of food and drug administration-approved expanded access programs (EAP) in order to facilitate access to investigational drugs for persons with serious or immediately life-threatening conditions or diseases who lack therapeutic alternatives. This bill passed the Senate but failed in the House. Six days after adjournment of the Legislature, the Governor issued Executive Order No. 2015-03 that authorized the department to implement an FDA-approved EAP for Lennox-Gastaut syndrome, a rare form of childhood epilepsy. The executive order was more specific than the legislation allowing only an EAP for Epidiolex; a marijuana-based pharmaceutical that is being tested for treating epilepsy in children, when other medicines do not work.

Funding for the first year was realized from a federal bonus awarded for efficiencies in the Children's Health Insurance Program (CHIP). First year costs included \$3,500 for enrollment procedures for 25 children and another \$5,000 for each child that had a 12-week check-up. To continue the program in year two, the department was appropriated \$128,000 one-time, from the General Fund and was able to continue to provide medication for 25 children in the EAP at a contracted rate of \$5,000 per child.

The supplemental appropriation request for FY 2017 adds 15 children to the EAP at a requested amount of \$128,600 which includes \$3,500 for the enrollment procedures and \$5,000 for each child that receives a 12-week check-up. There is also \$1,100 included for administrative oversight and assistance. This pharmaceutical is not commercially available, but the department estimates that there could be FDA approval within the next one to two years. The department has already started enrolling these children in the program and is therefore requesting a reimbursement from the General Fund to backfill the moneys already spent. [One-time]

Agency Request	0.00	128,600	0	0	128,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>128,600</i>	<i>0</i>	<i>0</i>	<i>128,600</i>

7. Ryan White HIV/AIDS Grant

Physical Health Services

The department requests \$509,300 in federal funds from the Ryan White Part B Supplemental Grant. The Part B Program was enacted in the Ryan White HIV/AIDS Treatment Extension Act of 2009 (Public Law 111-87). The purpose of the grant is to improve the quality, availability, and organization of HIV health care and support services. The Part B Program assists states and territories in developing and/or enhancing access to a comprehensive continuum of high quality HIV care and treatment for low-income people living with HIV. Each state and territory operates a Part B Program. The Part B Program Supplemental is awarded to states with a demonstrated need. Idaho was awarded the Part B Supplemental Grant in August of 2016. Core medical services of the grant include outpatient and ambulatory health services, ADAP, AIDS pharmaceutical assistance, oral health care, early intervention services, health insurance premium and cost-sharing assistance, home health care, medical nutrition therapy, hospice services, home and community-based health services, mental health services, outpatient substance abuse care, and medical case management, including treatment-adherence services. Support services must be linked to medical outcomes and may include outreach, medical transportation, linguistic services, respite care for caregivers of people with HIV/AIDS, referrals for health care and other support services, non-medical case management, and residential substance abuse treatment services. Grant recipients are required to spend at least 75% of their Part B grant funds on core medical services and no more than 25% on support services. In addition, all Part B recipients and sub-recipients must vigorously pursue enrollment in available health coverage options for eligible clients. [Ongoing]

Agency Request	0.00	0	0	509,300	509,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>509,300</i>	<i>509,300</i>

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Prescription Drug Grant

Physical Health Services

The department requests \$432,400 in federal funds for the Prescription Drug Grant. This grant was awarded to Idaho in September 2016 to help curb the rising opioid abuse issue in Idaho. To implement this grant, the department is going to contract with the Office of Drug Policy (ODP), the Board of Pharmacy, Idaho State University, and the Public Health Districts.

The contract with ODP will be to implement the planning and data portion. The overall goal for ODP is to assess and better understand the size and scope of the opioid epidemic in Idaho. Responsibilities for ODP are to: 1) perform a needs assessment; 2) convene strategic planning group and develop a strategic plan; 3) implement data-sharing agreements as needed; 4) identify, obtain, and coordinate routine ongoing data collection and analysis; and 5) report to stakeholders. This contract is for \$60,000 over the three years.

The Board of Pharmacy will be a contractor with the department to facilitate uptake of the Prescription Monitoring Program (PMP) Gateway and NarxCheck. The PMP Gateway streamlines prescriber and dispenser access to PMP data by enabling its integration into electronic medical records and pharmacy dispensing systems. NarxCheck layers in decision support tools to help prescribers and dispensers better analyze and evaluate PMP data. This contract is for \$120,000 over the three years.

Idaho State University will contract for the development of an educational toolkit for providers and to evaluate the success of the Board of Pharmacy and Public Health Districts efforts to increase utilization of the PMP. This contract is for \$30,000 over the three years.

The Public Health Districts' contract is to educate and train prescribers, and to train physician champions. This contract is for \$214,000 over the three years. [Ongoing]

Agency Request	0.00	0	0	432,400	432,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>432,400</i>	<i>432,400</i>

FY 2017 Total Appropriation

Agency Request	233.34	7,900,500	44,700,100	64,226,800	116,827,400
<i>Governor's Recommendation</i>	<i>233.34</i>	<i>7,900,500</i>	<i>44,700,100</i>	<i>64,226,800</i>	<i>116,827,400</i>

Noncognizable Funds and Transfers

Physical Health Services, Laboratory Services

Provides for a transfer of 1.00 FTP and \$150,000 from federal funds from Laboratory Services to Physical Health Services.

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures

Agency Request	233.34	7,900,500	44,700,100	64,226,800	116,827,400
<i>Governor's Recommendation</i>	<i>233.34</i>	<i>7,900,500</i>	<i>44,700,100</i>	<i>64,226,800</i>	<i>116,827,400</i>

Removal of One-Time Expenditures

Agency Request	(1.00)	(421,300)	(3,528,900)	(260,600)	(4,210,800)
<i>Governor's Recommendation</i>	<i>(1.00)</i>	<i>(421,300)</i>	<i>(3,528,900)</i>	<i>(260,600)</i>	<i>(4,210,800)</i>

Base Adjustments

Transfers \$60,000 of ongoing federal funds from the Mental Health Services Division, and \$30,000 of ongoing federal funds from Physical Health Services to the Suicide Prevention and Awareness Program.

Agency Request	0.00	0	0	60,000	60,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>60,000</i>	<i>60,000</i>

FY 2018 Base

Agency Request	232.34	7,479,200	41,171,200	64,026,200	112,676,600
<i>Governor's Recommendation</i>	<i>232.34</i>	<i>7,479,200</i>	<i>41,171,200</i>	<i>64,026,200</i>	<i>112,676,600</i>

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	55,000	75,800	138,000	268,800
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	38,300	53,100	96,700	188,100
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Replacement Items	Emergency Medical Services, Laboratory Services				
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Laboratory Services requests \$64,800 to replace two sedans with small SUVs and replace one sedan with a hybrid sedan. Emergency Medical Services requests \$24,500 to replace one sedan.

Agency Request	0.00	64,800	24,500	0	89,300
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The Governor recommends \$24,500 to replace the sedan in Emergency Medical Services.

Governor's Recommendation	0.00	0	24,500	0	24,500
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$7,300.

Agency Request	0.00	5,300	0	2,000	7,300
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Governor's Recommendation	0.00	5,300	0	2,000	7,300
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	29,600	37,300	73,900	140,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	87,600	109,800	217,800	415,200
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FY 2018 Program Maintenance					
Agency Request	232.34	7,633,900	41,308,800	64,240,100	113,182,800
Governor's Recommendation	232.34	7,610,400	41,358,600	64,342,700	113,311,700

15. Epidemiologist Pay Increase

Physical Health Services

The department requests \$48,500 to increase the salary of the state's epidemiologist by \$20.12 an hour. This increase is in line with other requests for increased pay for the two state hospitals. The department's human resources division conducted a market analysis and found that they were not keeping pace with comparable department positions. To assist the state's epidemiologist, the department has hired a part-time physician, and this part-time position is being paid more than the full-time epidemiologist position because of difficulties recruiting a physician; similar issues are being experienced at the state hospitals. [Ongoing]

Agency Request	0.00	25,800	0	22,700	48,500
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The Governor recommends funding for the pay increase, however, the recommendation has been adjusted downward to account for the 3% CEC already included in the Governor's budget recommendation.

Governor's Recommendation	0.00	23,000	0	20,200	43,200
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Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
16. Epidemiology Program Position					Physical Health Services
<p>The Epidemiology Program is responsible for statewide surveillance and investigation of Idaho's reportable diseases. This includes supporting the Public Health Districts in the investigation of individual cases and outbreaks of communicable diseases; planning and response for public health emergencies; education and training for public health and healthcare professionals on communicable disease prevention and control; and collection, analysis, and dissemination of communicable disease information to identify disease trends. To meet the needs of this program there are 3.80 FTP and all but 0.75 FTP are funded through federal cooperative agreements. To provide Idaho-specific assistance the department requests 1.00 FTP and \$77,200 to hire a health program specialist. This position would provide dedicated epidemiology support in the areas of disease surveillance, education, and consultation. [Ongoing]</p>					
Agency Request	1.00	77,200	0	0	77,200
<p><i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>77,700</i>	<i>0</i>	<i>0</i>	<i>77,700</i>
22. Cancer Data Registry					Physical Health Services
<p>Chapter 17, Title 57, Idaho Code gives the department the authority to maintain a uniform statewide population-based cancer registry system for the collection of data pertaining to the incidence, prevalence, management, survival, mortality, geographic distribution and risk factors associated with cancer and reportable benign tumors. The work is performed through a contract with the Cancer Data Registry of Idaho (CDRI). Of the metrics for monitoring population-based cancer burden, survival statistics in particular can be used to target and monitor cancer control and health policy initiatives, and evaluate the effectiveness of healthcare delivery to cancer patients. Survival statistics are an important outcome measure for monitoring and evaluating cancer treatment. With improved follow-up information, CDRI can aid clinicians in making better decisions to improve outcomes for cancer patients. Therefore the department requests \$200,000 from the General Fund and an object transfer of \$120,000 from the Central Tumor Registry Fund from trustee & benefit payments to operating expenditures to support CDRI in conducting follow-up activities to meet National Cancer Institute (NCI) guidelines. The request also includes a \$15,000 reduction from the Central Tumor Registry Fund to align the appropriation with estimated revenues.</p>					
Agency Request	0.00	200,000	(15,000)	0	185,000
<p><i>Not recommended by the Governor.</i></p>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
23. Cover Immunizations for TRICARE					Physical Health Services
<p>The department requests \$613,000 in one-time operating expenditures from the General Fund to pay for vaccines for about 7,700 children who are covered by TRICARE insurance, and who are either too young to be immunized in a pharmacy, or who are not able to get their immunizations on a military base. TRICARE is the health care program for uniformed service members and their families around the world. TRICARE does not pay an assessment into the Idaho Vaccine Assessment Fund that supports the Idaho Immunization Program. Those with insurance coverage through TRICARE can acquire their immunizations only on a military base, which requires travelling long distances for some families. For each of the past six years the department has received \$596,000 to cover the immunization costs of TRICARE clients, however the request for FY 2018 is \$17,000 more because of an estimated 3% increase in vaccine costs.</p>					
<p>This is the sixth year of this request, and in that time the Legislature has supported Idaho's military families by appropriating \$2,775,400. Each year intent language has been included in the appropriation bill that supports the Governor in his efforts to reach an agreement with TRICARE and the federal government. As of publication, the Governor had not been able to reach an agreement on this issue.</p>					
Agency Request	0.00	613,000	0	0	613,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>613,000</i>	<i>0</i>	<i>0</i>	<i>613,000</i>

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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24. Food Protection Program

Physical Health Services

The department's Food Protection Program is required to monitor and enforce food safety regulatory activities throughout the state by inspecting food establishments, and providing food safety educational materials for food establishment management and employees; this requirement is met through a contract with Idaho's Public Health Districts. Because of the limited staffing and a lack of statewide direction from the department, there is inconsistency from one health district to another. To assist the health districts with creating and implementing a standardized system, the department has hired a part-time temporary employee. This part-time program specialist works directly with the districts to increase and improve statewide consistency in the delivery of the program and ensure food safety regulations are followed. To provide added stability with the long term goal of standardization, the department requests 1.00 FTP and \$21,800 to convert the temporary position to full-time. [Ongoing]

Agency Request	1.00	21,800	0	0	21,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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25. Developmental Science Program

Laboratory Services

The Developmental Science Program provides multiple analytical, training, and outreach functions for the state lab and the broader laboratory community. This includes development and verification of new test methods, coordination of troubleshooting for existing methods that are out of compliance, creation of proficiency testing panels, providing scientific training to staff and conducting applied public health research. This request includes 1.00 FTP and \$69,900 from the General Fund to double the program's size. [Ongoing]

Agency Request	1.00	69,900	0	0	69,900
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	71,300	0	0	71,300
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29. Time Sensitive Emergencies

Emergency Medical Services

In 2013, the Legislature passed HCR 10, directing Health and Welfare to convene a working group to define a comprehensive system of care for time-sensitive emergencies in Idaho. The 48-member workgroup met regularly for seven months to develop a system framework and draft legislation. Time-sensitive emergencies include trauma, stroke and heart attack. In 2014, the Legislature passed S1329, which established procedures and protocol for handling time sensitive emergencies (TSE) that creates a seamless transition of care and integrates existing community and regional resources. The goal is for improved patient outcomes, reduced costs, and to get the patient to the right place at the right time. To initiate funding for the program, the Legislature transferred \$225,800 one-time from the General Fund to the Time Sensitive Emergency (TSE) Registry Fund and transferred \$96,400 ongoing from the General Fund from Physical Health Services. The department used the TSE Registry Fund moneys for operations and relied on General Fund moneys and existing appropriation from the Emergency Medical Services (EMS) Fund to cover personnel costs. There are currently 3.00 FTP working on the TSE Program.

This request is for an object transfer of \$97,300 from operating expenditures to personnel costs from the TSE Registry Fund, and a transfer of 1.50 FTP from the EMS Fund to the TSE Registry Fund. [Ongoing]

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
32. MIECHV Position					Physical Health Services
<p>The Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) is a voluntary, home-based prevention strategy used to support pregnant mothers and new parents to promote infant and child health, foster healthy child development, prevent child abuse and neglect, and improve school readiness and family self-sufficiency. Services are typically delivered by trained nurses, social workers, and child development specialists. According to the National Conference of State Legislators (NCSL) evaluation findings of home visiting programs that are considered evidence-based have shown positive outcomes for children and families while creating long-term savings for states: for every dollar spent on these programs can provide a return on investment up to \$5.70 per taxpayer dollar invested by reducing future costs associated with child abuse and neglect, poor health, and academic failure. In 2015, the program expanded from four home visiting agencies to ten agencies across the state as the result of additional federal funding. At full capacity, these agencies provide home visiting services to approximately 500 families. With the expansion of services, the capacity of the part-time data coordinator has become stretched and as a result the department requests 0.35 FTP and \$23,200 to increase this position to full-time. All funds are from the federal MIECHV grant. [Ongoing]</p>					
Agency Request	0.35	0	0	23,200	23,200
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	0.35	0	0	23,400	23,400
42. Contract Payment Correction					Emergency Medical Services
<p>The department requests an object transfer of \$220,000 from trustee & benefit payments to operating expenditures in the Emergency Medical Services (EMS) Fund. This includes \$180,000 to address an internal audit finding that recommended the contract with the Nebraska Poison Control Center be paid out of operating expenditures. The remaining \$40,000 is the balance of trustee & benefit payments for this fund and based on historical expenditures and according to the department would be "better utilized" in operating expenditures. For the last three years the program has reverted \$39,200 or more from trustee & benefit payments from this fund. Per legislative intent language, the department is not allowed to transfer out of trustee & benefit payments as is allowed for most state agencies per Section 67-3511, Idaho Code. [Ongoing]</p>					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
44. Retirement Plan Eligibility Change					Emergency Medical Services
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$1,600 from the Emergency Medical Services Fund to convert the emergency communication officer positions from the general members Rule of 90 to the Rule of 80 eligibility status, which is used by public safety officers. This recommendation is contingent upon the passage of proposed legislation.</i>					
Governor's Recommendation	0.00	0	1,600	0	1,600
Cybersecurity Insurance					Physical Health Services, Laboratory Services
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	4,700	0	1,700	6,400
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	4,700	0	1,700	6,400
FY 2018 Total					
Agency Request	235.69	8,646,300	41,293,800	64,287,700	114,227,800
Governor's Recommendation	234.69	8,400,100	41,360,200	64,388,000	114,148,300

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	2.35	874,400	(3,406,300)	1,002,600	(1,529,300)
% Change from Original App	1.0%	11.3%	(7.6%)	1.6%	(1.3%)
<i>Governor's Recommendation</i>					
Change from Original App	1.35	628,200	(3,339,900)	1,102,900	(1,608,800)
% Change from Original App	0.6%	8.1%	(7.5%)	1.7%	(1.4%)

Service Integration

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	718,700	699,800	734,300	733,600	735,900
Dedicated	69,500	57,600	69,500	69,500	69,500
Federal	5,098,200	4,566,500	5,239,700	5,236,100	5,256,700
Total:	5,886,400	5,323,900	6,043,500	6,039,200	6,062,100
Percent Change:		(9.6%)	13.5%	(0.1%)	0.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,148,600	1,948,700	2,304,400	2,298,600	2,321,500
Operating Expenditures	337,800	317,500	339,100	340,600	340,600
Trustee/Benefit	3,400,000	3,057,700	3,400,000	3,400,000	3,400,000
Total:	5,886,400	5,323,900	6,043,500	6,039,200	6,062,100
Full-Time Positions (FTP)	36.00	36.00	35.00	35.00	35.00

Division Description

Service Integration focuses on improving customer service to clients. Service integration is responsible for: 1) promoting coordination across programs; 2) delivering emergency assistance services through a consolidated unit; 3) identifying the services clients are accessing across all divisions and coordinating those services to reduce duplication; and 4) coordinating access to cross-divisional staffing for clients at risk of higher cost and/or more complicated service needs.

Service Integration became a stand-alone budgeted division in FY 2008. Programmatically, the services are performed within the Family and Community Services (FACS) Operational Division.

Service Integration

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	35.00	734,300	6,043,500	35.00	734,300	6,043,500
Removal of One-Time Expenditures	0.00	(6,700)	(65,700)	0.00	(6,700)	(65,700)
FY 2018 Base	35.00	727,600	5,977,800	35.00	727,600	5,977,800
Benefit Costs	0.00	4,200	42,000	0.00	2,900	29,400
Statewide Cost Allocation	0.00	0	800	0.00	0	800
Change in Employee Compensation	0.00	1,800	17,900	0.00	5,400	53,400
FY 2018 Program Maintenance	35.00	733,600	6,038,500	35.00	735,900	6,061,400
Cybersecurity Insurance	0.00	0	700	0.00	0	700
FY 2018 Total	35.00	733,600	6,039,200	35.00	735,900	6,062,100
Change from Original Appropriation	0.00	(700)	(4,300)	0.00	1,600	18,600
% Change from Original Appropriation		(0.1%)	(0.1%)		0.2%	0.3%

Service Integration

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	35.00	734,300	69,500	5,239,700	6,043,500

Removal of One-Time Expenditures

Agency Request	0.00	(6,700)	0	(59,000)	(65,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(6,700)</i>	<i>0</i>	<i>(59,000)</i>	<i>(65,700)</i>

FY 2018 Base					
Agency Request	35.00	727,600	69,500	5,180,700	5,977,800
<i>Governor's Recommendation</i>	<i>35.00</i>	<i>727,600</i>	<i>69,500</i>	<i>5,180,700</i>	<i>5,977,800</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	4,200	0	37,800	42,000
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,900</i>	<i>0</i>	<i>26,500</i>	<i>29,400</i>
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$800.

Agency Request	0.00	0	0	800	800
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>800</i>	<i>800</i>
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	1,800	0	16,100	17,900
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>5,400</i>	<i>0</i>	<i>48,000</i>	<i>53,400</i>
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FY 2018 Program Maintenance					
Agency Request	35.00	733,600	69,500	5,235,400	6,038,500
<i>Governor's Recommendation</i>	<i>35.00</i>	<i>735,900</i>	<i>69,500</i>	<i>5,256,000</i>	<i>6,061,400</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	0	700	700
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>700</i>	<i>700</i>
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FY 2018 Total					
Agency Request	35.00	733,600	69,500	5,236,100	6,039,200
<i>Governor's Recommendation</i>	<i>35.00</i>	<i>735,900</i>	<i>69,500</i>	<i>5,256,700</i>	<i>6,062,100</i>

Service Integration

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	(700)	0	(3,600)	(4,300)
% Change from Original App	0.0%	(0.1%)	0.0%	(0.1%)	(0.1%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	1,600	0	17,000	18,600
% Change from Original App	0.0%	0.2%	0.0%	0.3%	0.3%

Substance Abuse Treatment & Prevention

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	2,555,500	2,543,100	2,471,500	2,773,600	2,777,200
Dedicated	1,186,200	989,200	1,186,200	1,180,500	1,180,900
Federal	12,934,200	14,312,100	13,165,100	11,156,500	11,169,600
Total:	16,675,900	17,844,400	16,822,800	15,110,600	15,127,700
Percent Change:		7.0%	(5.7%)	(10.2%)	(10.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,427,300	968,500	1,424,200	1,410,000	1,427,100
Operating Expenditures	4,514,800	4,220,300	4,614,800	4,614,800	4,614,800
Trustee/Benefit	10,733,800	12,655,600	10,783,800	9,085,800	9,085,800
Total:	16,675,900	17,844,400	16,822,800	15,110,600	15,127,700
Full-Time Positions (FTP)	16.72	16.72	16.00	16.00	16.00

Division Description

The Substance Abuse Treatment & Prevention Program provides treatment services for children and adults. Until FY 2012, the Department of Health and Welfare also received an appropriation and managed services to the adult criminal justice population, the adolescent non-criminal justice and criminal justice populations, and Idaho Drug and Mental Health Courts. Services to these populations, and the associated funding, were transferred to the Department of Correction, the Department of Juvenile Corrections, and the Judicial Branch beginning in FY 2012.

Substance Abuse Treatment & Prevention

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	16.00	2,471,500	16,822,800	16.00	2,471,500	16,822,800
6. Access to Recovery Federal Grant	0.00	0	1,500,000	0.00	0	1,500,000
FY 2017 Total Appropriation	16.00	2,471,500	18,322,800	16.00	2,471,500	18,322,800
Noncognizable Funds and Transfers	0.00	0	140,400	0.00	0	140,400
FY 2017 Estimated Expenditures	16.00	2,471,500	18,463,200	16.00	2,471,500	18,463,200
Removal of One-Time Expenditures	0.00	(6,300)	(1,538,100)	0.00	(6,300)	(1,538,100)
Base Adjustments	0.00	0	(2,147,000)	0.00	0	(2,147,000)
FY 2018 Base	16.00	2,465,200	14,778,100	16.00	2,465,200	14,778,100
Benefit Costs	0.00	4,000	19,100	0.00	2,800	13,400
Change in Employee Compensation	0.00	2,400	11,400	0.00	7,200	34,200
FY 2018 Program Maintenance	16.00	2,471,600	14,808,600	16.00	2,475,200	14,825,700
37. SUD Provider Rate Increase	0.00	302,000	302,000	0.00	302,000	302,000
FY 2018 Total	16.00	2,773,600	15,110,600	16.00	2,777,200	15,127,700
Change from Original Appropriation	0.00	302,100	(1,712,200)	0.00	305,700	(1,695,100)
% Change from Original Appropriation		12.2%	(10.2%)		12.4%	(10.1%)

Substance Abuse Treatment & Prevention

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	16.00	2,471,500	1,186,200	13,165,100	16,822,800

6. Access to Recovery Federal Grant

In 2015, the department was awarded a three-year Access to Recovery Grant (ATR) for \$7,866,700 through the Substance Abuse and Mental Health Services Administration, to increase access to substance abuse treatment and recovery support services including transportation and temporary housing. The grant aims to serve (1) veterans with a substance use disorder who have committed a crime and are on supervised probation; (2) child welfare families participating in child welfare court as a result of an addiction; and (3) homeless individuals. Intended outcomes of the grant are to eliminate drug use, expand access to services, and build sustainability.

The department requests \$1.5 million one-time, from federal funds for trustee & benefit payments. These funds are left over from the first year of the grant when the department was planning the implementation of the grant. The grant allows for carryover of planning dollars to be used for providing services. [One-time]

Agency Request	0.00	0	0	1,500,000	1,500,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>1,500,000</i>	<i>1,500,000</i>

FY 2017 Total Appropriation					
Agency Request	16.00	2,471,500	1,186,200	14,665,100	18,322,800
<i>Governor's Recommendation</i>	<i>16.00</i>	<i>2,471,500</i>	<i>1,186,200</i>	<i>14,665,100</i>	<i>18,322,800</i>

Noncognizable Funds and Transfers

Transfers \$140,000 in federal funds from the Children's Mental Health Program, one-time; and transfers \$87,300 in federal funds from personnel costs to operating expenditures, one-time.

Agency Request	0.00	0	0	140,400	140,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>140,400</i>	<i>140,400</i>

FY 2017 Estimated Expenditures					
Agency Request	16.00	2,471,500	1,186,200	14,805,500	18,463,200
<i>Governor's Recommendation</i>	<i>16.00</i>	<i>2,471,500</i>	<i>1,186,200</i>	<i>14,805,500</i>	<i>18,463,200</i>

Removal of One-Time Expenditures

Agency Request	0.00	(6,300)	0	(1,531,800)	(1,538,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(6,300)</i>	<i>0</i>	<i>(1,531,800)</i>	<i>(1,538,100)</i>

Base Adjustments

Restores \$140,000 in federal funds to the Children's Mental Health Program, and restores \$87,300 in federal funds from operating expenditures to personnel costs. Also provides for a base reduction of \$6,600 from the Prevention of Minors Access to Tobacco Fund and \$2,000,000 from federal funds to align the appropriation with estimated revenue.

Agency Request	0.00	0	(6,600)	(2,140,400)	(2,147,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(6,600)</i>	<i>(2,140,400)</i>	<i>(2,147,000)</i>

FY 2018 Base					
Agency Request	16.00	2,465,200	1,179,600	11,133,300	14,778,100
<i>Governor's Recommendation</i>	<i>16.00</i>	<i>2,465,200</i>	<i>1,179,600</i>	<i>11,133,300</i>	<i>14,778,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	4,000	600	14,500	19,100
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,800</i>	<i>400</i>	<i>10,200</i>	<i>13,400</i>
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Substance Abuse Treatment & Prevention

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	2,400	300	8,700	11,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	7,200	900	26,100	34,200

FY 2018 Program Maintenance					
Agency Request	16.00	2,471,600	1,180,500	11,156,500	14,808,600
Governor's Recommendation	16.00	2,475,200	1,180,900	11,169,600	14,825,700

37. SUD Provider Rate Increase

The department requests \$302,000 from the General Fund in trustee & benefit payments for a 4.7% increase in the rate paid to substance use disorder (SUD) providers. Currently the department maintains a base amount of \$6,426,200 for provider payments, of which, 81% is from federal funds. The department does not anticipate an increase in federal funding and therefore requests all increases be paid from the General Fund. The last rate increase for this provider group was in 2012 and according to the department was the only increase in the past 10 years. The 4.7% amount was calculated using the Consumer Price Index (CPI) change from 2012 to 2016. Services are provided to Idahoans with chronic addiction and dependency to alcohol, prescription drugs and illicit drugs.

General Funds for substance use disorders are appropriated to several state agencies to best serve their clientele. This includes the Department of Correction, Department of Juvenile Corrections, and the Supreme Court. Health and Welfare however, is the only agency requesting a rate increase.

Agency Request	0.00	302,000	0	0	302,000
Governor's Recommendation	0.00	302,000	0	0	302,000

FY 2018 Total					
Agency Request	16.00	2,773,600	1,180,500	11,156,500	15,110,600
Governor's Recommendation	16.00	2,777,200	1,180,900	11,169,600	15,127,700

Agency Request					
Change from Original App	0.00	302,100	(5,700)	(2,008,600)	(1,712,200)
% Change from Original App	0.0%	12.2%	(0.5%)	(15.3%)	(10.2%)
Governor's Recommendation					
Change from Original App	0.00	305,700	(5,300)	(1,995,500)	(1,695,100)
% Change from Original App	0.0%	12.4%	(0.4%)	(15.2%)	(10.1%)

Division of Welfare

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Self-Reliance Operations	67,914,100	62,408,300	80,108,600	77,713,600	78,106,000
Benefit Payments	83,745,700	83,146,300	88,841,100	93,934,800	93,934,800
Total:	151,659,800	145,554,600	168,949,700	171,648,400	172,040,800
BY FUND CATEGORY					
General	39,455,500	39,214,800	40,798,000	45,129,500	45,265,100
Dedicated	8,241,500	7,278,800	6,928,100	5,345,100	5,357,200
Federal	103,962,800	99,061,000	121,223,600	121,173,800	121,418,500
Total:	151,659,800	145,554,600	168,949,700	171,648,400	172,040,800
Percent Change:		(4.0%)	16.1%	1.6%	1.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	39,746,100	38,484,000	42,310,900	42,179,200	42,571,600
Operating Expenditures	28,168,000	23,897,200	37,797,700	35,534,400	35,534,400
Capital Outlay	0	27,100	0	0	0
Trustee/Benefit	83,745,700	83,146,300	88,841,100	93,934,800	93,934,800
Total:	151,659,800	145,554,600	168,949,700	171,648,400	172,040,800
Full-Time Positions (FTP)	634.55	634.55	635.55	630.55	630.55

Division Description

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. The division is organized in two programs:

Self-Reliance Operations is responsible for eligibility determinations and support functions associated with Self-Reliance programs. This includes all personnel and operating funding and functions for the division.

The Benefit Payments Program consists of the trustee & benefit payments to, and on behalf of, clients.

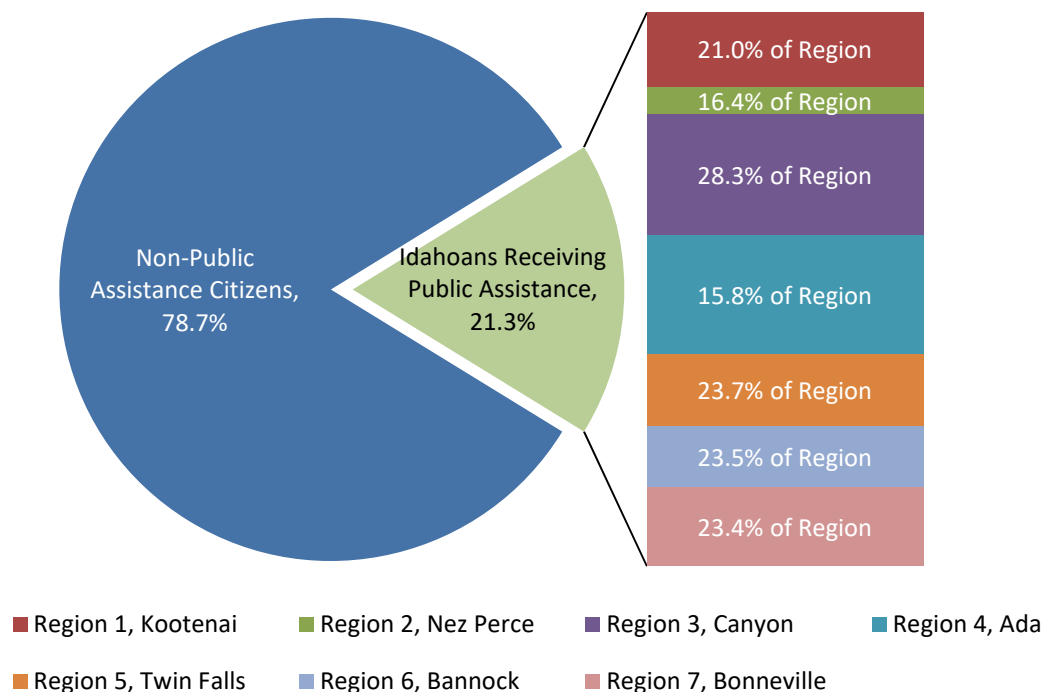
Division of Welfare Agency Profile

Analyst: Tatro

Public Assistance Recipients by Region and Program, June 2016

Region	Estimated Population	Cash Payments	Medicaid	Food Stamps	Child Care Assistance	Unduplicated Total
1	225,007 13.6%	3,185 1.4%	40,670 18.1%	24,894 11.1%	1,007 0.4%	47,276 21.0%
2	107,383 6.5%	1,489 1.4%	15,463 14.4%	8,693 8.1%	269 0.3%	17,597 16.4%
3	272,363 16.5%	4,427 1.6%	66,858 24.5%	42,017 15.4%	1,528 0.6%	76,956 28.3%
4	477,248 28.8%	5,040 1.1%	64,473 13.5%	40,401 8.5%	1,778 0.4%	75,580 15.8%
5	192,395 11.6%	1,989 1.0%	40,863 21.2%	20,893 10.9%	878 0.5%	45,584 23.7%
6	166,429 10.1%	2,278 1.4%	33,932 20.4%	20,520 12.3%	756 0.5%	39,084 23.5%
7	214,105 12.9%	1,833 0.9%	44,169 20.6%	23,927 11.2%	1,069 0.5%	50,089 23.4%
Total	1,654,930 100.0%	20,241 1.2%	306,428 18.5%	181,345 11.0%	7,285 0.4%	352,166 21.3%

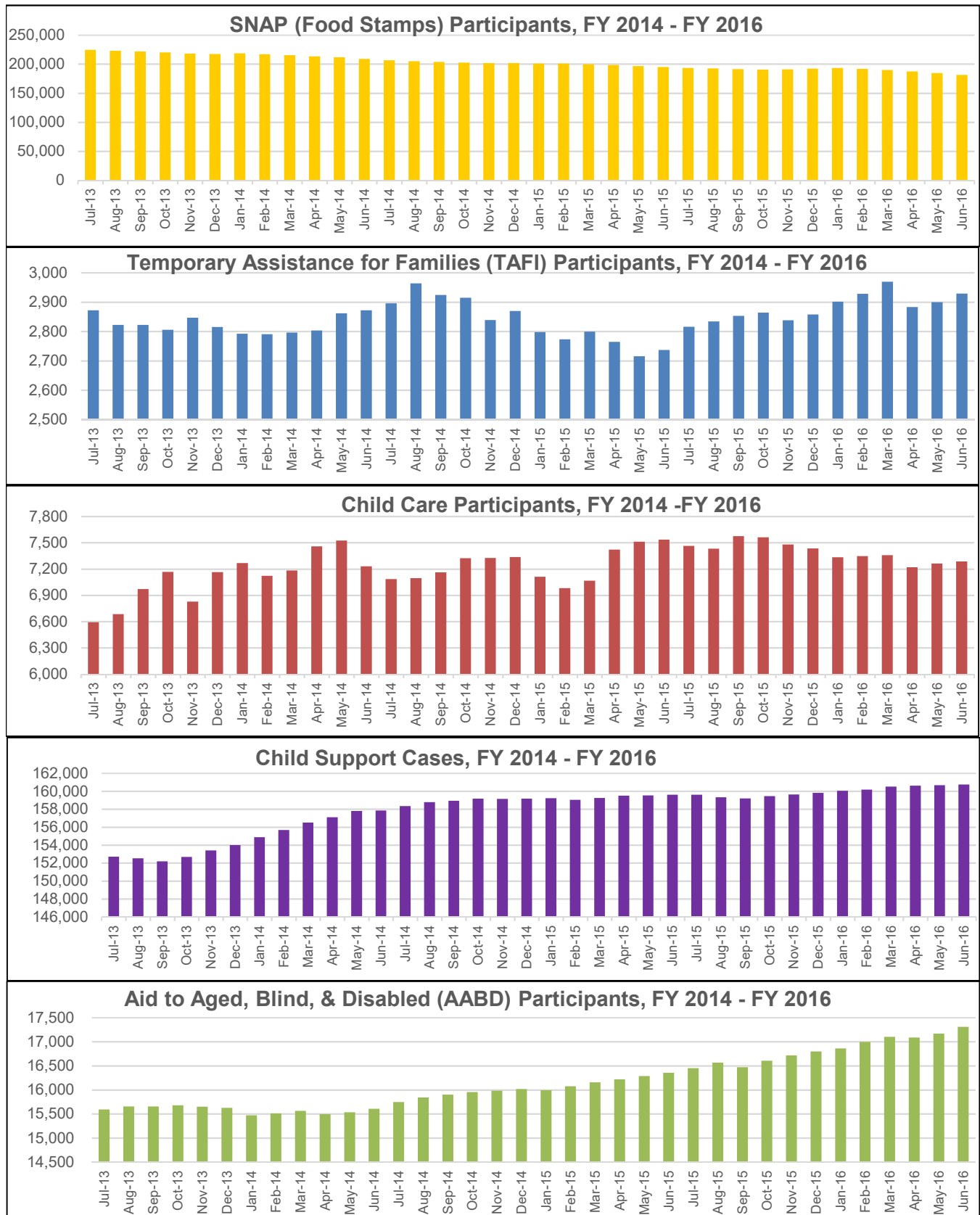
Note: Estimated Population percentage represents regional share of the state's total population. Percentages under each program are the percentage of each region's population participating in that program. Individual recipients often receive assistance through more than one program, and the Column Total is an unduplicated count; the percentages in the last column reflect the percentage of each region's population receiving assistance from any listed program.



Division of Welfare

Agency Profile

Analyst: Tatro



Division of Welfare

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	635.55	40,798,000	168,949,700	635.55	40,798,000	168,949,700
1. Unfunded FTP Transfer to Medicaid	(5.00)	0	0	(5.00)	0	0
FY 2017 Total Appropriation	630.55	40,798,000	168,949,700	630.55	40,798,000	168,949,700
Noncognizable Funds and Transfers	0.00	630,000	879,800	0.00	630,000	879,800
FY 2017 Estimated Expenditures	630.55	41,428,000	169,829,500	630.55	41,428,000	169,829,500
Removal of One-Time Expenditures	0.00	(411,700)	(10,703,400)	0.00	(411,700)	(10,703,400)
Base Adjustments	0.00	(630,000)	(630,000)	0.00	(630,000)	(630,000)
FY 2018 Base	630.55	40,386,300	158,496,100	630.55	40,386,300	158,496,100
Benefit Costs	0.00	253,500	733,600	0.00	177,400	513,400
Statewide Cost Allocation	0.00	5,200	14,600	0.00	5,200	14,600
Change in Employee Compensation	0.00	113,500	328,400	0.00	325,200	941,000
Nondiscretionary Adjustments	0.00	671,000	671,000	0.00	671,000	671,000
FY 2018 Program Maintenance	630.55	41,429,500	160,243,700	630.55	41,565,100	160,636,100
4. CSES Modernization	0.00	2,720,000	8,000,000	0.00	2,720,000	8,000,000
6. Child Care Subsidy Funding	0.00	975,400	3,391,600	0.00	975,400	3,391,600
Cybersecurity Insurance	0.00	4,600	13,100	0.00	4,600	13,100
FY 2018 Total	630.55	45,129,500	171,648,400	630.55	45,265,100	172,040,800
Change from Original Appropriation	(5.00)	4,331,500	2,698,700	(5.00)	4,467,100	3,091,100
% Change from Original Appropriation		10.6%	1.6%		10.9%	1.8%

Division of Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	635.55	40,798,000	6,928,100	121,223,600	168,949,700

1. Unfunded FTP Transfer to Medicaid Self-Reliance Operations & Medicaid Administration

In FY 2015, the department requested and was approved for an additional 15.00 FTP and \$1,185,000 in ongoing personnel costs and \$940,000 ongoing in dedicated funds to implement work being done with the state-based exchange and Your Health Idaho. With recent changes to the Your Health Idaho contract, the department has identified 5.00 FTP that are no longer needed in the Self-Reliance Operations Program and can be used in the Medicaid Administration Program. The department requests that these 5.00 FTP be transferred to Medicaid to meet the requirements of the K.W. vs. Armstrong Lawsuit settlement and changes to the Home and Community Based Services Program. [Ongoing]

Agency Request	(5.00)	0	0	0	0
Governor's Recommendation	(5.00)	0	0	0	0

FY 2017 Total Appropriation					
Agency Request	630.55	40,798,000	6,928,100	121,223,600	168,949,700
Governor's Recommendation	630.55	40,798,000	6,928,100	121,223,600	168,949,700

Noncognizable Funds and Transfers

Transfers \$630,000 one-time from Indirect Support Services to the Self-Reliance Operations Program for the transition of the Child Support Enforcement System from the State Controller's mainframe to be managed internally. Also transfers \$249,800 of dedicated receipts from Foster & Assistance Payments Program to the Benefit Payments Program to align the appropriations with the revenue from the Grocery Tax Credit donations. This transfer will bring the appropriation for the Grocery Tax Credit to \$500,000.

Agency Request	0.00	630,000	249,800	0	879,800
Governor's Recommendation	0.00	630,000	249,800	0	879,800

FY 2017 Estimated Expenditures					
Agency Request	630.55	41,428,000	7,177,900	121,223,600	169,829,500
Governor's Recommendation	630.55	41,428,000	7,177,900	121,223,600	169,829,500

Removal of One-Time Expenditures

Agency Request	0.00	(411,700)	(1,865,700)	(8,426,000)	(10,703,400)
Governor's Recommendation	0.00	(411,700)	(1,865,700)	(8,426,000)	(10,703,400)

Base Adjustments

Restores \$630,000 to Indirect Support Services and transfers \$781,300 ongoing, from federal funds, from operating expenditures in the Self-Reliance Operations Program to trustee & benefit payments in the Benefit Payments Program. Reduces \$249,800 of dedicated receipts that was transferred on a one-time basis to the Benefit Payments Program and then transfers that same amount from the Foster & Assistance Payments Program on an ongoing basis.

Agency Request	0.00	(630,000)	0	0	(630,000)
Governor's Recommendation	0.00	(630,000)	0	0	(630,000)

FY 2018 Base					
Agency Request	630.55	40,386,300	5,312,200	112,797,600	158,496,100
Governor's Recommendation	630.55	40,386,300	5,312,200	112,797,600	158,496,100

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	253,500	22,700	457,400	733,600
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	177,400	15,900	320,100	513,400
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Division of Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$14,600.					
Agency Request	0.00	5,200	0	9,400	14,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>5,200</i>	<i>0</i>	<i>9,400</i>	<i>14,600</i>
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	113,500	10,200	204,700	328,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor also recommends the pay structure for state employees be moved by 3% and includes \$1,100 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>325,200</i>	<i>29,100</i>	<i>586,700</i>	<i>941,000</i>
Nondiscretionary Adjustments				Benefit Payments	
The Aid to Aged, Blind, and Disabled (AABD) program provides cash payments to certain low-income participants who are blind, disabled, or over the age of 65. This program is paid for with 100% from the General Fund and in FY 2016 the expenditures were \$9,139,200 or 5.24% higher than in FY 2015. The majority of participants received an average monthly payment of \$45.20 or about \$543 a year. This is a federally required program for the state to remain in compliance with Title XIX of the Social Security Act, which is related to the federal Medicaid match (FMAP). Some of the demographics of this population include an average age of 44, 86% are younger than 65 years, 96% are disabled, and the population is expected to increase by about 4.55% or 800 people in the coming year. [Ongoing]					
Agency Request	0.00	671,000	0	0	671,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>671,000</i>	<i>0</i>	<i>0</i>	<i>671,000</i>
FY 2018 Program Maintenance					
Agency Request	630.55	41,429,500	5,345,100	113,469,100	160,243,700
<i>Governor's Recommendation</i>	<i>630.55</i>	<i>41,565,100</i>	<i>5,357,200</i>	<i>113,713,800</i>	<i>160,636,100</i>

Division of Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. CSES Modernization			Self-Reliance Operations		
<p>The Child Support Program includes over 416,000 parents and children and collects over \$205 million, of which \$193.5 million is distributed for children in Idaho and \$11.5 million is for children out of the state. The program works collaboratively with all 50 states, U.S. Territories, and several nations to ensure reciprocity and due process are followed.</p> <p>The Child Support Enforcement System (CSES) currently resides on the State Controller's mainframe. With the result of several state agencies, including Health and Welfare, removing programs from the mainframe, the mainframe was scheduled to be shut down in FY 2019. However, just prior to the 2016 legislative session, the State Controller announced that it would keep the mainframe running with no defined end-date. In 2016, the Legislature provided funding for 1) the first year (of three) to transition the CSES off of the mainframe and 2) modernize the system.</p> <p>The department estimated that the modernization would take three years to complete and will include about 80% of the current system's rules and functionality. This includes re-writing the base code from the mainframe computer code to JAVA code and working with modern server architecture; updating the federal/state interfaces for automated functionality; improving privacy and security safeguards; ensuring adequate capacity and functionality for information processing, storage, and network infrastructure; and improving document and forms management. The department indicated that it has made progress in rewriting code, transferring to the new servers, updating interfaces, forms and notices. This request is for the second year of programming and is for \$8 million of one-time operating expenditures with \$2.72 million from the General Fund. Programming for the second year will ensure the department is able to update its current financial module and create new work-flow tools within the existing system. The total project is estimated at \$24 million or \$8 million each year. [One-time]</p>					
Agency Request	0.00	2,720,000	0	5,280,000	8,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,720,000</i>	<i>0</i>	<i>5,280,000</i>	<i>8,000,000</i>
6. Child Care Subsidy Funding			Benefit Payments		
<p>Child Care subsidies are provided to individuals that have an annual income up to 130% of the federal poverty level. These subsidies allow people to return to work or attend an accredited college while having a safe place for their children to go. The program serves almost 7,400 children in about 4,400 families each month and provided over \$26,376,400 in child care subsidies in FY 2016. The department determines a subsidy based on a family's income and pays that subsidy directly to the child care provider. The difference between the subsidy and the total cost of child care is made up by the family. Idaho's child care program reimbursement rates were adjusted during the 2016 legislative session for the first time since 2001. This adjustment increased the average subsidy from approximately 45% of market rates to about 65% of market rates. Within that adjustment, the department indicated that the request for increased subsidies would be part of a multi-year plan to ensure success of the program. This request is for year two of the proposed changes in market rate reimbursements and includes \$975,400 from the General Fund and \$2,416,200 from federal funds. [Ongoing]</p>					
Agency Request	0.00	975,400	0	2,416,200	3,391,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>975,400</i>	<i>0</i>	<i>2,416,200</i>	<i>3,391,600</i>
Cybersecurity Insurance			Self-Reliance Operations		
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	4,600	0	8,500	13,100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,600</i>	<i>0</i>	<i>8,500</i>	<i>13,100</i>
FY 2018 Total					
Agency Request	630.55	45,129,500	5,345,100	121,173,800	171,648,400
<i>Governor's Recommendation</i>	<i>630.55</i>	<i>45,265,100</i>	<i>5,357,200</i>	<i>121,418,500</i>	<i>172,040,800</i>

Division of Welfare

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	(5.00)	4,331,500	(1,583,000)	(49,800)	2,698,700
% Change from Original App	(0.8%)	10.6%	(22.8%)	0.0%	1.6%
<i>Governor's Recommendation</i>					
Change from Original App	(5.00)	4,467,100	(1,570,900)	194,900	3,091,100
% Change from Original App	(0.8%)	10.9%	(22.7%)	0.2%	1.8%

Healthcare Policy Initiatives

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	0	0	0	108,500	251,500
Federal	10,035,900	6,129,400	10,235,900	12,055,600	12,687,000
Total:	10,035,900	6,129,400	10,235,900	12,164,100	12,938,500
Percent Change:		(38.9%)	67.0%	18.8%	26.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	600,000	499,000	642,100	685,700	689,700
Operating Expenditures	9,435,900	5,630,400	9,593,800	11,478,400	11,373,800
Trustee/Benefit	0	0	0	0	875,000
Total:	10,035,900	6,129,400	10,235,900	12,164,100	12,938,500
Full-Time Positions (FTP)	7.00	7.00	7.00	7.60	7.60

Division Description

The program was established in 2015 and is responsible for the administration of the State Healthcare Innovation Plan (SHIP) and other statewide health-policy initiatives focused on improving Idaho's healthcare system. Specific functions include developing, managing, and reporting on numerous contracts with a variety of contractors with expertise in different aspects of healthcare system transformation. Contract subject areas may include medical home transformation, health information technology expansion, data analytics, quality measurement, and tele-health.

Healthcare Policy Initiatives

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	7.00	0	10,235,900	7.00	0	10,235,900
Removal of One-Time Expenditures	0.00	0	(19,000)	0.00	0	(19,000)
FY 2018 Base	7.00	0	10,216,900	7.00	0	10,216,900
Benefit Costs	0.00	0	8,300	0.00	0	5,800
Change in Employee Compensation	0.00	0	5,300	0.00	0	15,000
FY 2018 Program Maintenance	7.00	0	10,230,500	7.00	0	10,237,700
31. Telehealth & HQPC Support	0.00	108,500	108,500	0.00	0	0
33. SHIP Grant	0.00	0	1,780,000	0.00	0	1,780,000
41. SHIP Public Involvement Coordinator	0.60	0	45,100	0.60	0	45,800
45. Graduate Medical Education	0.00	0	0	0.00	251,500	875,000
FY 2018 Total	7.60	108,500	12,164,100	7.60	251,500	12,938,500
Change from Original Appropriation	0.60	108,500	1,928,200	0.60	251,500	2,702,600
% Change from Original Appropriation			18.8%			26.4%

Healthcare Policy Initiatives

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	7.00	0	0	10,235,900	10,235,900
Removal of One-Time Expenditures					
Agency Request	0.00	0	0	(19,000)	(19,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>(19,000)</i>	<i>(19,000)</i>
FY 2018 Base					
Agency Request	7.00	0	0	10,216,900	10,216,900
<i>Governor's Recommendation</i>	<i>7.00</i>	<i>0</i>	<i>0</i>	<i>10,216,900</i>	<i>10,216,900</i>
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	0	0	8,300	8,300
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>5,800</i>	<i>5,800</i>
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	0	5,300	5,300
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>15,000</i>	<i>15,000</i>
FY 2018 Program Maintenance					
Agency Request	7.00	0	0	10,230,500	10,230,500
<i>Governor's Recommendation</i>	<i>7.00</i>	<i>0</i>	<i>0</i>	<i>10,237,700</i>	<i>10,237,700</i>

Healthcare Policy Initiatives

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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31. Telehealth & HQPC Support

The department requests \$108,500 from the General Fund to provide continued operational support for the Telehealth Council and the Health Quality Planning Commission (HQPC).

The Telehealth Council was created in 2014 with the passing of HCR46. The resolution directed the department to convene a council to coordinate and develop standards for telehealth. Council membership is required to be a broad stakeholder base that includes, but is not limited to, physicians in rural and urban areas familiar with the use of telehealth or telemedicine, hospital administrators in rural and urban areas, a representative of health insurance carriers in this state, a representative from the Bureau of Occupational Licenses, a representative from the Idaho Hospital Association, a member of the State of Idaho Board of Medicine, a representative from Idaho's State Hospitals and a representative from the Department of Health and Welfare. The Department of Health and Welfare believes that the council has completed the required work set forth in HCR46, however the council members want to continue meeting. The request for continuation includes \$4,200 for travel, printing costs, and for two meetings each year. Funding for the council has been covered by existing General Funds in the department. [Ongoing]

In 2006, H738 established the Health Quality Planning Commission (HQPC) to promote improved quality of care and improved health outcomes through investment in health information technology and in patient safety and quality initiatives in the state of Idaho; this includes support for the Idaho Health Data Exchange (IHDE). Membership includes eleven voting members appointed by the Governor based on equitable geographic and rural representation, members of the public and private sectors with expertise in health information technology and clinical quality and patient safety. To continue providing support of the HQPC, the department requests \$50,000 one-time to establish the HQPC Charter, and \$54,300 ongoing for various studies and meeting expenses. Funding for the council has been covered by existing General Funds in the Division of Medicaid. When H738 passed, the Legislature provided \$200,000 ongoing from the General Fund and \$300,000 from federal funds, which aligned with the bill's fiscal note. In the 2008 session, the Legislature however, reduced the ongoing General Funds by \$100,000, but backfilled with \$500,000 of one-time General Funds in 2009. Of the ongoing amount included in the base, the department has paid the HQPC \$50,000 from the General Fund and \$50,000 from federal funds each year. The remaining appropriation has been repurposed by the department for other needs. In addition to the new General Funds being requested, the department requests that the existing General Fund and federal fund appropriation remain in the Division of Medicaid. [Ongoing and one-time]

Agency Request	0.00	108,500	0	0	108,500
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Not recommended by the Governor.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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33. SHIP Grant

The State Healthcare Innovation Plan (SHIP) Grant 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 2018 will be the third 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. To align the appropriation with estimated spending of the grant, the department requests \$1.78 million of ongoing federal funds to continue with the implementation of the grant. As of October 31, 2016, the department had spent \$8.5 million of the \$40 million grant. The department has until January 31, 2019 to expend remaining funds of the grant. [Ongoing]

Agency Request	0.00	0	0	1,780,000	1,780,000
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>1,780,000</i>	<i>1,780,000</i>
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Healthcare Policy Initiatives

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
41. SHIP Public Involvement Coordinator					
<p>The State Healthcare Innovation Plan (SHIP) Grant 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. To assist with the communication of grant implementation the department is requesting a 0.60 FTP and \$45,100 to hire a limited service public relations position. This position will be tasked with handling communications and messaging of issues related to the SHIP grant. This includes audio-visual materials, meeting materials, displays, news releases, web content, and working with the department's public information office staff. The SHIP grant is set to expire in January 2019, at which time this position would be removed from the program. [Ongoing]</p>					
Agency Request	0.60	0	0	45,100	45,100
<p><i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
Governor's Recommendation	0.60	0	0	45,800	45,800
45. Graduate Medical Education					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends an ongoing appropriation from the General Fund and federal funds for additional medical residency seats to address Idaho's physician shortage. The increase in graduate medical education funding will expand programs at the Boise Family Medicine Residency Program, the Idaho State University Family Medicine Residency Program, and the University of Washington Internal Medicine Program. The recommended funding totals \$2,425,000 and is split between the Office of the State Board of Education (\$1,550,000 in General Fund) and the Department of Health and Welfare (\$251,500 in General Fund, \$623,500 in federal funds). The recommendation for the Department of Health and Welfare consists of Medicaid allowable expenses for FY 2018, whereas the recommendation for the Office of the State Board of Education consists of non-allowable Medicaid expenses. [Ongoing]</i></p>					
Governor's Recommendation	0.00	251,500	0	623,500	875,000
FY 2018 Total					
Agency Request	7.60	108,500	0	12,055,600	12,164,100
Governor's Recommendation	7.60	251,500	0	12,687,000	12,938,500
Agency Request					
Change from Original App	0.60	108,500	0	1,819,700	1,928,200
% Change from Original App	8.6%			17.8%	18.8%
Governor's Recommendation					
Change from Original App	0.60	251,500	0	2,451,100	2,702,600
% Change from Original App	8.6%			23.9%	26.4%

Licensing and Certification

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	1,663,900	1,610,700	1,804,700	1,920,900	1,827,900
Dedicated	755,200	760,800	808,100	801,200	810,200
Federal	3,887,100	3,814,700	4,906,100	4,442,400	4,257,600
Total:	6,306,200	6,186,200	7,518,900	7,164,500	6,895,700
Percent Change:		(1.9%)	21.5%	(4.7%)	(8.3%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	5,388,200	4,724,500	5,856,800	6,239,800	5,986,000
Operating Expenditures	908,000	1,461,700	1,662,100	917,200	909,700
Capital Outlay	10,000	0	0	7,500	0
Total:	6,306,200	6,186,200	7,518,900	7,164,500	6,895,700
Full-Time Positions (FTP)	67.90	67.90	67.90	70.90	67.90

Division Description

Licensing and Certification became a new budgeted program in FY 2013. This program surveys, inspects, licenses, and certifies healthcare facilities that require certification or licensure by either state or federal requirements. The program investigates complaints, conducts on-site surveys, and takes appropriate licensure action to protect the health and safety of vulnerable people receiving health-related services and support.

Licensing and Certification

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	67.90	1,804,700	7,518,900	67.90	1,804,700	7,518,900
Removal of One-Time Expenditures	0.00	(88,300)	(1,011,200)	0.00	(88,300)	(1,011,200)
FY 2018 Base	67.90	1,716,400	6,507,700	67.90	1,716,400	6,507,700
Benefit Costs	0.00	20,200	77,400	0.00	14,100	53,900
Statewide Cost Allocation	0.00	200	500	0.00	200	500
Change in Employee Compensation	0.00	12,300	47,100	0.00	35,700	136,900
FY 2018 Program Maintenance	67.90	1,749,100	6,632,700	67.90	1,766,400	6,699,000
9. Surveyor Pay Increase	0.00	82,500	264,000	0.00	61,300	196,300
27. New Surveyors - Asst Living Facilities	3.00	89,100	267,400	0.00	0	0
Cybersecurity Insurance	0.00	200	400	0.00	200	400
FY 2018 Total	70.90	1,920,900	7,164,500	67.90	1,827,900	6,895,700
Change from Original Appropriation	3.00	116,200	(354,400)	0.00	23,200	(623,200)
% Change from Original Appropriation		6.4%	(4.7%)		1.3%	(8.3%)

Licensing and Certification

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	67.90	1,804,700	808,100	4,906,100	7,518,900

Removal of One-Time Expenditures

Agency Request	0.00	(88,300)	(23,900)	(899,000)	(1,011,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(88,300)</i>	<i>(23,900)</i>	<i>(899,000)</i>	<i>(1,011,200)</i>

FY 2018 Base	67.90	1,716,400	784,200	4,007,100	6,507,700
Agency Request	67.90	1,716,400	784,200	4,007,100	6,507,700
<i>Governor's Recommendation</i>	<i>67.90</i>	<i>1,716,400</i>	<i>784,200</i>	<i>4,007,100</i>	<i>6,507,700</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	20,200	10,600	46,600	77,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>14,100</i>	<i>7,400</i>	<i>32,400</i>	<i>53,900</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$500.

Agency Request	0.00	200	0	300	500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>200</i>	<i>0</i>	<i>300</i>	<i>500</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	12,300	6,400	28,400	47,100
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$100 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>35,700</i>	<i>18,600</i>	<i>82,600</i>	<i>136,900</i>

FY 2018 Program Maintenance	67.90	1,749,100	801,200	4,082,400	6,632,700
Agency Request	67.90	1,749,100	801,200	4,082,400	6,632,700
<i>Governor's Recommendation</i>	<i>67.90</i>	<i>1,766,400</i>	<i>810,200</i>	<i>4,122,400</i>	<i>6,699,000</i>

9. Surveyor Pay Increase

The department requests \$264,000 to increase the compensation for selected surveyors, primarily for registered nurses. The primary responsibility of surveyors is to ensure that the healthcare facilities comply with state statute and rules. The department's human resource division conducted a market analysis of registered nurses and their results indicate that market rates range between \$28.00 - \$32.00 per hour. This request would make the starting salary \$29.48 per hour, which is an increase of \$3.00 per hour for an annual increase of \$7,616 per surveyor for a total of 30 surveyors. To account for compression issues, the division also requests a \$2.00 per hour increase for seven supervisors, which will increase their compensation by \$5,077 per year. Historically, this division has had issues with turnover and in FY 2016 the turnover rate was 15%. Based on internal surveys, turnover in this division has been routinely linked to high workload and low compensation. [Ongoing]

Agency Request	0.00	82,500	0	181,500	264,000
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>61,300</i>	<i>0</i>	<i>135,000</i>	<i>196,300</i>

Licensing and Certification

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
27. New Surveyors - Asst Living Facilities					
The department requests \$267,400 to hire three new surveyors to work with residential assisted living facilities (RALFs). RALFs provide necessary supervision, personal assistance, meals, and lodging to three or more elderly adults not related to the owner. This type of facility is one of the more popular choices for Idahoans as there are more residents in RALFs than in nursing homes, certified family homes, and intermediate care facilities combined. In the past three years, the number of RALFs have remained fairly constant at about 355, however the number of licensed beds and occupied beds have both increased. The number of licensed beds has increased by 719 or 8% from 2013 to 2016.					
Agency Request	3.00	89,100	0	178,300	267,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	200	0	200	400
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	200	0	200	400

FY 2018 Total					
Agency Request	70.90	1,920,900	801,200	4,442,400	7,164,500
Governor's Recommendation	67.90	1,827,900	810,200	4,257,600	6,895,700
Agency Request					
Change from Original App	3.00	116,200	(6,900)	(463,700)	(354,400)
% Change from Original App	4.4%	6.4%	(0.9%)	(9.5%)	(4.7%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	23,200	2,100	(648,500)	(623,200)
% Change from Original App	0.0%	1.3%	0.3%	(13.2%)	(8.3%)

Public Health Districts

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	8,719,200	8,719,200	9,289,500	9,274,200	9,342,800
Dedicated	750,000	714,000	750,000	0	0
Total:	9,469,200	9,433,200	10,039,500	9,274,200	9,342,800
Percent Change:		(0.4%)	6.4%	(7.6%)	(6.9%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	7,734,200	7,650,200	8,292,200	8,252,300	8,327,700
Operating Expenditures	985,000	1,069,000	997,300	1,021,900	1,015,100
Lump Sum	750,000	714,000	750,000	0	0
Total:	9,469,200	9,433,200	10,039,500	9,274,200	9,342,800

Department Description

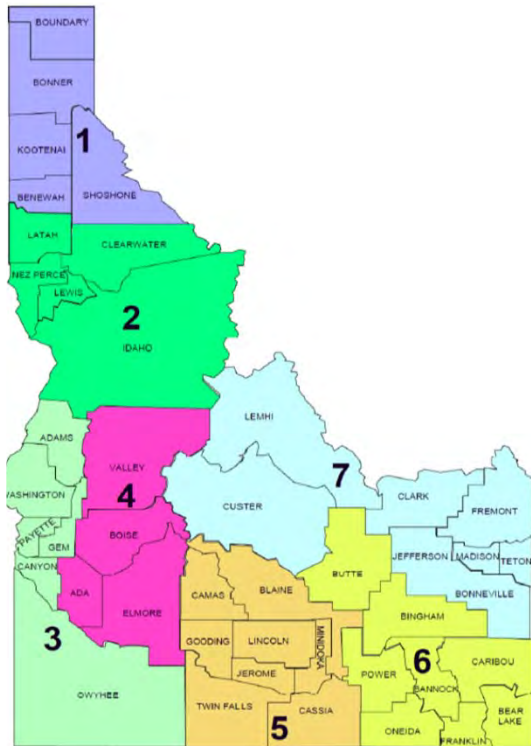
The mission of the seven Public Health Districts is to prevent disease, disability and premature death; to promote healthy lifestyles; and to protect and promote the health and quality of our environment.

Idaho's seven health districts provide health services throughout the state. Each district works under the direction of its own board of health, appointed by county commissioners within each region. The districts are not part of any state agency, but they work in partnership with the Department of Health & Welfare and other state entities to deliver services and disburse public information to local communities.

Public Health Districts Agency Profile

Analyst: Tatro

Organization



District Office Locations

Health District 1

Sandpoint
St. Maries
Hayden
Kellogg
Bonners Ferry

Health District 2

Lewiston Orofino
Moscow Grangeville
Kamiah

Health District 3

Payette Caldwell
Emmett Homedale
Weiser

Health District 4

Boise
McCall
Mountain Home

Health District 5

Twin Falls Bellevue
Heyburn Gooding
Jerome Rupert
Shoshone

Health District 6

Malad Montpelier
Pocatello Blackfoot
Preston Soda Springs
Arco American Falls
Aberdeen Fort Hall

Health District 7

Dubois Idaho Falls
Challis St. Anthony
Rigby Salmon
Rexburg Driggs
Mud Lake Mackay

Fiscal Year	FTP	Appropriated		Non-Appropriated			Total
		General Fund	Millennium Fund	County	Contracts	Fees	
FY 2011	632.10	8,319,500	500,000	7,567,300	22,207,100	11,480,900	50,074,800
FY 2012	618.13	7,845,100	250,000	7,746,400	23,225,500	9,240,900	48,307,900
FY 2013	598.25	8,136,100	400,000	7,929,300	22,381,100	9,375,100	48,221,600
FY 2014	605.79	8,232,500	500,000	8,037,700	22,495,800	10,008,000	49,274,000
FY 2015	623.47	8,531,200	750,000	8,351,400	22,502,600	10,245,600	50,380,800
FY 2016	624.61	8,719,200	750,000	8,639,600	25,280,400	13,291,500	56,680,700
FY 2017*	628.66	9,289,500	750,000	9,185,100	26,798,700	11,115,700	57,139,000
FY 2018*	632.06	9,274,200	750,000	8,864,200	26,114,400	12,144,600	57,147,400

* As indicated in the budget request for FY 2018.

Public Health Districts

Overview, Budget, & Fund Information

Analyst: Tatro

Public Health Districts are established in Chapter 4, Title 39, Idaho Code. They are not state agencies and are considered independent bodies corporate and politic, pursuant to Section 1, Article VIII of the Idaho Constitution. Employees of the health districts are not state employees, however, pursuant to §39-425, Idaho Code, districts must budget for employee participation in the state's retirement system and health districts must comply with the state merit system. Payroll and accounting services are provided by the office of the State Controller, and audits are conducted by the Legislative Audits Division.

Budget Development Process

In April of each year, each Health District submits a preliminary budget to their Boards of Health. This proposal is presented for public comment. The final budget is approved by the Board of Health Budget Committees with the estimated cost to each county. The decision of the budget committee is binding upon all counties within the district and the district itself.

70% of county contributions are apportioned by population as determined by the last general census when applicable, or by the State Department of Commerce.

30% of county contributions are apportioned by taxable market value for assessment purposes as computed by the County Assessor and certified by the Tax Commission.

The Board of Trustees compiles all seven budgets into a single budget request that is made to the state for the state funds required in §39-425, Idaho Code.

Public Health District Funding

County Revenue

Each Board of County Commissioners is authorized to levy a special tax for preventive health services; Health Districts do not have taxing authority. The county tax cannot exceed four hundredths of a percent (.04%) above the statutory limitation of market value, for assessment purposes, of all taxable property in the county.

Other revenue sources include contracts & grants with the Department of Environmental Quality, Department of Health & Welfare, local grants applied for and received, private donations; fees for services provided; third party insurance reimbursements; Medicare; and Medicaid.

State Appropriations

Pursuant to §39-425, Idaho Code, the Health Districts' budget request shall include a minimum of 67% of the amounts pledged by each county for taxes raised pursuant to §31-862, Idaho Code.

General Fund Appropriation and Transfer to Public Health District Fund, §39-422, Idaho Code
-Half of the appropriated funds are distributed in July and half are distributed in January

The Board of Trustees allocates the appropriation according to §39-425, Idaho Code. For FY 2017 the board-developed formula is: County contributions (67%); Population (18%); and Poverty (15%). For FY 2018, the formula will be the same percentage received by each district for FY 2017. Any funding provided in addition to the amount received in FY 2017 will be allocated 67% on county contributions and 33% on population.

Each year the Health Districts apply for, and typically receive, funding from the Millennium Fund.

Public Health Districts

Funding Formula & General Fund Allocation

Analyst: Tatro

County Contributions 67% of Allocation

	Amount (\$)	Percent of Total	Funding Split
District 1	1,172,100	13.6%	\$844,381
District 2	774,009	9.0%	\$557,596
District 3	1,227,156	14.2%	\$884,043
District 4	2,166,492	25.1%	\$1,560,741
District 5	1,127,586	13.1%	\$812,313
District 6	1,126,041	13.0%	\$811,200
District 7	1,046,211	12.1%	\$753,690
State Total	\$8,639,595	100%	\$6,223,965

Population 18% of Allocation

	Number	Percent of Total	Funding Split
District 1	221,319	13.5%	\$226,502
District 2	107,001	6.5%	\$109,507
District 3	267,951	16.4%	\$274,227
District 4	468,421	28.7%	\$479,392
District 5	190,584	11.7%	\$195,048
District 6	168,855	10.3%	\$172,810
District 7	209,713	12.8%	\$214,625
State Total	1,633,844	100%	\$1,672,110

Poverty 15% of Allocation

	Weighted Rate	Percent of Total	Funding Split
District 1	0.1416	13.1%	\$182,685
District 2	0.1689	15.6%	\$217,871
District 3	0.1773	16.4%	\$228,750
District 4	0.1182	10.9%	\$152,447
District 5	0.1477	13.7%	\$190,560
District 6	0.1567	14.5%	\$202,118
District 7	0.1698	15.7%	\$218,995
State Total	1.0802	100%	\$1,393,425

Total FY 2017 General Fund Allocation, Rounded

	Percent of Total	Total Amount
District 1	13.5%	\$1,253,600
District 2	9.5%	\$885,000
District 3	14.9%	\$1,387,000
District 4	23.6%	\$2,192,600
District 5	12.9%	\$1,197,900
District 6	12.8%	\$1,186,100
District 7	12.8%	\$1,187,300
State Total	100%	\$9,289,500

Public Health Districts

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	9,289,500	10,039,500	0.00	9,289,500	10,039,500
Removal of One-Time Expenditures	0.00	(244,900)	(994,900)	0.00	(244,900)	(994,900)
FY 2018 Base	0.00	9,044,600	9,044,600	0.00	9,044,600	9,044,600
Benefit Costs	0.00	139,900	139,900	0.00	91,100	91,100
Inflationary Adjustments	0.00	16,400	16,400	0.00	9,600	9,600
Statewide Cost Allocation	0.00	3,700	3,700	0.00	3,700	3,700
Change in Employee Compensation	0.00	65,100	65,100	0.00	189,300	189,300
FY 2018 Program Maintenance	0.00	9,269,700	9,269,700	0.00	9,338,300	9,338,300
Cybersecurity Insurance	0.00	4,500	4,500	0.00	4,500	4,500
FY 2018 Total	0.00	9,274,200	9,274,200	0.00	9,342,800	9,342,800
Change from Original Appropriation	0.00	(15,300)	(765,300)	0.00	53,300	(696,700)
% Change from Original Appropriation		(0.2%)	(7.6%)		0.6%	(6.9%)

Public Health Districts

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	9,289,500	750,000	0	10,039,500

Removal of One-Time Expenditures

Agency Request	0.00	(244,900)	(750,000)	0	(994,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(244,900)</i>	<i>(750,000)</i>	<i>0</i>	<i>(994,900)</i>

FY 2018 Base					
Agency Request	0.00	9,044,600	0	0	9,044,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,044,600</i>	<i>0</i>	<i>0</i>	<i>9,044,600</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency. Benefit changes associated with the General Fund account for 20% of all benefit changes or the equivalent of about 115.00 FTP.

Agency Request	0.00	139,900	0	0	139,900
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>91,100</i>	<i>0</i>	<i>0</i>	<i>91,100</i>

Inflationary Adjustments

The Public Health Districts request \$16,400 for increased costs related to medical expenses and general operations. The request includes \$9,600 related to medical supplies, and \$6,800 for general services and supplies. This request reflects the General Fund portion or about 9% of the total inflationary adjustment request.

Agency Request	0.00	16,400	0	0	16,400
<i>The Governor recommends funding for medical inflation only.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,600</i>	<i>0</i>	<i>0</i>	<i>9,600</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. This request only includes changes to the General Fund portion. Risk management fees will increase by \$3,400 and State Controller fees will increase by \$300, for a net increase of \$3,700. The overall indirect cost recovery amount for all SWCAP programs and for all appropriated and non-appropriated funds will be increased by \$62,200. The Health Districts have an indirect cost recovery total base amount of \$437,400 with about 10% allocated to the General Fund.

Agency Request	0.00	3,700	0	0	3,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,700</i>	<i>0</i>	<i>0</i>	<i>3,700</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. This request includes only the General Fund portion of a 1% calculation.

Agency Request	0.00	65,100	0	0	65,100
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>189,300</i>	<i>0</i>	<i>0</i>	<i>189,300</i>

FY 2018 Program Maintenance					
Agency Request	0.00	9,269,700	0	0	9,269,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,338,300</i>	<i>0</i>	<i>0</i>	<i>9,338,300</i>

Public Health Districts

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	4,500	0	0	4,500
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	4,500	0	0	4,500
FY 2018 Total					
Agency Request	0.00	9,274,200	0	0	9,274,200
Governor's Recommendation	0.00	9,342,800	0	0	9,342,800
Agency Request					
Change from Original App	0.00	(15,300)	(750,000)	0	(765,300)
% Change from Original App		(0.2%)	(100.0%)		(7.6%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	53,300	(750,000)	0	(696,700)
% Change from Original App		0.6%	(100.0%)		(6.9%)

State Independent Living Council

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	100,000	99,900	124,100	214,000	214,700
Dedicated	335,700	190,700	351,700	349,900	353,000
Federal	173,400	10,600	173,400	173,900	173,400
Total:	609,100	301,200	649,200	737,800	741,100
Percent Change:		(50.5%)	115.5%	13.6%	14.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	334,300	202,100	353,800	423,900	427,200
Operating Expenditures	174,200	86,800	194,800	213,300	213,300
Capital Outlay	0	1,700	0	0	0
Trustee/Benefit	100,600	10,600	100,600	100,600	100,600
Total:	609,100	301,200	649,200	737,800	741,100
Full-Time Positions (FTP)	4.00	4.00	4.00	4.00	4.00

Department Description

The Idaho State Independent Living Council (SILC) is actively engaged in activities that assist in providing Idahoans with disabilities a greater voice in obtaining services that are consumer-responsive, cost-effective and community-based. This program is mandatory if the state wishes to receive federal financial assistance under Title VII of the federal Rehabilitation Act. 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."

The duties of SILC are directed in Title VII of the Rehabilitation Act of 1973, as amended in 2014 to include: working cooperation with the Centers for Independent Living (CILs) submit the State Plan for Independent Living (SPIL) for people with disabilities, support local services and advocate for independent living services provided through state and federal programming, gather and disseminate information, conduct training, and pursue a public policy agenda that results in positive systemic change for people with disabilities.

The council is made up of no fewer than 51% of individuals with disabilities, who do not work for a state agency or a CIL, from across the state. SILC was created in response to the federal Rehabilitation Act Amendments of 1992 to carry out the powers and duties set forth in 29 U.S.C. Section 796(b) and 34 CFR 364.21. The SILC became an autonomous governmental entity in 2004 and is committed to additional duties under Section 56-1204, Idaho Code. These additional duties include: assess the need for services for Idahoans with disabilities, supervise staff necessary to carry out the council's functions, ensure open meeting laws are followed, prepare reports, and promulgate rules, as may be necessary, in compliance with Chapter 52, Title 67, Idaho Code.

State Independent Living Council Agency Profile

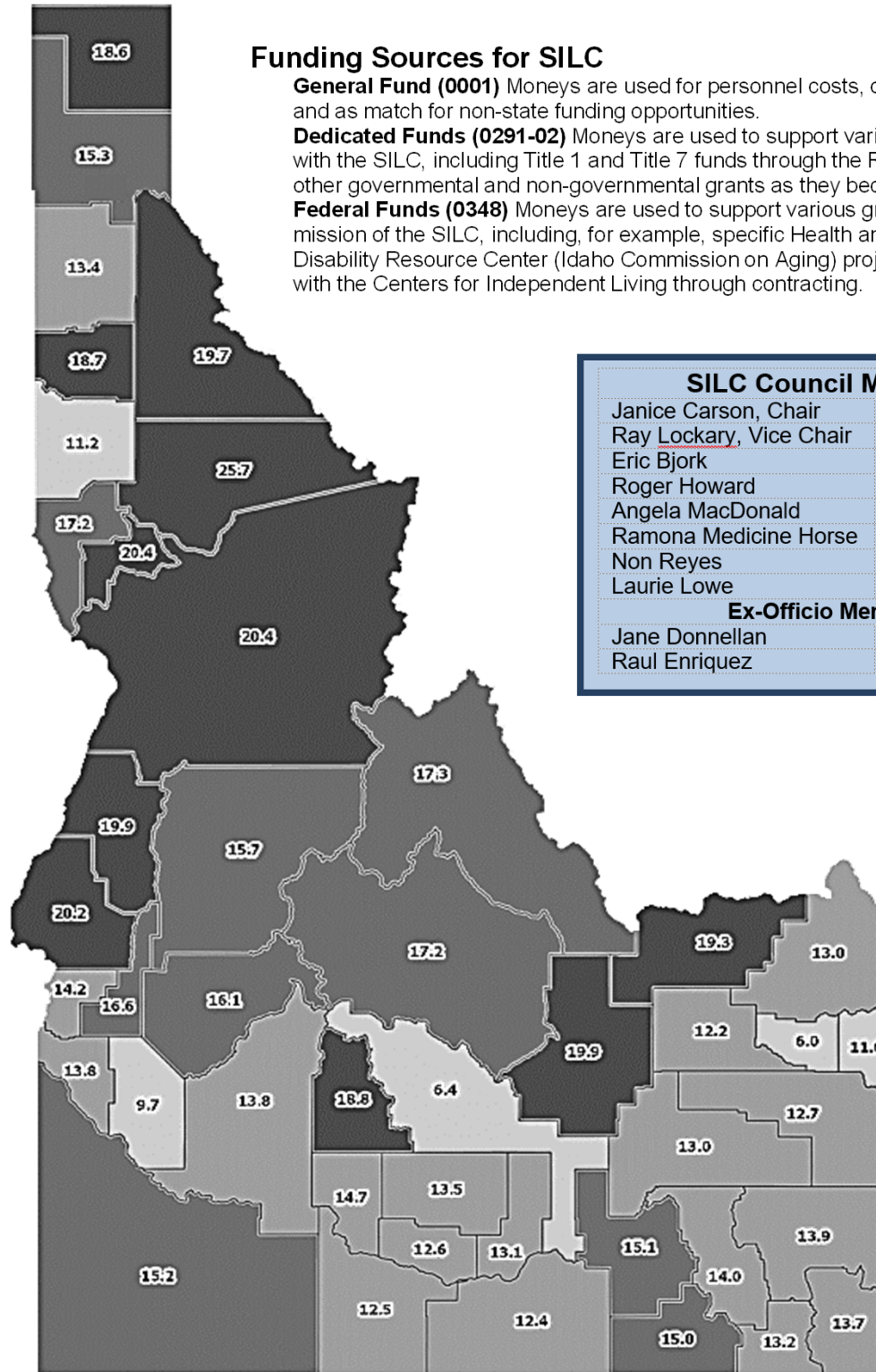
Analyst: Jessup

Funding Sources for SILC

General Fund (0001) Moneys are used for personnel costs, operating expenditures, and as match for non-state funding opportunities.

Dedicated Funds (0291-02) Moneys are used to support various programs that contract with the SILC, including Title 1 and Title 7 funds through the Rehabilitation Act, and other governmental and non-governmental grants as they become available.

Federal Funds (0348) Moneys are used to support various grants that align with the mission of the SILC, including, for example, specific Health and Welfare, and Aging and Disability Resource Center (Idaho Commission on Aging) projects which may partner with the Centers for Independent Living through contracting.



SILC Council Members	
Janice Carson, Chair	Molly Sherpa
Ray Lockary, Vice Chair	Maxwell Hudson
Eric Bjork	Rick Huber
Roger Howard	Mike Smith
Angela MacDonald	Melva Heinrich
Ramona Medicine Horse	Tinessia Moyer
Non Reyes	Denise Myler
Laurie Lowe	
Ex-Officio Members	
Jane Donnellan	Nancy Wise
Raul Enriquez	Beth Kriete

Map Legend
Disabled Population, Percent by County,
 *US Census Bureau, American Community Survey (ACS), 2010-2014

- Over 18%
- 15.1 – 18%
- 12.1 – 15.0%
- Under 12.1%

State Independent Living Council

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	4.00	124,100	649,200	4.00	124,100	649,200
Removal of One-Time Expenditures	0.00	(1,300)	(9,000)	0.00	(1,300)	(9,000)
FY 2018 Base	4.00	122,800	640,200	4.00	122,800	640,200
Benefit Costs	0.00	800	4,600	0.00	500	3,200
Statewide Cost Allocation	0.00	0	(100)	0.00	0	(100)
Change in Employee Compensation	0.00	400	3,000	0.00	1,200	7,500
FY 2018 Program Maintenance	4.00	124,000	647,700	4.00	124,500	650,800
1. Program Specialist/Planner	0.00	90,000	90,000	0.00	90,200	90,200
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	4.00	214,000	737,800	4.00	214,700	741,100
Change from Original Appropriation	0.00	89,900	88,600	0.00	90,600	91,900
% Change from Original Appropriation		72.4%	13.6%		73.0%	14.2%

State Independent Living Council

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	4.00	124,100	351,700	173,400	649,200

Removal of One-Time Expenditures

Removes \$8,700 provided one-time for the 27th payroll and \$300 for one-time CEC related to the 27th payroll.

Agency Request	0.00	(1,300)	(7,700)	0	(9,000)
Governor's Recommendation	0.00	(1,300)	(7,700)	0	(9,000)

FY 2018 Base					
Agency Request	4.00	122,800	344,000	173,400	640,200
Governor's Recommendation	4.00	122,800	344,000	173,400	640,200

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	800	3,800	0	4,600
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	500	2,700	0	3,200
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100 and State Controller fees will decrease by \$200, for a net reduction of \$100.

Agency Request	0.00	0	(100)	0	(100)
Governor's Recommendation	0.00	0	(100)	0	(100)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	400	2,100	500	3,000
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	1,200	6,300	0	7,500
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FY 2018 Program Maintenance					
Agency Request	4.00	124,000	349,800	173,900	647,700
Governor's Recommendation	4.00	124,500	352,900	173,400	650,800

1. Program Specialist/Planner

The State Independent Living Council requests \$90,000 from the General Fund for a program specialist/planner to provide statewide training and technical assistance related to the ABLE Act and emergency preparedness. No authorization for FTP is requested as this position is currently authorized, but has been paid for through reserves (dedicated funds) held by the State Independent Living Council. This position will be tasked to conduct research, development, training, and provide technical assistance related to the Achieving a Better Life Experience Act of 2014 (ABLE Act of 2014) and emergency preparedness throughout the state. [Ongoing]

Agency Request	0.00	90,000	0	0	90,000
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	0.00	90,200	0	0	90,200
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State Independent Living Council

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	100	0	100
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	0	100	0	100
FY 2018 Total					
Agency Request	4.00	214,000	349,900	173,900	737,800
Governor's Recommendation	4.00	214,700	353,000	173,400	741,100
Agency Request					
Change from Original App	0.00	89,900	(1,800)	500	88,600
% Change from Original App	0.0%	72.4%	(0.5%)	0.3%	13.6%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	90,600	1,300	0	91,900
% Change from Original App	0.0%	73.0%	0.4%	0.0%	14.2%

Idaho Legislative Budget Book

Public Safety

2017 Legislative Session

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Idaho Legislative Budget Book

Department of Correction

2017 Legislative Session

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Department of Correction

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Management Services	14,185,800	13,884,800	15,286,200	15,952,800	16,056,300
State Prisons	106,287,500	104,879,800	118,925,000	119,296,900	120,051,900
County & Out-of-State Placement	14,372,500	12,937,700	11,460,000	7,374,400	7,374,400
Alternative Placement	9,117,200	8,873,900	9,748,200	9,801,800	9,801,800
Community Corrections	28,127,200	27,193,800	32,295,000	34,488,700	34,797,400
Community-Based Substance Abuse	13,865,000	12,952,400	9,671,100	7,805,800	7,821,300
Medical Services	40,888,400	40,258,200	44,795,300	43,556,400	43,556,400
Pardons & Parole	2,751,800	2,517,300	2,969,000	3,086,500	3,065,800
Total:	229,595,400	223,497,900	245,149,800	241,363,300	242,525,300
BY FUND CATEGORY					
General	205,698,000	201,956,300	215,229,500	217,298,700	218,331,700
Dedicated	22,370,600	20,415,500	28,610,800	22,753,600	22,875,100
Federal	1,526,800	1,126,100	1,309,500	1,311,000	1,318,500
Total:	229,595,400	223,497,900	245,149,800	241,363,300	242,525,300
Percent Change:		(2.7%)	9.7%	(1.5%)	(1.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	122,202,400	119,430,400	133,559,100	136,219,100	137,539,200
Operating Expenditures	94,360,800	90,726,000	96,406,700	93,819,900	93,809,000
Capital Outlay	4,886,700	5,196,800	7,038,500	5,038,000	4,890,800
Trustee/Benefit	6,286,300	6,285,600	6,286,300	6,286,300	6,286,300
Lump Sum	1,859,200	1,859,100	1,859,200	0	0
Total:	229,595,400	223,497,900	245,149,800	241,363,300	242,525,300
Full-Time Positions (FTP)	2,005.85	2,005.85	2,005.85	2,034.85	2,034.85

Department Description

The department is composed of those functions under the constitutionally mandated Board of Correction and the statutorily created Commission for Pardons and Parole. The Governor appoints the three-member Board of Correction, which in turn appoints the director of the Department of Correction. The director oversees the department's nine state prisons, the Correctional Alternative Placement Program, four community work centers and seven district probation and parole offices. The Department of Correction manages more than 22,000 offenders in the state of Idaho.

The Governor appoints the five members of the Commission for Pardons and Parole, who are subject to Senate confirmation. The executive director of the commission is also appointed by the Governor and is responsible for the day-to-day operations of the commission.

Department of Correction

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	2,005.85	215,229,500	245,149,800	2,005.85	215,229,500	245,149,800
Supplementals						
Management Services						
1. Offender Mgmt System Eval	0.00	250,000	250,000	0.00	250,000	250,000
2. Attorney Fees for Balla Lawsuit	0.00	263,500	263,500	0.00	263,500	263,500
Community-Based Substance Abuse Treatm						
3. SUD Services	0.00	0	36,500	0.00	0	36,500
Medical Services						
4. Contract Healthcare Services	0.00	308,400	308,400	0.00	308,400	308,400
Rescissions						
County & Out-of-State Placement						
1. County Bed Utilization	0.00	(4,289,400)	(4,289,400)	0.00	(4,289,400)	(4,289,400)
Correctional Alternative Placement						
2. CAPP Bed Utilization	0.00	(184,500)	(184,500)	0.00	(184,500)	(184,500)
FY 2017 Total Appropriation	2,005.85	211,577,500	241,534,300	2,005.85	211,577,500	241,534,300
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	2,005.85	211,577,500	241,534,300	2,005.85	211,577,500	241,534,300
Removal of One-Time Expenditures	0.00	(6,299,300)	(15,317,200)	0.00	(6,299,300)	(15,317,200)
Base Adjustments	0.00	388,300	388,300	0.00	388,300	388,300
FY 2018 Base	2,005.85	205,666,500	226,605,400	2,005.85	205,666,500	226,605,400
Benefit Costs	0.00	2,186,300	2,411,100	0.00	1,538,700	1,697,600
Inflationary Adjustments	0.00	213,800	226,500	0.00	213,800	226,500
Replacement Items	0.00	2,332,700	4,375,300	0.00	2,174,600	4,217,200
Statewide Cost Allocation	0.00	307,200	318,100	0.00	307,200	318,100
Change in Employee Compensation	0.00	943,600	1,046,400	0.00	2,837,100	3,144,400
FY 2018 Program Maintenance	2,005.85	211,650,100	234,982,800	2,005.85	212,737,900	236,209,200
Line Items						
Management Services						
5. Wireless Access	0.00	254,000	254,000	0.00	254,000	254,000
12. MS Office Subscriptions	0.00	463,800	463,800	0.00	463,800	463,800
State Prisons						
2. Instructor Pay	0.00	282,500	422,600	0.00	247,800	377,300
3. Paid Overtime	0.00	669,600	715,600	0.00	669,600	715,600
4. Instructor & Clinician	2.00	163,700	163,700	2.00	159,600	159,600
6. Training Savings	0.00	(255,000)	(255,000)	0.00	(255,000)	(255,000)
7. Voc Work Prog Expansion	1.00	0	107,400	1.00	0	108,400
8. Wastewater Treatment	0.00	0	129,600	0.00	0	129,600
9. Range Expansion	0.00	0	280,000	0.00	0	280,000
Correctional Alternative Placement						
10. Per Diem, Bldg Maint, Property Taxes	0.00	53,600	53,600	0.00	53,600	53,600
Community Corrections						
1. Probation & Parole Staff	24.00	2,226,700	2,226,700	24.00	2,254,700	2,254,700
3. Paid Overtime	0.00	77,700	106,400	0.00	77,700	106,400
Medical Services						
11. Contractual Increases	0.00	1,558,800	1,558,800	0.00	1,558,800	1,558,800
Commission for Pardons & Parole						
1. Violations Technician	1.00	53,500	53,500	1.00	54,200	54,200
2. Merit/Equity Pay for Staff	0.00	45,400	45,400	0.00	0	0
3. Victim Services Technician	1.00	50,900	50,900	1.00	51,600	51,600
Omnibus Decisions	0.00	3,400	3,500	0.00	3,400	3,500
FY 2018 Total	2,034.85	217,298,700	241,363,300	2,034.85	218,331,700	242,525,300

Department of Correction

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
Chg from FY 2017 Orig Approp.	29.00	2,069,200	(3,786,500)	29.00	3,102,200	(2,624,500)
% Chg from FY 2017 Orig Approp.	1.4%	1.0%	(1.5%)	1.4%	1.4%	(1.1%)

Management Services

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	13,333,500	12,989,000	13,931,600	14,633,000	14,723,600
Dedicated	852,300	895,800	1,354,600	1,319,800	1,332,700
Total:	14,185,800	13,884,800	15,286,200	15,952,800	16,056,300
Percent Change:		(2.1%)	10.1%	4.4%	5.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,428,700	9,051,500	10,981,900	10,854,000	10,980,900
Operating Expenditures	3,730,700	3,783,700	3,765,000	4,945,600	4,945,600
Capital Outlay	1,026,400	1,049,600	539,300	153,200	129,800
Total:	14,185,800	13,884,800	15,286,200	15,952,800	16,056,300
Full-Time Positions (FTP)	134.00	134.00	142.00	142.00	142.00

Division Description

Management Services has department-wide oversight of information services, construction, financial services, inmate placement, central records, research & quality assurance, human resources, and the director's office.

Management Services

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	142.00	13,931,600	15,286,200	142.00	13,931,600	15,286,200
1. Offender Mgmt System Eval	0.00	250,000	250,000	0.00	250,000	250,000
2. Attorney Fees for Balla Lawsuit	0.00	263,500	263,500	0.00	263,500	263,500
FY 2017 Total Appropriation	142.00	14,445,100	15,799,700	142.00	14,445,100	15,799,700
Removal of One-Time Expenditures	0.00	(1,126,100)	(1,168,900)	0.00	(1,126,100)	(1,168,900)
Base Adjustments	0.00	(31,400)	(50,500)	0.00	(31,400)	(50,500)
FY 2018 Base	142.00	13,287,600	14,580,300	142.00	13,287,600	14,580,300
Benefit Costs	0.00	150,700	168,800	0.00	106,000	119,000
Inflationary Adjustments	0.00	3,500	3,500	0.00	3,500	3,500
Replacement Items	0.00	343,000	343,000	0.00	319,600	319,600
Statewide Cost Allocation	0.00	50,500	50,500	0.00	50,500	50,500
Change in Employee Compensation	0.00	79,600	88,600	0.00	238,300	265,300
FY 2018 Program Maintenance	142.00	13,914,900	15,234,700	142.00	14,005,500	15,338,200
5. Wireless Access	0.00	254,000	254,000	0.00	254,000	254,000
12. MS Office Subscriptions	0.00	463,800	463,800	0.00	463,800	463,800
Cybersecurity Insurance	0.00	300	300	0.00	300	300
FY 2018 Total	142.00	14,633,000	15,952,800	142.00	14,723,600	16,056,300
Change from Original Appropriation	0.00	701,400	666,600	0.00	792,000	770,100
% Change from Original Appropriation		5.0%	4.4%		5.7%	5.0%

Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	142.00	13,931,600	1,354,600	0	15,286,200

1. Offender Mgmt System Eval

The department requests \$250,000 in ongoing operating expenditures from the General Fund to contract with an IT project manager to evaluate its offender management system (OMS); identify current requirements and agency needs that are beyond its capabilities; assist in determining the best option for its replacement; and participate in the procurement, development, and deployment of a new OMS. The department's OMS consists of two legacy systems, Reflections and CIS, which are responsible for tracking and recording all offender data regarding all aspects of incarceration and community supervision, from admission through release. According to the department, the current OMS poses a safety risk due to its age, the limited availability of IT staff able to maintain its antiquated technology, the limited available resources in the marketplace, and the lack of an existing plan for modernization. In short, the OMS has outlived its functional life span and cannot keep up with the needs of the department. The evaluation will take place over fiscal years 2017 and 2018, at a total cost of \$500,000, with \$250,000 to be expended each year. The department's base will be reduced by \$250,000 in FY 2019.

Agency Request	0.00	250,000	0	0	250,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>250,000</i>	<i>0</i>	<i>0</i>	<i>250,000</i>

2. Attorney Fees for Balla Lawsuit

This supplemental request is for \$263,500 in one-time operating expenditures from the General Fund to pay various court-ordered fees associated with the Walter D. Balla et al. v. Idaho State Board of Correction court case. Pursuant to a Stipulated Motion to Modify Injunctive Relief, dated May 15, 2012, the department is required to pay the National Commission on Correctional Healthcare (NCCHC) to conduct a final compliance audit to determine whether the department has complied with the applicable modified compliance plans in the Balla lawsuit. There will be an initial audit to be completed by January of 2017, and a final follow-up audit to be completed by June of 2017, at the total cost of \$156,000. Also, the department is required to pay the plaintiffs' attorney fees associated with the ongoing monitoring of the lawsuit. The department was billed \$69,900 for this purpose for monitoring periods in FYs 2015 and 2016. The department encumbered \$33,600 for this purpose but still owes \$36,400. Lastly, in November of 2015, the department was ordered to pay the attorney fees incurred by the plaintiffs in pursuing their motion for sanctions against the department, in the amount of \$332,400. The department appealed that decision in December of 2015, arguing that it did not owe more than \$250,000. As such, the department received \$250,000 as a supplemental appropriation for FY 2016 and eventually encumbered that amount. Ultimately, the parties stipulated to a fee amount of \$321,100, leaving \$71,100 in attorney fees left to be paid for purposes of the plaintiffs' motion for sanctions.

Agency Request	0.00	263,500	0	0	263,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>263,500</i>	<i>0</i>	<i>0</i>	<i>263,500</i>

FY 2017 Total Appropriation					
Agency Request	142.00	14,445,100	1,354,600	0	15,799,700
<i>Governor's Recommendation</i>	<i>142.00</i>	<i>14,445,100</i>	<i>1,354,600</i>	<i>0</i>	<i>15,799,700</i>

Removal of One-Time Expenditures

Agency Request	0.00	(1,126,100)	(42,800)	0	(1,168,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,126,100)</i>	<i>(42,800)</i>	<i>0</i>	<i>(1,168,900)</i>

Base Adjustments

Adjustments include the net-zero reallocation of several FTP and associated personnel costs related to the department's FY 2016 reorganization. Of the 5.00 total FTP to be transferred from Management Services, 4.00 FTP would be transferred to Community Supervision and 1.00 to Idaho Maximum Security Institution. Of the 5.00 total FTP to be transferred to Management Services, 1.00 FTP would be transferred from Community Supervision; 1.00 from Idaho State Correctional Center; 1.00 from Prisons Administration; 1.00 from South Boise Women's Correctional Center; and 1.00 from Pocatello Women's Correctional Center.

Agency Request	0.00	(31,400)	(19,100)	0	(50,500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(31,400)</i>	<i>(19,100)</i>	<i>0</i>	<i>(50,500)</i>

Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Base					
Agency Request	142.00	13,287,600	1,292,700	0	14,580,300
<i>Governor's Recommendation</i>	<i>142.00</i>	<i>13,287,600</i>	<i>1,292,700</i>	<i>0</i>	<i>14,580,300</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	150,700	18,100	0	168,800
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>106,000</i>	<i>13,000</i>	<i>0</i>	<i>119,000</i>

Inflationary Adjustments

The agency is requesting \$3,500 in ongoing operating expenditures from the General Fund for contract inflation for "Relias," the agency's online employee education system. The system provides correctional courses regarding motivational interviewing and risk assessment as well as administrative courses such as Excel and Word. The contract is increasing from \$77,000 to \$80,500 annually.

Agency Request	0.00	3,500	0	0	3,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,500</i>	<i>0</i>	<i>0</i>	<i>3,500</i>

Replacement Items

Requested replacement items from the General Fund include \$31,500 for computer services; \$219,100 for personal computer hardware; \$14,200 for peripheral equipment; \$8,000 for other computer equipment; and \$70,200 for automobiles and light trucks.

Agency Request	0.00	343,000	0	0	343,000
<i>The Governor does not recommend the replacement of one sedan.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>319,600</i>	<i>0</i>	<i>0</i>	<i>319,600</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$19,700, State Controller fees will decrease by \$17,900, Attorney General fees will increase by \$49,700, and State Treasurer fees will decrease by \$1,000, for a net increase of \$50,500.

Agency Request	0.00	50,500	0	0	50,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>50,500</i>	<i>0</i>	<i>0</i>	<i>50,500</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	79,600	9,000	0	88,600
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$100 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>238,300</i>	<i>27,000</i>	<i>0</i>	<i>265,300</i>

FY 2018 Program Maintenance					
Agency Request	142.00	13,914,900	1,319,800	0	15,234,700
<i>Governor's Recommendation</i>	<i>142.00</i>	<i>14,005,500</i>	<i>1,332,700</i>	<i>0</i>	<i>15,338,200</i>

Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. Wireless Access

This line item request is for \$254,000 from the General Fund to provide wireless network access at all department locations and facilities. According to the department, this request would serve department staff, as well as that of partnering agencies, by allowing controlled wireless network access for the performance of day-to-day business. Installation would be performed by a contractor but existing IT staff would configure and support the wireless network infrastructure going forward. One-time amounts include \$107,000 in operating expenditures for the purchase of 185 wireless access points; \$60,000 in operating expenditures for installation of the wireless access points; and \$75,000 in capital outlay for a wireless controller. Ongoing amounts include \$12,000 in operating expenditures for a hardware and maintenance agreement.

Agency Request	0.00	254,000	0	0	254,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>254,000</i>	<i>0</i>	<i>0</i>	<i>254,000</i>

12. MS Office Subscriptions

The department requests \$463,800 in ongoing operating expenditures from the General Fund to purchase cloud-based subscriptions for Microsoft Word, Excel, Powerpoint, Exchange, Sharepoint, and Skype. According to the agency, its staff are currently using Microsoft programs that are three releases behind the current offering. Further, Microsoft may forego standalone tools and one-time software updates for ongoing annual subscriptions. This request was made at the recommendation of the Department of Administration's Office of the Chief Information Officer.

Agency Request	0.00	463,800	0	0	463,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>463,800</i>	<i>0</i>	<i>0</i>	<i>463,800</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	300	0	0	300
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>300</i>	<i>0</i>	<i>0</i>	<i>300</i>

FY 2018 Total					
Agency Request	142.00	14,633,000	1,319,800	0	15,952,800
<i>Governor's Recommendation</i>	<i>142.00</i>	<i>14,723,600</i>	<i>1,332,700</i>	<i>0</i>	<i>16,056,300</i>

Agency Request					
Change from Original App	0.00	701,400	(34,800)	0	666,600
% Change from Original App	0.0%	5.0%	(2.6%)		4.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>792,000</i>	<i>(21,900)</i>	<i>0</i>	<i>770,100</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>5.7%</i>	<i>(1.6%)</i>		<i>5.0%</i>

State Prisons

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Prisons Administration	1,922,300	1,735,800	4,197,000	4,014,900	4,037,100
ISCI - Boise	26,219,400	26,066,900	28,931,600	28,684,600	28,898,000
ISCC - Boise	26,296,300	27,238,400	28,469,900	28,504,000	28,664,400
ICI - Orofino	10,529,400	9,404,500	11,673,800	11,679,800	11,743,200
IMSI - Boise	11,461,300	11,437,600	12,313,100	12,823,100	12,914,800
NICI - Cottonwood	5,844,300	5,911,800	6,356,000	6,289,600	6,334,700
SICI - Boise	9,538,300	9,093,700	10,827,800	11,114,400	11,146,500
SAWC	3,954,600	3,710,400	4,385,700	4,349,000	4,384,400
PWCC	6,880,500	6,606,000	7,660,900	7,539,800	7,599,700
SBWCC	3,641,100	3,674,700	4,109,200	4,297,700	4,329,100
Total:	106,287,500	104,879,800	118,925,000	119,296,900	120,051,900
BY FUND CATEGORY					
General	96,288,300	96,301,900	106,710,400	107,019,900	107,726,700
Dedicated	9,581,000	8,160,300	10,971,300	11,032,000	11,073,400
Federal	418,200	417,600	1,243,300	1,245,000	1,251,800
Total:	106,287,500	104,879,800	118,925,000	119,296,900	120,051,900
Percent Change:		(1.3%)	13.4%	0.3%	0.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	83,037,600	82,030,200	92,511,400	93,491,600	94,381,300
Operating Expenditures	20,850,300	20,225,100	22,620,800	22,971,100	22,960,200
Capital Outlay	2,399,600	2,624,500	3,792,800	2,834,200	2,710,400
Total:	106,287,500	104,879,800	118,925,000	119,296,900	120,051,900
Full-Time Positions (FTP)	1,407.50	1,407.50	1,420.50	1,420.50	1,420.50

Division Description

State Prisons includes 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.

PRISONS ADMINISTRATION: This program ensures compliance with all policies and procedures, and state and federal guidelines.

IDAHO STATE CORRECTIONAL INSTITUTION (ISCI): This is the department's oldest and largest facility. It is the primary facility for long-term male, medium-custody offenders. It also has special-use beds for infirmary, outpatient mental health, and geriatric offenders.

SOUTH IDAHO CORRECTIONAL INSTITUTION (SICI): This is a working facility, which houses male minimum-custody offenders in a dormitory setting. Every offender is assigned a job and is expected to work, whether inside or outside the facility compound. Road crews for the Idaho Transportation Department and fire fighting crews for the U.S. Forest Service are located here. SICI also operates the final pre-release program for female offenders paroling from the system.

IDAHO MAXIMUM SECURITY INSTITUTION (IMSI): This facility opened in 1989 to confine Idaho's most violent offenders. The compound is located within a double perimeter fence reinforced with razor wire and an electronic detection system. IMSI has restrictive housing beds dedicated to administrative segregation, disciplinary detention, and death row. The remaining beds are allocated for close-custody general population offenders. The facility also houses offenders with acute mental health issues to include civil commitments.

State Prisons

Analyst: Hoskins

Historical Summary

SOUTH BOISE WOMEN'S CORRECTIONAL CENTER (SBWCC): This facility opened in 2002 at the site of a former community work center. It is a program-specific, minimum-custody facility designed for female offenders sentenced to a retained jurisdiction commitment by the court. It provides a sentencing alternative for the courts to target those offenders who might, after a period of programming and evaluation, be viable candidates for probation rather than incarceration.

IDAHO CORRECTIONAL INSTITUTION - OROFINO (ICIO): This facility is located on the grounds of State Hospital North. It is a standard prison designed for male offenders of all custody levels. This facility also houses protective custody offenders. Offender work programs, including correctional industries, are coordinated with schooling, counseling, and recreational opportunities.

NORTH IDAHO CORRECTIONAL INSTITUTION (NICI): This facility is a former military radar station north of Cottonwood. This is a program-specific prison designed for male offenders sentenced to a retained jurisdiction commitment by the court. It provides a sentencing alternative for the courts to target those offenders who might, after a period of programming and evaluation, be viable candidates for probation rather than incarceration.

ST. ANTHONY WORK CAMP (SAWC): This work camp, located in St. Anthony, is designed for low-risk, minimum- and community-custody male offenders. The program focus is to provide a work therapy program offering full-time, constructive, paid employment to offenders through contracted work and public service projects with government agencies, non-profit organizations, and private employers. The program helps offenders develop good work habits, a positive work ethic, and marketable work skills while providing a financial resource to meet immediate and future needs.

POCATELLO WOMEN'S CORRECTIONAL CENTER (PWCC): This 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.

IDAHO STATE CORRECTIONAL CENTER (ISCC): This facility opened in 2000 as the first state-owned, privately run prison. It was built on state property by the Corrections Corp. of America (CCA) and run by CCA until July 1, 2014, at which time the Department of Correction assumed full management and operation. It houses close-custody, medium- and minimum-custody male offenders. The safe operating capacity at this facility is 2,136.

State Prisons

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	1,420.50	106,710,400	118,925,000	1,420.50	106,710,400	118,925,000
Noncognizable Funds and Transfers	(1.00)	0	0	(1.00)	0	0
FY 2017 Estimated Expenditures	1,419.50	106,710,400	118,925,000	1,419.50	106,710,400	118,925,000
Removal of One-Time Expenditures	0.00	(4,435,300)	(6,387,900)	0.00	(4,435,300)	(6,387,900)
Base Adjustments	(2.00)	(348,500)	(472,100)	(2.00)	(348,500)	(472,100)
FY 2018 Base	1,417.50	101,926,600	112,065,000	1,417.50	101,926,600	112,065,000
Benefit Costs	0.00	1,625,600	1,717,400	0.00	1,144,500	1,209,400
Inflationary Adjustments	0.00	197,500	200,800	0.00	197,500	200,800
Replacement Items	0.00	1,521,200	2,814,700	0.00	1,386,500	2,680,000
Statewide Cost Allocation	0.00	209,500	213,600	0.00	209,500	213,600
Change in Employee Compensation	0.00	676,100	718,900	0.00	2,037,500	2,165,000
FY 2018 Program Maintenance	1,417.50	106,156,500	117,730,400	1,417.50	106,902,100	118,533,800
2. Match Instructor Pay to Public Schools	0.00	282,500	422,600	0.00	247,800	377,300
3. Paid Overtime	0.00	669,600	715,600	0.00	669,600	715,600
4. Instructor & Clinician	2.00	163,700	163,700	2.00	159,600	159,600
6. Training Savings	0.00	(255,000)	(255,000)	0.00	(255,000)	(255,000)
7. Voc Work Prog Expansion	1.00	0	107,400	1.00	0	108,400
8. Wastewater Treatment	0.00	0	129,600	0.00	0	129,600
9. Range Expansion	0.00	0	280,000	0.00	0	280,000
Cybersecurity Insurance	0.00	2,600	2,600	0.00	2,600	2,600
FY 2018 Total	1,420.50	107,019,900	119,296,900	1,420.50	107,726,700	120,051,900
Change from Original Appropriation	0.00	309,500	371,900	0.00	1,016,300	1,126,900
% Change from Original Appropriation		0.3%	0.3%		1.0%	0.9%

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	1,420.50	106,710,400	10,971,300	1,243,300	118,925,000

Noncognizable Funds and Transfers

This adjustment reflects a net-zero transfer of 1.00 FTP (with no associated personnel costs) from Prisons Administration to Community Supervision in order to align the appropriation with the department's internal FTP allocation.

Agency Request	(1.00)	0	0	0	0
<i>Governor's Recommendation</i>	(1.00)	0	0	0	0

FY 2017 Estimated Expenditures	1,419.50	106,710,400	10,971,300	1,243,300	118,925,000
<i>Governor's Recommendation</i>	1,419.50	106,710,400	10,971,300	1,243,300	118,925,000

Removal of One-Time Expenditures

Agency Request	0.00	(4,435,300)	(1,936,600)	(16,000)	(6,387,900)
<i>Governor's Recommendation</i>	0.00	(4,435,300)	(1,936,600)	(16,000)	(6,387,900)

Base Adjustments

Adjustments include the net-zero reallocation of several FTP and associated personnel costs related to the department's FY 2016 reorganization. Of the FTP to be transferred to or from State Prisons, 1.00 FTP would be transferred from Management Services to Idaho Maximum Security Institution; 1.00 FTP would be transferred from South Idaho Correctional Institution to Idaho State Correctional Institution; 1.00 FTP would be transferred from South Idaho Correctional Institution to South Boise Women's Correctional Center; 1.00 FTP would be transferred from Community Work Centers to Prisons Administration; 1.00 FTP would be transferred from Idaho State Correctional Center to Management Services; 1.00 FTP would be transferred from Pocatello Women's Correctional Center to Management Services; 1.00 FTP would be transferred from Idaho State Correctional Center to St. Anthony Work Camp; 1.00 FTP would be transferred from Prisons Administration to Management Services; and 1.00 FTP would be transferred from South Boise Women's Correctional Center to Management Services.

Also included is a request for the net-zero transfer of General Fund operating expenditures, in the amount of \$315,800, from Prisons Administration to Community Supervision. According to the department, its FY 2017 request to defund Offender Programs erroneously allocated this amount to Prisons Administration. This decision unit also requests the net-zero transfer of \$54,100 in operating expenditures in the Inmate Labor Fund from Prisons Administration to Community Supervision to be used for the "Re-norming" of the LSI-R assessment tool.

Next, this decision unit requests the net-zero transfer of General Fund operating expenditures, in the amount of \$114,000, from Idaho State Correctional Center to South Idaho Correctional Institution (SICI) for shared maintenance operations that are managed out of SICI.

Lastly, this decision unit requests the net-zero transfer of General Fund operating expenditures, in the amount of \$25,000, collectively from the various state prisons to Prisons Administration for the costs associated with the department's specialty teams (e.g., Correctional Emergency Response Team, Crisis Negotiation Team, Critical Incident Stress Management Team, K-9 Handlers, Honor Guard, and Fire Team), which are managed out of Prisons Administration.

Agency Request	(2.00)	(348,500)	(123,600)	0	(472,100)
<i>Governor's Recommendation</i>	(2.00)	(348,500)	(123,600)	0	(472,100)

FY 2018 Base	1,417.50	101,926,600	8,911,100	1,227,300	112,065,000
<i>Governor's Recommendation</i>	1,417.50	101,926,600	8,911,100	1,227,300	112,065,000

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	1,625,600	80,800	11,000	1,717,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
Governor's Recommendation	0.00	1,144,500	57,100	7,800	1,209,400
Inflationary Adjustments					
The department's request for general inflation includes \$159,700 for institutional and residential supplies; \$10,300 for specific use supplies; and \$30,800 for utility charges, for a total of \$200,800. Of the total amount requested, \$197,500 is from the General Fund and \$3,300 is from the Inmate Labor Fund.					
Agency Request	0.00	197,500	3,300	0	200,800
Governor's Recommendation	0.00	197,500	3,300	0	200,800
Replacement Items					
Requested replacement items include \$134,200 for radio equipment; \$1,300 for training supplies; \$38,700 for building services; \$66,600 for office equipment; \$6,600 for personal computer hardware; \$133,600 for other institutional and residential supplies; \$15,400 for minor tools; \$9,800 for enforcement supplies; \$50,900 for improvements; \$214,400 for building improvements; \$31,500 for other computer equipment; \$48,000 for agriculture equipment; \$65,000 for construction and engineering; \$754,200 for automobiles and light trucks; \$54,500 for small motorized equipment; \$34,500 for office machines; \$746,400 for household appliances and equipment; \$114,700 for heating and air conditioning; \$14,300 for flooring; \$48,500 for law enforcement equipment; \$16,800 for shop and plant equipment; \$65,700 for communication equipment; \$4,900 for electrical and photo equipment; and \$144,200 for other specific use equipment. Of the total amount, \$1,521,200 is from the General Fund, \$172,200 is from the Inmate Labor Fund; \$461,100 is from the Miscellaneous Revenue Fund; and \$660,200 is from the Penitentiary Endowment Income Fund.					
Agency Request	0.00	1,521,200	1,293,500	0	2,814,700
<i>The Governor does not recommend the following replacement items: one SUV (ICIO); wrestling mats and training furniture (IMSI); one SUV and one UTV (ISCC); one floor buffer (ISCI); and one truck and furniture (SIC).</i>					
Governor's Recommendation	0.00	1,386,500	1,293,500	0	2,680,000
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$213,600.					
Agency Request	0.00	209,500	4,100	0	213,600
Governor's Recommendation	0.00	209,500	4,100	0	213,600
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	676,100	37,800	5,000	718,900
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$9,800 for that purpose.</i>					
Governor's Recommendation	0.00	2,037,500	112,500	15,000	2,165,000
FY 2018 Program Maintenance					
Agency Request	1,417.50	106,156,500	10,330,600	1,243,300	117,730,400
Governor's Recommendation	1,417.50	106,902,100	10,381,600	1,250,100	118,533,800

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Match Instructor Pay to Public Schools		Admin, ISCI, ISCC, ICIO, NICI, SICI, PWCC, SBWCC			
<p>The department requests ongoing personnel costs, in the amount of \$282,500 from the General Fund and \$140,100 from the Miscellaneous Revenue Fund, in order to provide pay raises to the department's instructors that correspond with those received by instructional staff in the public school setting. The Legislature created a career ladder compensation system, which sets pay based on achieving performance criteria and maintaining professional certifications. Funding to school districts for their instructors is determined through a statutory formula. The department's instructors do hold certificates but are classified state employees and not equivalent to public school teachers for pay progression. The instructors are at paygrade K with an annual starting salary of \$35,901 and a maximum salary of \$64,085. While there are differences between instructional staff working for school districts and those for the state in the correctional setting, the department's methodology behind this request plots its instructors within the appropriate cohort, based on education levels, years of teaching experience, achievements, and premiums, as if they were subject to the career ladder. This proposal would provide the department with a General Fund appropriation to support structuring its instructors' pay progression as if they were subject to the career ladder. The agency has 29 instructor positions. The total estimated cost would be \$739,700 from all funds over three years (\$422,600 in FY 2018, \$110,200 in FY 2019, and \$206,900 in FY 2020).</p>					
Agency Request	0.00	282,500	140,100	0	422,600
<i>The Governor recommends increased funding for instructor pay. However, the recommendation has been adjusted downward to account for the 3% CEC.</i>					
Governor's Recommendation	0.00	247,800	129,500	0	377,300
3. Paid Overtime		State Prisons, Comm Supervision & Comm Work Centers			
<p>The department requests \$715,600 in ongoing personnel costs in order to pay overtime wages to its security staff as an alternative to allowing comp time to accrue. When actual hours worked exceed the permissible threshold, they convert to comp at 1.5 times the actual hours. Eight hours of overtime worked equates to 12 hours of comp accrued. At certain intervals, comp converts to what is known as prior six-month comp (PSM comp) where it must be used by the employee or paid by the employer at the end of the six-month period. For example, if Officer A has PSM comp remaining, he or she may be removed from the schedule to use eight hours of PSM comp prior to the deadline by which it must be paid. If Officer B is then held over to cover that post, he or she could potentially accrue 12 hours of new comp for the sake of using eight hours of Officer A's PSM comp. The department's goal is to pay out PSM comp, as opposed to using it, in order to stop the cycle of excessive PSM comp accrual. Of the total amount requested for this division, \$669,600 is from the General Fund, \$32,300 is from the Inmate Labor Fund, \$12,000 is from the Miscellaneous Revenue Fund, and \$1,700 is from the Federal Grant Fund.</p>					
Agency Request	0.00	669,600	44,300	1,700	715,600
Governor's Recommendation	0.00	669,600	44,300	1,700	715,600
4. Instructor & Clinician		Idaho Maximum Security Institution - Boise			
<p>The department requests 2.00 FTP and \$163,700 from the General Fund to hire an instructor and a clinician to support its restrictive housing reforms at IMSI. These reforms include: increasing the amount of out-of-cell time for inmates; reducing the number of inmates in long term administrative segregation by limiting it to those that pose a danger to other inmates or staff; and providing education and programming opportunities. Currently, the department has just one clinical supervisor and two clinicians on staff at IMSI to provide care for 516 offenders. Furthermore, there is currently no educational program at IMSI. Thus, the requested positions would supplement the existing clinical staff and allow the department to provide educational programming. Of the total amount requested, \$147,800 is in ongoing personnel costs for salary and benefits; \$3,700 is in ongoing operating expenditures for training, computer supplies, medical supplies, and liability insurance; and \$12,200 is in one-time operating expenditures for radios, office furniture, and computer equipment and software.</p>					
Agency Request	2.00	163,700	0	0	163,700
<i>Salary reflects recommended amounts for instructor pay, new pay schedule, and health insurance cost reduction.</i>					
Governor's Recommendation	2.00	159,600	0	0	159,600

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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6. Training Savings

Prisons Administration

This decision unit reduces the department's General Fund appropriation by \$255,000 in ongoing operating expenditures. The department originally received an ongoing appropriation of \$500,000 for FY 2015 to provide training related to the Justice Reinvestment Initiative (JRI). However, in FY 2016, the department discovered that it only needed \$295,000 for JRI-related training and ultimately received a supplemental appropriation that transferred \$205,000 in training funds from Community Supervision to Prisons Administration to provide training on substance abuse and sex offender program curricula in FY 2016 and FY 2017. The transfer was made with the expectation that the department would reduce its appropriation by \$205,000 in FY 2018. The department has since identified an additional \$50,000 in savings resulting from the use of non-proprietary programs to be removed along with the \$205,000 in training funds, for a total ongoing reduction of \$255,000.

Agency Request	0.00	(255,000)	0	0	(255,000)
Governor's Recommendation	0.00	(255,000)	0	0	(255,000)

7. Voc Work Prog Expansion

South Boise Women's Correctional Center

This request is for 1.00 FTP and \$107,400 from the Inmate Labor Fund to hire a correctional corporal to expand the department's vocational work program to the South Boise Women's Correctional Center. The department currently operates vocational work programs at four other facilities. The program requested here would perform public conservation projects, such as fire prevention and control; recreational area development; fish and game management; agricultural labor; and general labor for other state agencies and non-profit organizations. Cash to support the appropriation would come from revenue generated by the vocational work programs department-wide. Of the total amount requested, \$58,900 in ongoing personnel costs is for salary and benefits; \$45,500 in ongoing operating expenditures is for communication costs, training, repairs, maintenance, fuel, supplies, insurance, and offender pay; and \$3,000 in one-time operating expenditures is for three radios.

Agency Request	1.00	0	107,400	0	107,400
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	108,400	0	108,400
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8. Wastewater Treatment

South Idaho Correctional Institution - Boise

The agency requests \$129,600 from the Inmate Labor Fund to support its wastewater activities at the South Boise Correctional Complex (SBCC). The department operates three wastewater systems at the SBCC under the regulatory authority of the Idaho Department of Environmental Quality. The department's permits allow annual application of treated wastewater on 82 acres of land from March 15 through September 30 each year. The department is required to grow and harvest a sustainable crop to offset the high levels of nitrogen introduced through the treated waste water. During the irrigation period, the department is required to conduct daily testing of water for coliform levels, monthly sampling of soils and regional test wells for nitrate levels, sampling from each crop harvested, and annual reporting of all data for each site. To help offset the costs of operating and maintaining the wastewater systems, the department proposes to generate revenue by harvesting the crops and selling them at auction. This line item would provide the appropriation needed to spend the funds generated. Of the total amount requested, \$113,900 in ongoing operating expenditures would be used to operate and maintain harvesting testing equipment; and \$15,700 in one-time capital outlay would be used to purchase an ATV and four chlorine pumps.

Agency Request	0.00	0	129,600	0	129,600
Governor's Recommendation	0.00	0	129,600	0	129,600

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. Range Expansion

Prisons Administration

This request is for \$280,000 from the Miscellaneous Revenue Fund to expand the firing range located at the South Boise Correctional Complex (SBCC). The range was built in the 1970s and has since grown from a single firing line to four separate ranges. The range is jointly managed by the department, Idaho State Police, and the Peace Officers Standards and Training (POST) Academy (“host agencies”) and, along with several other “guest agencies,” is used for firearms training and requalification. The proposed expansion would include additional parking, one 200-yard rifle range, one 100-yard multi-purpose weapons range, and three 30-yard pistol bays. Historically, maintenance costs associated with the range have been paid by revenue derived from annual fees assessed to host and guest agencies, as well as from the recycling of metal from expended ammunition. However, such revenue has only generated an average of \$16,600 per year over the last four fiscal years, and is inadequate to fund the proposed expansion. Of the total amount requested, \$250,000 is in one-time capital outlay for the expansion costs and \$30,000 is in ongoing operating expenditures for maintenance costs associated with replacement of gravel, backstops, and signage. The source of the funds requested here is revenue generated by the sale of items to offenders from the prison commissaries, vending machines, recycling, telephone calls, laundry fees, and interest income; the sale of used vehicles and equipment, fees charged for photocopying, and refunds; and miscellaneous revenue generated by conducting employee background checks.

Agency Request	0.00	0	280,000	0	280,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>280,000</i>	<i>0</i>	<i>280,000</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	2,600	0	0	2,600
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,600</i>	<i>0</i>	<i>0</i>	<i>2,600</i>

FY 2018 Total					
Agency Request	1,420.50	107,019,900	11,032,000	1,245,000	119,296,900
<i>Governor's Recommendation</i>	<i>1,420.50</i>	<i>107,726,700</i>	<i>11,073,400</i>	<i>1,251,800</i>	<i>120,051,900</i>

Agency Request					
Change from Original App	0.00	309,500	60,700	1,700	371,900
% Change from Original App	0.0%	0.3%	0.6%	0.1%	0.3%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>1,016,300</i>	<i>102,100</i>	<i>8,500</i>	<i>1,126,900</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>0.7%</i>	<i>0.9%</i>

County & Out-of-State Placement

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	14,372,500	12,937,700	11,460,000	7,374,400	7,374,400
Percent Change:		(10.0%)	(11.4%)	(35.7%)	(35.7%)
BY OBJECT OF EXPENDITURE					
Operating Expenditures	14,372,500	12,937,700	11,460,000	7,374,400	7,374,400

Division Description

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.

County & Out-of-State Placement

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	11,460,000	11,460,000	0.00	11,460,000	11,460,000
1. County Bed Utilization	0.00	(4,289,400)	(4,289,400)	0.00	(4,289,400)	(4,289,400)
FY 2017 Total Appropriation	0.00	7,170,600	7,170,600	0.00	7,170,600	7,170,600
Base Adjustments	0.00	203,800	203,800	0.00	203,800	203,800
FY 2018 Base	0.00	7,374,400	7,374,400	0.00	7,374,400	7,374,400
FY 2018 Total	0.00	7,374,400	7,374,400	0.00	7,374,400	7,374,400
Change from Original Appropriation	0.00	(4,085,600)	(4,085,600)	0.00	(4,085,600)	(4,085,600)
% Change from Original Appropriation		(35.7%)	(35.7%)		(35.7%)	(35.7%)

County & Out-of-State Placement

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	11,460,000	0	0	11,460,000

1. County Bed Utilization

This decision unit reduces the department's General Fund appropriation by \$4,289,400 in ongoing operating expenditures in order to align its FY 2017 County & Out-of-State Placement budget with updated offender forecasts and bed utilization estimates. Out-of-state beds are utilized to house offenders when the right bed is unavailable, or if facilities are too full. However, no out-of-state-beds are currently utilized. At the time the budget was set for FY 2017, the department estimated an average daily count of 660 inmates, at the rate of \$47.50 per inmate per day, for 365 days in FY 2017. Now, the department estimates an average daily count of 413 inmates, at the rate of \$47.50 per inmate per day, for 365 days. These initial estimates fluctuate on a month-to-month basis as bed counts are updated. Thus, by the time the budget is set for this division, the actual amount needed (or not needed) may be different than the amount listed here.

Agency Request	0.00	(4,289,400)	0	0	(4,289,400)
<i>Governor's Recommendation</i>	0.00	(4,289,400)	0	0	(4,289,400)

FY 2017 Total Appropriation					
Agency Request	0.00	7,170,600	0	0	7,170,600
<i>Governor's Recommendation</i>	0.00	7,170,600	0	0	7,170,600

Base Adjustments

Of the total rescission amount of \$4,289,400 in FY 2017, \$203,800 is restored for FY 2018 as a base adjustment to align the appropriation with updated FY 2018 offender forecasts and bed utilization estimates.

Agency Request	0.00	203,800	0	0	203,800
<i>Governor's Recommendation</i>	0.00	203,800	0	0	203,800

FY 2018 Base					
Agency Request	0.00	7,374,400	0	0	7,374,400
<i>Governor's Recommendation</i>	0.00	7,374,400	0	0	7,374,400

FY 2018 Total					
Agency Request	0.00	7,374,400	0	0	7,374,400
<i>Governor's Recommendation</i>	0.00	7,374,400	0	0	7,374,400

Agency Request					
Change from Original App	0.00	(4,085,600)	0	0	(4,085,600)
% Change from Original App		(35.7%)			(35.7%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	(4,085,600)	0	0	(4,085,600)
% Change from Original App		(35.7%)			(35.7%)

Correctional Alternative Placement

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	8,917,200	8,815,600	9,548,200	9,601,800	9,601,800
Dedicated	200,000	58,300	200,000	200,000	200,000
Total:	9,117,200	8,873,900	9,748,200	9,801,800	9,801,800
Percent Change:		(2.7%)	9.9%	0.5%	0.5%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	8,224,200	7,981,000	8,855,200	8,807,900	8,807,900
Capital Outlay	893,000	892,900	893,000	993,900	993,900
Total:	9,117,200	8,873,900	9,748,200	9,801,800	9,801,800

Division Description

The 432-bed Correctional Alternative Placement Program (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 helps probation and parole officers more effectively manage their offenders and it will help improve the transition of offenders from prison to the community.

Funding for CAPP was approved in 2006, but the change in governors and subsequent changes in directors slowed progress on the request for proposal. The contractor proposed a capital lease that would allow the state to own the building at the end of the contract. According to the department, this lease-purchase saves the state money compared to a straight lease throughout the life of the contract. The main savings will come from federal income tax avoidance in the financing and these savings are being passed through to the state. It should also be noted that, had the state opted to build this facility through municipal bonding, the state's cost would have been even less.

The Legislature opted into the capital lease arrangement with the passage of SCR124 in 2008. This granted the State Board of Correction and the Division of Public Works authority to enter into a lease-purchase agreement for the CAPP facility with Management and Training Corporation and MTC Corrections Holding, LLC, for a maximum cost of \$50,416,900 over the twenty-year period of the lease-purchase agreement. The groundbreaking ceremony was held Friday, July 18, 2008 on the sited property at Pleasant Valley and Kuna-Mora Road south of Boise. This facility was completed and operational in July 2010.

The facility provides reentry and diversionary programming to help offenders with substance abuse or cognitive issues before being released in the community. This is an intensive programming facility that provides fulltime program participation to the offenders housed there. Reentry offenders move to CAPP from other facilities to receive a 120-day, intensive reentry program that includes multiple cognitive and substance abuse programs. Parole violators receive a 90-day intensive cognitive and substance abuse program to divert them from returning to prison, with successful participants generally reinstated to parole. Retained jurisdiction offenders are those who are failing on probation and receive an intensive 90-day cognitive and substance abuse program. Those court retained jurisdiction offenders that successfully complete the CAPP program are generally placed on probation.

Correctional Alternative Placement

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	9,548,200	9,748,200	0.00	9,548,200	9,748,200
2. CAPP Bed Utilization	0.00	(184,500)	(184,500)	0.00	(184,500)	(184,500)
FY 2017 Total Appropriation	0.00	9,363,700	9,563,700	0.00	9,363,700	9,563,700
Base Adjustments	0.00	184,500	184,500	0.00	184,500	184,500
FY 2018 Base	0.00	9,548,200	9,748,200	0.00	9,548,200	9,748,200
10. Per Diem, Bldg Maint, Property Taxes	0.00	53,600	53,600	0.00	53,600	53,600
FY 2018 Total	0.00	9,601,800	9,801,800	0.00	9,601,800	9,801,800
Change from Original Appropriation	0.00	53,600	53,600	0.00	53,600	53,600
% Change from Original Appropriation		0.6%	0.5%		0.6%	0.5%

Correctional Alternative Placement

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	9,548,200	200,000	0	9,748,200

2. CAPP Bed Utilization

This decision unit reduces the department's FY 2017 General Fund appropriation by \$184,500 in one-time operating expenditures in order to align its Correctional Alternative Placement Program (CAPP) budget with updated offender forecasts and bed utilization estimates. At the time the budget was set for FY 2017, the department estimated the following costs: \$7,091,600 for per diem; \$2,456,600 for financing and service rent; and \$200,000 for maintenance reserve, for a total of \$9,748,200. The department now estimates the following costs: \$6,907,100 for per diem; \$2,456,600 for financing and service rent; and \$200,000 for maintenance reserve, for a total of \$9,563,700. This program's FY 2017 appropriation is \$9,748,200.

Agency Request	0.00	(184,500)	0	0	(184,500)
<i>Governor's Recommendation</i>	0.00	(184,500)	0	0	(184,500)

FY 2017 Total Appropriation					
Agency Request	0.00	9,363,700	200,000	0	9,563,700
<i>Governor's Recommendation</i>	0.00	9,363,700	200,000	0	9,563,700

Base Adjustments

The total rescission amount of \$184,500 in FY 2017 is restored for FY 2018 as a base adjustment to align the appropriation with updated FY 2018 offender forecasts and bed utilization estimates. Also, \$100,900 is transferred from operating expenditures to capital outlay for lease-purchase principal payments.

Agency Request	0.00	184,500	0	0	184,500
<i>Governor's Recommendation</i>	0.00	184,500	0	0	184,500

FY 2018 Base					
Agency Request	0.00	9,548,200	200,000	0	9,748,200
<i>Governor's Recommendation</i>	0.00	9,548,200	200,000	0	9,748,200

10. Per Diem, Bldg Maint, Property Taxes

The department is requesting a total of \$53,600 in ongoing operating expenditures from the General Fund to pay for anticipated increases in per diem rates, maintenance, and property taxes in the Correctional Alternative Placement Program (CAPP). Of the total amount, \$34,000 is for the 3% increase in the annual per diem rate, and \$19,600 is for increased building maintenance and property taxes. Per diem is expected to increase from \$46.74 per inmate day to \$48.14 for the first 388 inmates; and from \$27.03 per inmate day to \$27.84 for inmates in excess of 388. Total capacity at the facility is 432 beds.

Agency Request	0.00	53,600	0	0	53,600
<i>Governor's Recommendation</i>	0.00	53,600	0	0	53,600

FY 2018 Total					
Agency Request	0.00	9,601,800	200,000	0	9,801,800
<i>Governor's Recommendation</i>	0.00	9,601,800	200,000	0	9,801,800

Agency Request					
Change from Original App	0.00	53,600	0	0	53,600
% Change from Original App		0.6%	0.0%		0.5%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	53,600	0	0	53,600
% Change from Original App		0.6%	0.0%		0.5%

Community Corrections

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Community Supervision	23,110,000	22,162,000	26,441,000	28,695,500	28,965,200
Community Work Centers	5,017,200	5,031,800	5,854,000	5,793,200	5,832,200
Total:	28,127,200	27,193,800	32,295,000	34,488,700	34,797,400
BY FUND CATEGORY					
General	18,868,900	18,242,800	21,314,900	24,426,600	24,667,400
Dedicated	9,196,600	8,889,700	10,913,900	9,996,100	10,063,300
Federal	61,700	61,300	66,200	66,000	66,700
Total:	28,127,200	27,193,800	32,295,000	34,488,700	34,797,400
Percent Change:		(3.3%)	18.8%	6.8%	7.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	23,532,900	22,695,100	26,342,700	28,024,900	28,333,600
Operating Expenditures	4,026,600	3,878,300	4,161,900	5,412,700	5,412,700
Capital Outlay	567,700	620,400	1,790,400	1,051,100	1,051,100
Total:	28,127,200	27,193,800	32,295,000	34,488,700	34,797,400
Full-Time Positions (FTP)	378.35	378.35	392.35	419.35	419.35

Division Description

Community Corrections includes the supervision of probationers and parolees and the operation of community work centers throughout the state. Parole and probation officers and pre-sentence investigators work out of regional offices located in each of the seven judicial districts. Officers are mandated with the responsibility of supervising all probationers and parolees. Probationers are persons with a court sentence that does not involve confinement but does impose conditions, and parolees are offenders who have served a portion of their sentence in an institution and are selected for release by the Parole Commission while under the continued custody of the state. In addition, statutorily mandated pre-sentence reports are prepared to provide relevant information to the courts to assist the judge during sentencing, and are used in after-care by the Department of Correction. Residents of the community work centers in Boise, Nampa, and Idaho Falls are required to maintain employment. The program provides community services, employment counseling, and individual and family counseling.

Community Corrections

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	392.35	21,314,900	32,295,000	392.35	21,314,900	32,295,000
Noncognizable Funds and Transfers	1.00	0	0	1.00	0	0
FY 2017 Estimated Expenditures	393.35	21,314,900	32,295,000	393.35	21,314,900	32,295,000
Removal of One-Time Expenditures	0.00	(605,900)	(2,626,600)	0.00	(605,900)	(2,626,600)
Base Adjustments	2.00	379,900	522,600	2.00	379,900	522,600
FY 2018 Base	395.35	21,088,900	30,191,000	395.35	21,088,900	30,191,000
Benefit Costs	0.00	349,500	464,400	0.00	246,100	327,100
Inflationary Adjustments	0.00	12,800	22,200	0.00	12,800	22,200
Replacement Items	0.00	468,500	1,217,600	0.00	468,500	1,217,600
Statewide Cost Allocation	0.00	44,000	50,800	0.00	44,000	50,800
Change in Employee Compensation	0.00	158,100	209,100	0.00	474,300	627,100
FY 2018 Program Maintenance	395.35	22,121,800	32,155,100	395.35	22,334,600	32,435,800
1. Probation & Parole Staff	24.00	2,226,700	2,226,700	24.00	2,254,700	2,254,700
3. Paid Overtime	0.00	77,700	106,400	0.00	77,700	106,400
Cybersecurity Insurance	0.00	400	500	0.00	400	500
FY 2018 Total	419.35	24,426,600	34,488,700	419.35	24,667,400	34,797,400
Change from Original Appropriation	27.00	3,111,700	2,193,700	27.00	3,352,500	2,502,400
% Change from Original Appropriation		14.6%	6.8%		15.7%	7.7%

Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	392.35	21,314,900	10,913,900	66,200	32,295,000

Noncognizable Funds and Transfers

This adjustment reflects a net-zero transfer of 1.00 FTP (with no associated personnel costs) from Prisons Administration to Community Supervision in order to align the appropriation with the department's internal FTP allocation.

Agency Request	1.00	0	0	0	0
<i>Governor's Recommendation</i>	1.00	0	0	0	0

FY 2017 Estimated Expenditures	393.35	21,314,900	10,913,900	66,200	32,295,000
<i>Governor's Recommendation</i>	393.35	21,314,900	10,913,900	66,200	32,295,000

Removal of One-Time Expenditures

Agency Request	0.00	(605,900)	(2,018,800)	(1,900)	(2,626,600)
<i>Governor's Recommendation</i>	0.00	(605,900)	(2,018,800)	(1,900)	(2,626,600)

Base Adjustments

Adjustments include the net-zero reallocation of several FTP and associated personnel costs related to the department's FY 2016 reorganization. Of the FTP to be transferred to or from Community Corrections, 4.00 FTP would be transferred from Management Services to Community Supervision; 1.00 FTP would be transferred from Community Supervision to Management Services; 1.00 FTP would be transferred from Community Work Centers to Community Supervision; and 1.00 FTP would be transferred from Community Work Centers to Prisons Administration.

Also, this decision unit requests the net-zero transfer of General Fund operating expenditures in the amount of \$315,800 from Prisons Administration to Community Supervision. According to the department, its FY 2017 request to defund Offender Programs erroneously allocated this amount to Prisons Administration. This decision unit also requests the net-zero transfer of \$54,100 in operating expenditures in the Inmate Labor Fund from Prisons Administration to Community Supervision to be used for the "Re-norming" of the LSI-R assessment tool.

Agency Request	2.00	379,900	142,700	0	522,600
<i>Governor's Recommendation</i>	2.00	379,900	142,700	0	522,600

FY 2018 Base	395.35	21,088,900	9,037,800	64,300	30,191,000
<i>Governor's Recommendation</i>	395.35	21,088,900	9,037,800	64,300	30,191,000

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	349,500	113,700	1,200	464,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	246,100	80,100	900	327,100

Inflationary Adjustments

The department's request for general inflation includes \$6,200 for institutional and residential supplies; \$1,800 for specific use supplies; and \$1,400 for utility charges, for a total of \$9,400. Of the total amount requested for general inflation, \$7,600 is from the Inmate Labor Fund and \$1,800 is from the Parolee Supervision Fund. Contract inflation includes \$12,800 from the General Fund for office rent increases at various district and satellite offices.

Agency Request	0.00	12,800	9,400	0	22,200
<i>Governor's Recommendation</i>	0.00	12,800	9,400	0	22,200

Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

Requested replacement items include \$8,500 for training supplies; \$414,500 for building services; \$52,200 for non-capital office equipment; \$2,100 for peripheral equipment; \$12,000 for other institutional and residential supplies; \$71,300 for enforcement supplies; \$9,000 for building and improvements; \$410,500 for automobiles and light trucks; \$111,900 for heating and air conditioning; \$4,000 for flooring; \$96,600 for law enforcement equipment; and \$25,000 for communication equipment. Of the total amount requested, \$468,500 is from the General Fund, \$373,700 is from the Inmate Labor Fund, and \$375,400 is from the Parolee Supervision Fund.

Agency Request	0.00	468,500	749,100	0	1,217,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>468,500</i>	<i>749,100</i>	<i>0</i>	<i>1,217,600</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$50,800.

Agency Request	0.00	44,000	6,800	0	50,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>44,000</i>	<i>6,800</i>	<i>0</i>	<i>50,800</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	158,100	50,500	500	209,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$1,600 for that purpose.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>474,300</i>	<i>151,300</i>	<i>1,500</i>	<i>627,100</i>
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FY 2018 Program Maintenance

Agency Request	395.35	22,121,800	9,967,300	66,000	32,155,100
<i>Governor's Recommendation</i>	<i>395.35</i>	<i>22,334,600</i>	<i>10,034,500</i>	<i>66,700</i>	<i>32,435,800</i>

1. Probation & Parole Staff

Community Supervision

This line item request is for 24.00 FTP and \$2,226,700 from the General Fund in order to reduce the caseloads of probation and parole officers (PPOs). Pursuant to Section 20-219(4), Idaho Code, "caseloads for supervising officers who are supervising offenders determined by the department of correction's validated risk assessment to be high or moderate risk of rearrest should not exceed an average of fifty (50) offenders per supervising officer." This code section is reflective of evidence which suggests that increasing supervision levels for higher risk offenders, and correspondingly reducing supervision for lower risk offenders, results in lower recidivism rates. Currently, however, PPOs have "mixed" caseloads, in which they may supervise offenders with risk levels of low, low-moderate, high-moderate, and high. Under this model, PPOs currently have an average mixed caseload of approximately 68 offenders. The department's goal is to adopt a "focused supervision" model, in which PPOs have caseloads dedicated to one particular risk level or another. Under this model, the goal is to attain a ratio of offenders-to-PPOs as follows: dedicated high risk caseloads of 40:1; dedicated high-moderate caseloads of 40:1; dedicated low-moderate caseloads of 75:1; and dedicated low risk caseloads of 170:1. To this end, the department is requesting 24 PPOs in addition to its current 203. Of the total amount requested, \$1,545,700 in ongoing personnel costs is for salary and benefits; \$119,300 in ongoing operating expenditures is for cell phones, training, vehicle repair and maintenance services, travel, administrative supplies, fuel, uniforms, tactical gear, insurance, and office rent; \$167,600 in one-time operating expenditures is for office furniture, computer equipment, software, ballistic vests, meals, lodging, ammunition, physical training uniforms, a PPO academy, and graduation costs/awards; and \$394,100 in one-time capital outlay is for weapons, radio equipment, and 12 vehicles.

Agency Request	24.00	2,226,700	0	0	2,226,700
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

<i>Governor's Recommendation</i>	<i>24.00</i>	<i>2,254,700</i>	<i>0</i>	<i>0</i>	<i>2,254,700</i>
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Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Paid Overtime		State Prisons, Comm Supervision & Comm Work Centers			
<p>The department requests \$106,400 in ongoing personnel costs in order to pay overtime wages to its security staff as an alternative to allowing comp time to accrue. When actual hours worked exceed the permissible threshold, they convert to comp at 1.5 times the actual hours. Eight hours of overtime worked equates to 12 hours of comp accrued. At certain intervals, comp converts to what is known as prior six-month comp (PSM comp) where it must be used by the employee or paid by the employer at the end of the six-month period. For example, if Officer A has PSM comp remaining, he or she may be removed from the schedule to use eight hours of PSM comp prior to the deadline by which it must be paid. If Officer B is then held over to cover that post, he or she could potentially accrue 12 hours of new comp for the sake of using eight hours of Officer A's PSM comp. The department's goal is to pay out PSM comp, as opposed to using it, in order to stop the cycle of excessive PSM comp accrual. Of the total amount requested for this division, \$77,700 is from the General Fund, \$24,800 is from the Parolee Supervision Fund, and \$3,900 is from the Inmate Labor Fund.</p>					
Agency Request	0.00	77,700	28,700	0	106,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>77,700</i>	<i>28,700</i>	<i>0</i>	<i>106,400</i>
Cybersecurity Insurance		Community Supervision, Community Work Centers			
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	400	100	0	500
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>400</i>	<i>100</i>	<i>0</i>	<i>500</i>
FY 2018 Total					
Agency Request	419.35	24,426,600	9,996,100	66,000	34,488,700
<i>Governor's Recommendation</i>	<i>419.35</i>	<i>24,667,400</i>	<i>10,063,300</i>	<i>66,700</i>	<i>34,797,400</i>
Agency Request					
Change from Original App	27.00	3,111,700	(917,800)	(200)	2,193,700
% Change from Original App	6.9%	14.6%	(8.4%)	(0.3%)	6.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>27.00</i>	<i>3,352,500</i>	<i>(850,600)</i>	<i>500</i>	<i>2,502,400</i>
<i>% Change from Original App</i>	<i>6.9%</i>	<i>15.7%</i>	<i>(7.8%)</i>	<i>0.8%</i>	<i>7.7%</i>

Community-Based Substance Abuse Treatment

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Offender Programs	4,033,800	3,385,200	0	0	0
Community-Based Substance Abuse	9,831,200	9,567,200	9,671,100	7,805,800	7,821,300
Total:	13,865,000	12,952,400	9,671,100	7,805,800	7,821,300
BY FUND CATEGORY					
General	10,483,100	10,035,200	7,811,900	7,805,800	7,821,300
Dedicated	2,335,000	2,270,000	1,859,200	0	0
Federal	1,046,900	647,200	0	0	0
Total:	13,865,000	12,952,400	9,671,100	7,805,800	7,821,300
Percent Change:		(6.6%)	(25.3%)	(19.3%)	(19.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,039,600	3,547,500	1,367,100	1,358,500	1,374,000
Operating Expenditures	1,679,900	1,260,200	158,500	161,000	161,000
Trustee/Benefit	6,286,300	6,285,600	6,286,300	6,286,300	6,286,300
Lump Sum	1,859,200	1,859,100	1,859,200	0	0
Total:	13,865,000	12,952,400	9,671,100	7,805,800	7,821,300
Full-Time Positions (FTP)	53.00	53.00	18.00	18.00	18.00

Division Description

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. The information from these assessments is used to format a rehabilitation program to address each offender's identified risk and needs. The ultimate goal of correctional programming is to reduce recidivism. Providing opportunities for offenders to live a crime-free and drug-free lifestyle through programming accomplishes this goal and provides for safer communities.

The basis of quality treatment and education is twofold: assessments and case plans. Case plans prioritize offender needs and create a plan for accountability that can lead to successful reintegration into Idaho communities. A continuum of core programs is identified and implemented throughout the correctional system and in the community.

In the community, the department provides coordination and assessment of community-based substance use disorder treatment and recovery support services for felony offenders. It serves felony offenders who benefit from delivery of substance use disorder treatment in the community, rather than through incarceration and service delivery in a state facility. By delivering evidence-based treatment via private community providers, offenders accessing services are at a reduced risk to reoffend with a corresponding cost avoidance to the state in reduced incarceration rates.

This function was historically funded through the Education & Treatment Division, which was composed of two budgeted programs: (a) Offender Programs; and (b) Community-Based Substance Abuse Treatment. For FY 2017, however, the department requested to decentralize Offender Programs. Ultimately, the Legislature reallocated 35.00 FTP and five temporary positions, along with their associated personnel costs and operating expenditures, among other budgeted programs within the department. The department requested this decentralization because a review of its division structure and its positions in headquarters highlighted confusion in lines of communication and reporting, as well as redundancy of effort across divisional lines. Thus, the Education & Treatment Division was renamed as Community-Based Substance Abuse Treatment. It contains one budgeted program with the same name.

Community-Based Substance Abuse Treatment

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	18.00	7,811,900	9,671,100	18.00	7,811,900	9,671,100
3. SUD Services	0.00	0	36,500	0.00	0	36,500
FY 2017 Total Appropriation	18.00	7,811,900	9,707,600	18.00	7,811,900	9,707,600
Removal of One-Time Expenditures	0.00	(41,500)	(1,937,200)	0.00	(41,500)	(1,937,200)
FY 2018 Base	18.00	7,770,400	7,770,400	18.00	7,770,400	7,770,400
Benefit Costs	0.00	21,900	21,900	0.00	15,400	15,400
Statewide Cost Allocation	0.00	2,500	2,500	0.00	2,500	2,500
Change in Employee Compensation	0.00	11,000	11,000	0.00	33,000	33,000
FY 2018 Total	18.00	7,805,800	7,805,800	18.00	7,821,300	7,821,300
Change from Original Appropriation	0.00	(6,100)	(1,865,300)	0.00	9,400	(1,849,800)
% Change from Original Appropriation		(0.1%)	(19.3%)		0.1%	(19.1%)

Community-Based Substance Abuse Treatment

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	18.00	7,811,900	1,859,200	0	9,671,100

3. SUD Services

The department requests \$36,500 in one-time trustee & benefit payments from the Substance Abuse Treatment Fund in order to provide substance use disorder services to offenders. In FY 2014 the department received a one-time statutory transfer of \$943,400 to provide substance use disorder treatment services to offenders. A cash balance remains in the Substance Abuse Treatment Fund due to encumbrance liquidations that were less than expected. As such, the department requests the one-time appropriation to utilize this cash balance. According to the department, this request would provide services to approximately 15-20 offenders.

Agency Request	0.00	0	36,500	0	36,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>36,500</i>	<i>0</i>	<i>36,500</i>

FY 2017 Total Appropriation					
Agency Request	18.00	7,811,900	1,895,700	0	9,707,600
<i>Governor's Recommendation</i>	<i>18.00</i>	<i>7,811,900</i>	<i>1,895,700</i>	<i>0</i>	<i>9,707,600</i>

Removal of One-Time Expenditures

Agency Request	0.00	(41,500)	(1,895,700)	0	(1,937,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(41,500)</i>	<i>(1,895,700)</i>	<i>0</i>	<i>(1,937,200)</i>

FY 2018 Base					
Agency Request	18.00	7,770,400	0	0	7,770,400
<i>Governor's Recommendation</i>	<i>18.00</i>	<i>7,770,400</i>	<i>0</i>	<i>0</i>	<i>7,770,400</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	21,900	0	0	21,900
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>15,400</i>	<i>0</i>	<i>0</i>	<i>15,400</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$2,500.

Agency Request	0.00	2,500	0	0	2,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,500</i>	<i>0</i>	<i>0</i>	<i>2,500</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	11,000	0	0	11,000
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>33,000</i>	<i>0</i>	<i>0</i>	<i>33,000</i>

FY 2018 Total					
Agency Request	18.00	7,805,800	0	0	7,805,800
<i>Governor's Recommendation</i>	<i>18.00</i>	<i>7,821,300</i>	<i>0</i>	<i>0</i>	<i>7,821,300</i>

Community-Based Substance Abuse Treatment

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	(6,100)	(1,859,200)	0	(1,865,300)
% Change from Original App	0.0%	(0.1%)	(100.0%)		(19.3%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	9,400	(1,859,200)	0	(1,849,800)
% Change from Original App	0.0%	0.1%	(100.0%)		(19.1%)

Medical Services

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	40,753,400	40,123,200	41,554,200	43,421,400	43,421,400
Dedicated	135,000	135,000	3,241,100	135,000	135,000
Total:	40,888,400	40,258,200	44,795,300	43,556,400	43,556,400
Percent Change:		(1.5%)	11.3%	(2.8%)	(2.8%)
BY OBJECT OF EXPENDITURE					
Operating Expenditures	40,888,400	40,255,300	44,795,300	43,556,400	43,556,400
Capital Outlay	0	2,900	0	0	0
Total:	40,888,400	40,258,200	44,795,300	43,556,400	43,556,400

Division Description

The Medical Services Program 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 in 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.

Medical Services

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	41,554,200	44,795,300	0.00	41,554,200	44,795,300
4. Contract Healthcare Services	0.00	308,400	308,400	0.00	308,400	308,400
FY 2017 Total Appropriation	0.00	41,862,600	45,103,700	0.00	41,862,600	45,103,700
Removal of One-Time Expenditures	0.00	0	(3,106,100)	0.00	0	(3,106,100)
FY 2018 Base	0.00	41,862,600	41,997,600	0.00	41,862,600	41,997,600
11. Contractual Increases	0.00	1,558,800	1,558,800	0.00	1,558,800	1,558,800
FY 2018 Total	0.00	43,421,400	43,556,400	0.00	43,421,400	43,556,400
Change from Original Appropriation	0.00	1,867,200	(1,238,900)	0.00	1,867,200	(1,238,900)
% Change from Original Appropriation		4.5%	(2.8%)		4.5%	(2.8%)

Medical Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	41,554,200	3,241,100	0	44,795,300

4. Contract Healthcare Services

The department requests to increase its General Fund appropriation in Medical Services by \$308,400 in order to align its budget with updated offender forecasts and bed utilization estimates. At the time the budget was set for FY 2017, the department estimated an average daily count of 7,285 inmates, at the rate of \$15.55 per inmate per day, for 365 days. The department now estimates an average daily count of 7,249 inmates, at the average rate of \$15.74 per inmate per day, for 365 days. This initial estimate fluctuates on a month-to-month basis as bed counts are updated. Thus, by the time the budget is set for this division, the actual amount needed may be different than the amount requested here. The department currently has \$41,347,800 in its base for medical per diem. This request reflects the difference between the appropriation and estimated cost of medical per diem.

Agency Request	0.00	308,400	0	0	308,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>308,400</i>	<i>0</i>	<i>0</i>	<i>308,400</i>

FY 2017 Total Appropriation					
Agency Request	0.00	41,862,600	3,241,100	0	45,103,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>41,862,600</i>	<i>3,241,100</i>	<i>0</i>	<i>45,103,700</i>

Removal of One-Time Expenditures

Agency Request	0.00	0	(3,106,100)	0	(3,106,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(3,106,100)</i>	<i>0</i>	<i>(3,106,100)</i>

FY 2018 Base					
Agency Request	0.00	41,862,600	135,000	0	41,997,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>41,862,600</i>	<i>135,000</i>	<i>0</i>	<i>41,997,600</i>

11. Contractual Increases

Ongoing operating expenditures from the General Fund are requested to pay for contract medical services provided to offenders housed in state-operated prison facilities, and the privately-operated Correctional Alternative Placement Program (CAPP). Beginning January 1, 2018, the contract calls for a 3% increase in the per diem rate if certain performance standards are met, and will require additional resources to cover the obligation. The per diem is expected to increase from \$16.02 per inmate day to \$16.50 per inmate day. For Medical Services in FY 2018, the department estimates an average daily count of 7,248 inmates, at the average rate of \$16.22 per inmate per day, for 365 days for an approximate total of \$42,910,334. The department currently has \$41,347,800 in its base for medical per diem. This request reflects the difference between the appropriation and estimated cost.

Agency Request	0.00	1,558,800	0	0	1,558,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,558,800</i>	<i>0</i>	<i>0</i>	<i>1,558,800</i>

FY 2018 Total					
Agency Request	0.00	43,421,400	135,000	0	43,556,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>43,421,400</i>	<i>135,000</i>	<i>0</i>	<i>43,556,400</i>

Agency Request					
Change from Original App	0.00	1,867,200	(3,106,100)	0	(1,238,900)
% Change from Original App		4.5%	(95.8%)		(2.8%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>1,867,200</i>	<i>(3,106,100)</i>	<i>0</i>	<i>(1,238,900)</i>
<i>% Change from Original App</i>		<i>4.5%</i>	<i>(95.8%)</i>		<i>(2.8%)</i>

Commission for Pardons & Parole

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	2,681,100	2,510,900	2,898,300	3,015,800	2,995,100
Dedicated	70,700	6,400	70,700	70,700	70,700
Total:	2,751,800	2,517,300	2,969,000	3,086,500	3,065,800
Percent Change:		(8.5%)	17.9%	4.0%	3.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,163,600	2,106,100	2,356,000	2,490,100	2,469,400
Operating Expenditures	588,200	404,700	590,000	590,800	590,800
Capital Outlay	0	6,500	23,000	5,600	5,600
Total:	2,751,800	2,517,300	2,969,000	3,086,500	3,065,800
Full-Time Positions (FTP)	33.00	33.00	33.00	35.00	35.00

Division Description

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.

Commission for Pardons & Parole

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	33.00	2,898,300	2,969,000	33.00	2,898,300	2,969,000
Removal of One-Time Expenditures	0.00	(90,500)	(90,500)	0.00	(90,500)	(90,500)
FY 2018 Base	33.00	2,807,800	2,878,500	33.00	2,807,800	2,878,500
Benefit Costs	0.00	38,600	38,600	0.00	26,700	26,700
Statewide Cost Allocation	0.00	700	700	0.00	700	700
Change in Employee Compensation	0.00	18,800	18,800	0.00	54,000	54,000
FY 2018 Program Maintenance	33.00	2,865,900	2,936,600	33.00	2,889,200	2,959,900
1. Violations Technician	1.00	53,500	53,500	1.00	54,200	54,200
2. Merit/Equity Pay for Staff	0.00	45,400	45,400	0.00	0	0
3. Victim Services Technician	1.00	50,900	50,900	1.00	51,600	51,600
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	35.00	3,015,800	3,086,500	35.00	2,995,100	3,065,800
Change from Original Appropriation	2.00	117,500	117,500	2.00	96,800	96,800
% Change from Original Appropriation		4.1%	4.0%		3.3%	3.3%

Commission for Pardons & Parole

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	33.00	2,898,300	70,700	0	2,969,000

Removal of One-Time Expenditures

Agency Request	0.00	(90,500)	0	0	(90,500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(90,500)</i>	<i>0</i>	<i>0</i>	<i>(90,500)</i>

FY 2018 Base					
Agency Request	33.00	2,807,800	70,700	0	2,878,500
<i>Governor's Recommendation</i>	<i>33.00</i>	<i>2,807,800</i>	<i>70,700</i>	<i>0</i>	<i>2,878,500</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	38,600	0	0	38,600
<i>The Governor recommends \$13,074 per eligible FTP for health insurance, an increase of \$834 or 6.8%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>26,700</i>	<i>0</i>	<i>0</i>	<i>26,700</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$1,100 and State Controller fees will decrease by \$400, for a net increase of \$700.

Agency Request	0.00	700	0	0	700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>700</i>	<i>0</i>	<i>0</i>	<i>700</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	18,800	0	0	18,800
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>54,000</i>	<i>0</i>	<i>0</i>	<i>54,000</i>

FY 2018 Program Maintenance					
Agency Request	33.00	2,865,900	70,700	0	2,936,600
<i>Governor's Recommendation</i>	<i>33.00</i>	<i>2,889,200</i>	<i>70,700</i>	<i>0</i>	<i>2,959,900</i>

1. Violations Technician

This line item request is for 1.00 FTP and \$53,500 from the General Fund to hire a violations technician to address an increase in administrative tasks due to the Justice Reinvestment Initiative (JRI). Pursuant to Section 20-229B, Idaho Code, parolees are subject to intermediate sanctions for parole violations, depending on the type and frequency of the violation(s). At any given time, a parolee may be temporarily incarcerated for one or more violation(s), which requires the commission to track admission and release dates. Without an automated database, the commission currently tracks these dates primarily through manual data entry. According to the commission, failure to manage this information accurately can result in early or late release of a parolee, creating both public safety concerns and concerns about unlawful incarceration. Of the total amount requested, \$50,700 in ongoing personnel costs is for salary and benefits and \$2,800 in one-time capital outlay is for a computer and office furniture.

Agency Request	1.00	53,500	0	0	53,500
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>54,200</i>	<i>0</i>	<i>0</i>	<i>54,200</i>

Commission for Pardons & Parole

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Merit/Equity Pay for Staff

The commission requests \$45,400 in ongoing personnel costs from the General Fund in order to increase salaries for five staff members (business analyst, research analyst, financial specialist, government liaison, and hearing officer manager). According to the agency, comparative research on pay equity revealed that the commission has several high-performing employees that they believe are not paid in accordance with their job duties and responsibilities, compared to their peers across the state. These five positions are paid, on average, 78.3% of the policy rate. This line item would bring those employees to an average of 88.7% of the policy rate.

Agency Request	0.00	45,400	0	0	45,400
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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3. Victim Services Technician

This request is for 1.00 FTP and \$50,900 from the General Fund for a position to assist the commission's victim services coordinator. The coordinator notifies crime victims of all commission proceedings and helps them navigate the parole hearing process. Currently, the coordinator spends 75% of her time sending out paper notifications of hearings. Many of these notices are returned as undeliverable, which require the coordinator to spend a significant amount of time researching the victims' current addresses in order to effectuate proper notice. The technician would assist the coordinator with sending notifications, collecting current contact information, and maintaining victim files, which would allow the coordinator to focus on preparing victims before parole hearings, helping them understand and interpret the decisions, providing resources for ongoing services, and educating statewide victim services agencies about the parole process. Of the total amount requested, \$48,100 is in ongoing personnel costs for salary and benefits and \$2,800 is in one-time capital outlay for a computer and office furniture.

Agency Request	1.00	50,900	0	0	50,900
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	51,600	0	0	51,600
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	100	0	0	100
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FY 2018 Total

Agency Request	35.00	3,015,800	70,700	0	3,086,500
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Governor's Recommendation	35.00	2,995,100	70,700	0	3,065,800
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Agency Request

Change from Original App	2.00	117,500	0	0	117,500
% Change from Original App	6.1%	4.1%	0.0%		4.0%

Governor's Recommendation

Change from Original App	2.00	96,800	0	0	96,800
% Change from Original App	6.1%	3.3%	0.0%		3.3%

Idaho Legislative Budget Book

Judicial Branch

2017 Legislative Session

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Judicial Branch

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Court Operations	64,546,200	59,299,300	66,753,100	70,783,900	71,546,400
Guardian Ad Litem Program	641,700	637,000	641,700	1,109,400	1,109,200
Judicial Council	130,800	82,100	130,800	130,800	130,800
Total:	65,318,700	60,018,400	67,525,600	72,024,100	72,786,400
BY FUND CATEGORY					
General	39,743,600	39,690,200	42,415,900	49,140,600	49,822,500
Dedicated	23,712,200	19,116,900	23,234,400	21,170,700	21,246,200
Federal	1,862,900	1,211,300	1,875,300	1,712,800	1,717,700
Total:	65,318,700	60,018,400	67,525,600	72,024,100	72,786,400
Percent Change:		(8.1%)	12.5%	6.7%	7.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	41,343,400	40,405,600	44,131,600	45,926,900	46,689,200
Operating Expenditures	9,445,400	11,367,500	9,764,000	10,884,100	10,884,100
Capital Outlay	8,806,000	2,577,700	7,964,500	8,989,700	8,989,700
Trustee/Benefit	5,723,900	5,667,600	5,665,500	6,223,400	6,223,400
Total:	65,318,700	60,018,400	67,525,600	72,024,100	72,786,400
Full-Time Positions (FTP)	312.00	312.00	322.00	334.00	334.00

Department Description

Idaho's Judicial Branch is a unified court system in which all state courts are administered and supervised by the Idaho Supreme Court. The Supreme Court establishes statewide rules and policies for the operation of its functions and that of the district courts. It is divided into seven judicial districts, each encompassing four to ten counties. This regional structure is designed to delegate authority to the judicial districts and to ensure their participation in policy decisions while maintaining uniform, statewide rules and procedures.

For budgeting purposes, the Judicial Branch is composed of three divisions: Court Operations, Guardian Ad Litem Program, and Judicial Council.

Judicial Branch

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	322.00	42,415,900	67,525,600	322.00	42,415,900	67,525,600
Noncognizable Funds and Transfers	6.00	0	0	6.00	0	0
FY 2017 Estimated Expenditures	328.00	42,415,900	67,525,600	328.00	42,415,900	67,525,600
Removal of One-Time Expenditures	0.00	0	(2,194,000)	0.00	0	(2,194,000)
Base Adjustments	0.00	(55,100)	(55,100)	0.00	(55,100)	(55,100)
FY 2018 Base	328.00	42,360,800	65,276,500	328.00	42,360,800	65,276,500
Benefit Costs	0.00	833,100	911,500	0.00	738,300	793,800
Statewide Cost Allocation	0.00	6,400	6,400	0.00	6,400	6,400
Change in Employee Compensation	0.00	91,500	143,900	0.00	273,300	429,000
FY 2018 Program Maintenance	328.00	43,291,800	66,338,300	328.00	43,378,800	66,505,700
Line Items						
Court Operations						
1. Court Technology: Phase 4 of 5	0.00	3,734,500	3,734,500	0.00	3,734,500	3,734,500
2. Judicial Salary Differentials	0.00	67,100	67,100	0.00	67,100	67,100
3. Court Improvement Program	0.00	169,200	0	0.00	169,200	0
4. Court Monitoring of Protected Persons	5.00	488,900	415,200	5.00	488,900	415,200
5. Judicial Leadership Pay	0.00	29,500	29,500	0.00	30,900	30,900
6. Judicial CEC	0.00	279,200	279,200	0.00	844,700	844,700
7. Senior Judge Days	0.00	51,300	51,300	0.00	76,600	76,600
8. Substance Use Disorder Services	0.00	0	79,900	0.00	0	79,900
9. Vacation Leave Payouts	0.00	165,000	165,000	0.00	165,000	165,000
10. NCSC Membership Dues	0.00	115,000	115,000	0.00	115,000	115,000
11. Per Diem Increase	0.00	46,000	46,000	0.00	46,000	46,000
12. Bonneville County Magistrate	1.00	124,900	124,900	1.00	127,600	127,600
Guardian Ad Litem Program						
13. Volunteer Recruitment & Training	0.00	467,500	467,500	0.00	467,500	467,500
Omnibus Decisions	0.00	110,700	110,700	0.00	110,700	110,700
FY 2018 Total	334.00	49,140,600	72,024,100	334.00	49,822,500	72,786,400
Chg from FY 2017 Orig Approp.	12.00	6,724,700	4,498,500	12.00	7,406,600	5,260,800
% Chg from FY 2017 Orig Approp.	3.7%	15.9%	6.7%	3.7%	17.5%	7.8%

Court Operations

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Supreme Court	7,337,300	7,390,000	7,266,400	9,333,800	9,417,600
District Courts	32,370,900	28,197,500	33,006,100	33,810,800	34,126,900
Magistrates Division	16,822,700	16,061,000	17,367,200	18,263,400	18,555,900
Court of Appeals	2,075,000	1,859,100	2,101,500	2,207,500	2,239,700
Water Adjudication	825,800	679,500	861,700	882,900	892,800
Community-Based Substance Abuse	5,114,500	5,112,200	5,122,100	5,206,100	5,208,800
Senior Judges	0	0	1,028,100	1,079,400	1,104,700
Total:	64,546,200	59,299,300	66,753,100	70,783,900	71,546,400
BY FUND CATEGORY					
General	38,971,100	38,971,100	41,643,400	47,900,400	48,582,500
Dedicated	23,712,200	19,116,900	23,234,400	21,170,700	21,246,200
Federal	1,862,900	1,211,300	1,875,300	1,712,800	1,717,700
Total:	64,546,200	59,299,300	66,753,100	70,783,900	71,546,400
Percent Change:		(8.1%)	12.6%	6.0%	7.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	41,324,900	40,391,700	44,113,100	45,908,200	46,670,700
Operating Expenditures	9,316,400	11,287,300	9,635,000	10,755,100	10,755,100
Capital Outlay	8,806,000	2,577,700	7,964,500	8,989,700	8,989,700
Trustee/Benefit	5,098,900	5,042,600	5,040,500	5,130,900	5,130,900
Total:	64,546,200	59,299,300	66,753,100	70,783,900	71,546,400
Full-Time Positions (FTP)	312.00	312.00	322.00	334.00	334.00

Division Description

The Court Operations Division is composed of seven budgeted programs as follows:

SUPREME COURT: The Supreme Court hears appeals from final decisions of the district courts, as well as from orders of the Public Utilities Commission (PUC) and the Industrial Commission. The Court also has original jurisdiction over actions involving challenges to legislative apportionment.

DISTRICT COURTS: These courts have original jurisdiction over all civil and criminal cases, and over appeals from the magistrate courts, state agencies, and county boards.

MAGISTRATES DIVISION: Magistrate courts have jurisdiction over cases involving domestic violence, domestic relations, probate, juvenile cases, civil cases under \$10,000, felony preliminary hearings, criminal misdemeanors, and infractions.

COURT OF APPEALS: This appellate court is assigned cases from the Idaho Supreme Court. The court has jurisdiction to hear and decide all cases assigned to it by the Supreme Court, except cases invoking the Supreme Court's original jurisdiction, appeals from the Industrial Commission, PUC, tax appeals, and death penalty cases.

WATER ADJUDICATION: This program manages the process established to inventory all surface and ground water rights in the Snake River Basin and, now, in the Coeur d'Alene-Spokane River Basin.

COMMUNITY-BASED SUBSTANCE ABUSE TREATMENT: Through this program, funds are appropriated for the distribution to problem-solving courts statewide.

SENIOR JUDGES: This program accounts for senior judge days separate from the agency's other activities.

Court Operations

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	322.00	41,643,400	66,753,100	322.00	41,643,400	66,753,100
Noncognizable Funds and Transfers	6.00	0	0	6.00	0	0
FY 2017 Estimated Expenditures	328.00	41,643,400	66,753,100	328.00	41,643,400	66,753,100
Removal of One-Time Expenditures	0.00	0	(2,194,000)	0.00	0	(2,194,000)
Base Adjustments	0.00	(55,100)	(55,100)	0.00	(55,100)	(55,100)
FY 2018 Base	328.00	41,588,300	64,504,000	328.00	41,588,300	64,504,000
Benefit Costs	0.00	833,100	911,500	0.00	738,300	793,800
Statewide Cost Allocation	0.00	6,400	6,400	0.00	6,400	6,400
Change in Employee Compensation	0.00	91,300	143,700	0.00	273,300	429,000
FY 2018 Program Maintenance	328.00	42,519,100	65,565,600	328.00	42,606,300	65,733,200
1. Court Technology: Phase 4 of 5	0.00	3,734,500	3,734,500	0.00	3,734,500	3,734,500
2. Judicial Salary Differentials	0.00	67,100	67,100	0.00	67,100	67,100
3. Court Improvement Program	0.00	169,200	0	0.00	169,200	0
4. Court Monitoring of Protected Persons	5.00	488,900	415,200	5.00	488,900	415,200
5. Judicial Leadership Pay	0.00	29,500	29,500	0.00	30,900	30,900
6. Judicial CEC	0.00	279,200	279,200	0.00	844,700	844,700
7. Senior Judge Days	0.00	51,300	51,300	0.00	76,600	76,600
8. Substance Use Disorder Services	0.00	0	79,900	0.00	0	79,900
9. Vacation Leave Payouts	0.00	165,000	165,000	0.00	165,000	165,000
10. NCSC Membership Dues	0.00	115,000	115,000	0.00	115,000	115,000
11. Per Diem Increase	0.00	46,000	46,000	0.00	46,000	46,000
12. Bonneville County Magistrate	1.00	124,900	124,900	1.00	127,600	127,600
Cybersecurity Insurance	0.00	110,700	110,700	0.00	110,700	110,700
FY 2018 Total	334.00	47,900,400	70,783,900	334.00	48,582,500	71,546,400
Change from Original Appropriation	12.00	6,257,000	4,030,800	12.00	6,939,100	4,793,300
% Change from Original Appropriation		15.0%	6.0%		16.7%	7.2%

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	322.00	41,643,400	23,234,400	1,875,300	66,753,100

Noncognizable Funds and Transfers

Current year expenditure adjustments aimed at aligning the appropriation with the actual use and expenditure of funds include, first, the transfer of \$1,669,700 and 14.50 FTP from District Courts to the Supreme Court. This adjustment is the final phase of the Supreme Court's proposal to shift the funding of its "other court services" from the Drug Court, Mental Health Court and Family Court Services Fund to the General Fund. "Other court services" consists of senior judge days and 21.50 statewide personnel, including seven trial court administrators, and others such as the director of human resources, legal counsel, deputy legal counsel, etc. H608 (2016) initiated this process by shifting 21.50 FTP and \$2,949,000 from the Drug Court, Mental Health Court and Family Court Services Fund to the General Fund within District Courts. Part of the General Fund cost attributable to H608 was offset by the enactment of H461 (2016), which shifted 80% of the revenue generated by the emergency surcharge from the Drug Court, Mental Health Court and Family Court Services Fund to the General Fund. This adjustment completes the court's proposal by transferring 14.50 FTP associated with the statewide personnel mentioned above, along with their personnel costs and operating expenditures from District Courts to the Supreme Court. The 7.00 FTP, as well as their associated personnel costs and operating expenditures, attributable to the court's seven trial court administrators will remain in District Courts.

The second expenditure adjustment includes the transfer of \$1,800 in General Fund personnel costs from the Magistrates Division to the Supreme Court. Third, \$43,200 in General Fund operating expenditures is transferred from District Courts to the Magistrates Division. Last, \$6,400 in General Fund personnel costs is transferred from the Court of Appeals to Water Adjudication.

FTP adjustments include the addition of 6.00 FTP in the Court Technology Fund within District Courts; and the transfer of 0.34 FTP from the Guardianship Pilot Project Fund to the Drug Court, Mental Health Court and Family Court Services Fund within the Magistrates Division.

Current year object transfers within District Courts include the transfer of \$545,300 from capital outlay to personnel costs in the Court Technology Fund to cover the costs associated with the addition of 6.00 FTP requested herein as an FTP adjustment; and \$853,700 from personnel costs to operating expenditures in the Drug Court, Mental Health Court and Family Court Services Fund. Within the Magistrates Division, current year object transfers include the transfer of \$36,900 from operating expenditures to personnel costs in the Drug Court, Mental Health Court and Family Court Services Fund. Lastly, within Community-Based Substance Abuse Treatment Services, \$10,500 is transferred from personnel costs to trustee & benefit payments in the Substance Abuse Treatment Fund.

Agency Request	6.00	0	0	0	0
<i>Governor's Recommendation</i>	6.00	0	0	0	0

FY 2017 Estimated Expenditures					
Agency Request	328.00	41,643,400	23,234,400	1,875,300	66,753,100
<i>Governor's Recommendation</i>	328.00	41,643,400	23,234,400	1,875,300	66,753,100

Removal of One-Time Expenditures

Agency Request	0.00	0	(2,194,000)	0	(2,194,000)
<i>Governor's Recommendation</i>	0.00	0	(2,194,000)	0	(2,194,000)

Base Adjustments

Each of the current year adjustments are restored before being requested as ongoing base adjustments in FY 2018. Further ongoing base adjustments include the reduction of \$55,100 in General Fund personnel costs in the Supreme Court in order to reflect the reduced cost of retirement benefits of the new administrative director of the courts.

Agency Request	0.00	(55,100)	0	0	(55,100)
<i>Governor's Recommendation</i>	0.00	(55,100)	0	0	(55,100)

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Base					
Agency Request	328.00	41,588,300	21,040,400	1,875,300	64,504,000
<i>Governor's Recommendation</i>	<i>328.00</i>	<i>41,588,300</i>	<i>21,040,400</i>	<i>1,875,300</i>	<i>64,504,000</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	833,100	74,700	3,700	911,500
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>738,300</i>	<i>52,900</i>	<i>2,600</i>	<i>793,800</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$10,600, State Controller fees will decrease by \$3,700, and State Treasurer fees will decrease by \$500, for a net increase of \$6,400.

Agency Request	0.00	6,400	0	0	6,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,400</i>	<i>0</i>	<i>0</i>	<i>6,400</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	91,300	49,400	3,000	143,700
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>273,300</i>	<i>146,700</i>	<i>9,000</i>	<i>429,000</i>

FY 2018 Program Maintenance					
Agency Request	328.00	42,519,100	21,164,500	1,882,000	65,565,600
<i>Governor's Recommendation</i>	<i>328.00</i>	<i>42,606,300</i>	<i>21,240,000</i>	<i>1,886,900</i>	<i>65,733,200</i>

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Court Technology: Phase 4 of 5

District Courts

The Supreme Court requests \$3,734,500 in one-time capital outlay from the General Fund for the fourth phase of the court's five-year court technology implementation plan. During the 2014 legislative session, the court presented a comprehensive five-year business plan that included timelines, deliverables, and budgets to replace an aging 25-year old statewide computerized case management system (ISTARS), which the vendor had declared to be at "end of life." The proposed transition was a move to a modern 24/7 web-based case management system together with electronic financial payment capabilities, electronic filing, and service of court case documents by parties and lawyers; electronic records access by the public and court personnel; video conferencing; and new equipment.

To fund this project, two different revenue sources were identified. First, the court estimated it would need five one-time appropriations from the General Fund totaling \$12.68 million. The Legislature appropriated \$4.85 million in FY 2015, \$2.18 million in FY 2016, and \$2 million in FY 2017. Two more one-time requests are outstanding, \$1.85 million for FY 2018 and \$1.8 million for FY 2019. Second, the court estimated it would need an increase in its Court Technology Fund revenue (Section 1-1623, Idaho Code), which was accomplished by increasing filing fees with the enactment of H509 (2014). According to the court, however, Court Technology Fund revenues will be inadequate to meet the projected needs outlined in its original business plan. Due to variables such as decreasing case filings and fee collection rates, the actual revenues received have not met the projected estimates. Specifically, the court expects a dedicated fund revenue shortfall of \$3,769,000 over the next two fiscal years.

In addition to its anticipated one-time General Fund request of \$1,850,000 for FY 2018, therefore, the court requests \$1,884,500, for a total of \$3,734,500 in one-time capital outlay from the General Fund. The remaining \$1,884,500 needed to backfill the dedicated fund revenue shortfall will be requested later, along with the previously anticipated \$1,800,000, for a total of \$3,684,500 from the General Fund in FY 2019.

Agency Request	0.00	3,734,500	0	0	3,734,500
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Governor's Recommendation	0.00	3,734,500	0	0	3,734,500
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2. Judicial Salary Differentials

Supreme Court, Court of Appeals

The Supreme Court requests \$67,100 in ongoing personnel costs from the General Fund to reestablish salary differentials between Court of Appeals judges and district judges. According to the court, judicial salary compression between the four levels of Idaho state courts has historically caused recruiting difficulties, particularly for district judges. To address these difficulties, the court proposed, and the Legislature enacted, S1394 (2014), which—in relevant part—amended Section 59-502, Idaho Code, to provide salary increases at all four judicial levels and establish salary differentials between each level as follows: \$10,000 between Supreme Court justices and Court of Appeals judges; \$6,000 between Court of Appeals judges and district judges; and \$12,000 between district judges and magistrate judges. Two years later, the court proposed additional salary increases at all four judicial levels, and the Legislature enacted S1420 (2016), which amended Section 59-502, Idaho Code, to provide a 4% salary increase to magistrate judges while also maintaining the \$12,000 salary differential between district judges and magistrate judges, thereby giving a 3.6% salary increase to district judges. In effect, S1420 reduced the salary differential between Court of Appeals judges and district judges from \$6,000 to \$1,500. Thus, the court now proposes to reestablish the \$6,000 salary differential between Court of Appeals judges and district judges by increasing the salaries of Court of Appeals judges by 3.5%, from \$130,000 to \$134,500 per year. To maintain the \$10,000 salary differential between Supreme Court justices and Court of Appeals judges as well, the court also proposes to increase the salaries of Supreme Court justices by 3.2%, from \$140,000 to \$144,500 per year. Of the total amount requested \$37,300 is for the Supreme Court and \$29,800 is for the Court of Appeals. Separate legislation will be required.

Agency Request	0.00	67,100	0	0	67,100
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Governor's Recommendation	0.00	67,100	0	0	67,100
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Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Court Improvement Program					Supreme Court
<p>The Supreme Court requests to shift 1.75 FTP and \$169,200 from the Federal Grant Fund to the General Fund to account for the possibility that Congress does not reauthorize the entirety of the Court Improvement Program (CIP). The CIP was established by Congress in 1993 to provide funding to state courts to assess how child protection cases were processed and to implement any recommended reforms. In 2006, funding for the CIP was increased to support court and child welfare agency collaboration and joint planning for collecting and sharing information. The court currently receives three annual grants from the CIP: \$118,700 for a main grant; \$112,800 for a training grant; and \$112,800 for a data grant. Unless the CIP is fully reauthorized by Congress, however, the court will lose the training and data grants, amounting to a total annual loss of \$225,600 in federal fund revenue. Due to differences in the federal and state fiscal years, the loss would amount to \$169,200 in FY 2018 and \$225,600 in the out years. Thus, if this request is approved, an additional shift of \$56,400 and 0.25 FTP from the Federal Grant Fund to the General Fund would be included as an annualization in the court's FY 2019 budget request. Of the total amount to be shifted in FY 2018, \$142,300 is in personnel costs and \$26,900 is in operating expenditures. The five positions associated with the allocated FTP are a child protection manager, who manages CIP projects; an administrative assistant, who provides administrative support for the child protection manager and state guardian ad litem coordinator; a research and evaluation specialist, who provides research support; and a financial manager and financial specialist, who together oversee financial management of CIP projects.</p>					
Agency Request	0.00	169,200	0	(169,200)	0
<p><i>Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.</i></p>					
Governor's Recommendation	0.00	169,200	0	(169,200)	0

4. Court Monitoring of Protected Persons					Magistrates Division
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This request is for 5.00 FTP and \$488,900 from the General Fund for the expansion of the Court Monitoring of Protected Persons (CMPP) program. Pursuant to Section 31-3201G, Idaho Code, the Supreme Court administers the Guardianship and Conservatorship Project Fund, which is used "exclusively for the development of a project which shall be designed to improve reporting and monitoring systems and processes for the protection of persons and their assets where a guardian or conservator has been appointed." To this end, the CMPP program employs a district-wide coordinator who reviews annual status reports, provides case management (including in-person visits with the protected person when appropriate), and acts as a point of contact for the parties and the public on guardianship and conservatorship matters. The Third and Fifth Judicial Districts have operated CMPP pilot programs since July of 2014, for which the court has a dedicated fund appropriation for 2.00 FTP. The court believes the pilot programs have improved the monitoring of cases and would therefore like to expand the program to the other five judicial districts. However, while the dedicated revenue source on which the program relies (which is derived from filing and reporting fees in guardianship and conservatorship cases) increased by 8.2% between FY 2014 and FY 2016, expenditures have increased by 26.4%. Thus, in addition to funding for 5.00 new FTP from the General Fund, the court requests to shift funding for 1.00 FTP from the Guardianship Pilot Project Fund to the General Fund. In total, the court requests 6.00 FTP, \$441,800 in ongoing personnel costs, and \$47,100 in ongoing operating expenditures from the General Fund, while also requesting an ongoing reduction in its dedicated fund appropriation of 1.00 FTP and \$73,700, for a net increase of 5.00 FTP and \$415,200 from all funds.

Agency Request	5.00	488,900	(73,700)	0	415,200
<p><i>Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.</i></p>					
Governor's Recommendation	5.00	488,900	(73,700)	0	415,200

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. Judicial Leadership Pay **Supreme Court, District Courts, Court of Appeals**

The Supreme Court requests \$29,500 in ongoing personnel costs from the General Fund to support its proposal to increase the statutorily set compensation for its nine judicial leadership positions. Pursuant to Sections 1-201, 1-2408, and 1-703, Idaho Code, the Chief Justice of the Supreme Court, the Chief Judge of the Court of Appeals, and each of the seven administrative district judges receive a fixed \$2,000 per year for leadership pay in addition to their regular salaries. The court proposes to increase leadership pay from \$2,000 per year to 3% of salary per year. Considering the proposed changes to judicial salary differentials and a 1% CEC for judicial salaries (as proposed in line items 2 and 6 herein) the increases to salary and benefits attributable to the proposed change in leadership pay equals \$4,000 for the Chief Justice; \$3,500 for the Chief Judge of the Court of Appeals; and \$22,000 for the seven administrative district judges, for a total of \$29,500. Separate legislation will be required.

Agency Request	0.00	29,500	0	0	29,500
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments. Considering the recommendation to change judicial salary differentials and a 3% CEC for judicial salaries (as recommended in line items 2 and 6 herein) the increases to salary and benefits attributable to the recommended change in leadership pay equals \$4,100 for the Chief Justice; \$3,600 for the Chief Judge of the Court of Appeals; and \$23,200 for the seven administrative district judges, for a total of \$30,900.

Governor's Recommendation	0.00	30,900	0	0	30,900
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6. Judicial CEC **Supreme Ct, District Cts, Magistrates, Ct of Appeals**

Commensurate with all other state employees, a 1% CEC for judicial salaries is included in the request for calculation purposes only. Considering the proposed changes to judicial salary differentials (as proposed in line item 2 herein) the increases to salary and benefits attributable to a 1% CEC for five Supreme Court justices equals \$11,600, which thereby results (by operation of Section 59-502, Idaho Code) in increases of \$9,300 for four Court of Appeals judges; \$104,300 for 45 district judges; and \$154,000 for 91 magistrate judges, for a total of \$279,200. For judicial salaries, the Supreme Court requests a CEC percentage equal to that recommended for all other state employees. Separate legislation will be required.

Agency Request	0.00	279,200	0	0	279,200
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Commensurate with other state employees, the Governor has included a 3% increase for judicial salaries. Considering the recommendation to change judicial salary differentials (as recommended in line item 2 herein) the increases to salary and benefits attributable to a 3% CEC for five Supreme Court justices equals \$35,600, which thereby results (by operation of Section 59-502, Idaho Code) in increases of \$28,500 for four Court of Appeals judges (3.2%); \$320,400 for 45 district judges (3.4%); and \$460,200 for 91 magistrate judges (3.7%), for a total of \$844,700.

Governor's Recommendation	0.00	844,700	0	0	844,700
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Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Senior Judge Days

Senior Judges

Ongoing personnel costs in the amount of \$51,300 from the General Fund are requested to restore the number of senior judge days for which the Supreme Court had funding prior to the enactment of S1420 (2016), which provided judicial salary increases. Pursuant to Sections 1-2221 and 1-2005, Idaho Code, a senior judge is a retired judge who has applied to the Supreme Court to be designated to cover workload increases, court case backlogs, and leave schedules, for which they are paid an amount equal to 85% of the daily salary of the highest office in which they served. Thus, whenever judicial salaries increase, the per diem rate paid for senior judges correspondingly increases, which results in a reduced number of available senior judge days if the appropriation remains the same. Since S1420 provided a 4% salary increase to magistrate judges and a 3.6 % salary increase to district judges, the base appropriation for this program cannot sustain the number of senior judge days as previously allocated. The court therefore requests this line item so that it can maintain its senior judge day allocation at FY 2016 levels. The court's base appropriation for senior judge days is \$1,028,100.

Agency Request	0.00	51,300	0	0	51,300
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments. Considering the recommendation to change judicial salary differentials and a 3% CEC for judicial salaries (as recommended in line items 2 and 6 herein) the corresponding increase required to maintain the number senior judge days at their FY 2016 levels equals \$76,600.

Governor's Recommendation	0.00	76,600	0	0	76,600
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8. Substance Use Disorder Services

Community-Based Substance Abuse Treatment Services

The Supreme Court requests \$79,900 in ongoing trustee & benefit payments from the Substance Abuse Treatment Fund for substance use disorder services (SUDS). Between FY 2014 and FY 2016, this dedicated fund has realized an approximate 6.4% increase in revenue. For FY 2017, the Court projects revenue in the amount of \$3,618,700, which exceeds its appropriation. An additional appropriation of \$79,900 is requested to provide additional SUDS treatment, including access to inpatient and recovery services for problem-solving court offenders.

Agency Request	0.00	0	79,900	0	79,900
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Governor's Recommendation	0.00	0	79,900	0	79,900
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9. Vacation Leave Payouts

Supreme Court

This request is for \$165,000 in ongoing personnel costs from the General Fund for vacation leave payouts. Pursuant to Section 67-5334(3), Idaho Code, separated employees may receive a lump sum payment for up to 200-336 hours of their accrued, but unused, vacation leave, depending on their hours of credited state service. According to the Supreme Court, it has historically used one-time salary savings to make separation payments for vacation leave, which have totaled \$165,000 per year on average over the last five fiscal years. However, the court does not anticipate that it will generate such one-time salary savings in FY 2018 and beyond.

Agency Request	0.00	165,000	0	0	165,000
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Governor's Recommendation	0.00	165,000	0	0	165,000
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Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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10. NCSC Membership Dues

Supreme Court

The Supreme Court requests \$115,000 in ongoing operating expenditures from the General Fund to pay membership dues to the National Center for State Courts (NCSC). The NCSC collaborates with the other associations for judicial leaders, such as the Conference of Chief Justices and the Conference of State Court Administrators, to provide support to state trial and appellate courts and their administrative offices. State assessments pay for the distribution of analytical information, online resources, and hands-on assistance. According to the court, it first received a General Fund appropriation for NCSC dues in 1992 in the amount of \$46,000. After rescissions and other appropriation reductions in FY 2010 and FY 2011, the court began using one-time savings from other programs and object classes for costs such as the NCSC membership dues. However, the court does not anticipate that it will generate such one-time savings in FY 2018 and beyond.

Agency Request	0.00	115,000	0	0	115,000
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Governor's Recommendation	0.00	115,000	0	0	115,000
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11. Per Diem Increase

Supreme Court, District Courts, Magistrates Division

The Supreme Court requests \$46,000 in ongoing operating expenditures from the General Fund to cover the cost of recent changes to per diem rates established by the Board of Examiners. As of October 1, 2015, the out-of-state per diem rate increased from \$46 per day to \$51 per day. The non-standard area rates now range from \$54 per day to \$74 per day. The in-state per diem rate increased from \$30 per day to \$45 per day. The Judicial Branch requests \$8,600 for the Supreme Court, \$15,300 for District Courts, and \$22,100 for the Magistrates Division. The court's FY 2017 request included \$39,500 for the same purpose but the request was not funded.

Agency Request	0.00	46,000	0	0	46,000
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Governor's Recommendation	0.00	46,000	0	0	46,000
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Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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12. Bonneville County Magistrate

Magistrates Division

This request is for 1.00 FTP and \$124,900 from the General Fund to hire one new magistrate judge to be chambered in Bonneville County. Currently, there are 91 magistrate judges statewide, of which three are chambered in Bonneville County and 13 are chambered in the Seventh Judicial District. While the number of total case filings statewide fluctuate or even decrease, according to the Supreme Court, demands on judicial resources have increased because caseloads have become increasingly complex and felony case numbers have increased. Coupled with other challenges, such as a significant increase in self-represented litigants, non-English language access needs, and an increase in the number of problem-solving courts, shifting demographics related to the condensing of Idaho's population have further strained judicial resources. Yet, pursuant to Section 1-2205, Idaho Code, each of the 44 counties must have at least one resident magistrate judge unless the right to one is waived. According to the court, this statutory requirement prevents it from reallocating existing judicial resources from counties with decreasing demands to those, like Bonneville County, with increasing demands. Thus, this line item would fund a new magistrate judge in Bonneville County for nine months, to be hired on October 1, 2017, which corresponds with the respective county fiscal year. Of the total amount requested, \$116,800 is in ongoing personnel costs for salary (which includes a 1 % CEC, as requested in line item 6 herein) and variable benefits; \$5,600 is in ongoing operating expenditures for travel costs; and \$2,500 is in one-time capital outlay for computer equipment. The request would need to be annualized as a maintenance adjustment in FY 2019.

As an alternative to authorizing and funding a 92nd magistrate judge, the court seeks policy guidance from the Legislature as to whether Section 1-2205, Idaho Code, should be amended, instead, to permit the reallocation of the existing 91 magistrate judges to accommodate shifting demands on judicial resources.

Agency Request	1.00	124,900	0	0	124,900
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Considering the recommendation for a 3% CEC for judicial salaries (as recommended in line item 6 herein), personnel costs attributable to salary and benefits equal \$119,500, for a difference of \$2,700 between the request and recommendation.

Governor's Recommendation	1.00	127,600	0	0	127,600
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Cybersecurity Insurance

Supreme Court

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	110,700	0	0	110,700
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	110,700	0	0	110,700
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FY 2018 Total

Agency Request	334.00	47,900,400	21,170,700	1,712,800	70,783,900
Governor's Recommendation	334.00	48,582,500	21,246,200	1,717,700	71,546,400

Agency Request

Change from Original App	12.00	6,257,000	(2,063,700)	(162,500)	4,030,800
% Change from Original App	3.7%	15.0%	(8.9%)	(8.7%)	6.0%

Governor's Recommendation

Change from Original App	12.00	6,939,100	(1,988,200)	(157,600)	4,793,300
% Change from Original App	3.7%	16.7%	(8.6%)	(8.4%)	7.2%

Guardian Ad Litem Program

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	641,700	637,000	641,700	1,109,400	1,109,200
Percent Change:		(0.7%)	0.7%	72.9%	72.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	16,700	10,400	16,700	16,900	16,700
Operating Expenditures	0	1,600	0	0	0
Trustee/Benefit	625,000	625,000	625,000	1,092,500	1,092,500
Total:	641,700	637,000	641,700	1,109,400	1,109,200

Division Description

Guardian Ad Litem grants are awarded to Court Appointed Special Advocate (CASA) programs to recruit, train, and coordinate volunteers to act as court-appointed special advocates for abused, neglected, or abandoned children under the Child Protective Act.

Guardian Ad Litem Program

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	641,700	641,700	0.00	641,700	641,700
FY 2018 Base	0.00	641,700	641,700	0.00	641,700	641,700
Change in Employee Compensation	0.00	200	200	0.00	0	0
FY 2018 Program Maintenance	0.00	641,900	641,900	0.00	641,700	641,700
13. Volunteer Recruitment & Training	0.00	467,500	467,500	0.00	467,500	467,500
FY 2018 Total	0.00	1,109,400	1,109,400	0.00	1,109,200	1,109,200
Change from Original Appropriation	0.00	467,700	467,700	0.00	467,500	467,500
% Change from Original Appropriation		72.9%	72.9%		72.9%	72.9%

Guardian Ad Litem Program

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	641,700	0	0	641,700
FY 2018 Base					
Agency Request	0.00	641,700	0	0	641,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>641,700</i>	<i>0</i>	<i>0</i>	<i>641,700</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for temporary employees.

Agency Request	0.00	200	0	0	200
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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FY 2018 Program Maintenance					
Agency Request	0.00	641,900	0	0	641,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>641,700</i>	<i>0</i>	<i>0</i>	<i>641,700</i>

13. Volunteer Recruitment & Training

Guardian Ad Litem Program

On behalf of the various guardian ad litem (GAL) programs statewide, the Supreme Court requests \$467,500 in ongoing trustee & benefit payments from the General Fund to be used for GAL appointments in proceedings under the Child Protective Act (CPA). Pursuant to Section 16-1602(22), Idaho Code, the Supreme Court is the grant administrator of funds in the GAL Account. The GAL Account consists of donations, gifts, and state funds appropriated to the Supreme Court for payment of grants to qualified recipients, such as the Court Appointed Special Advocates/GAL Boards in the seven judicial districts. These funds are used to appoint a GAL in each CPA proceeding involving a child under the age of 12, and in some involving children over the age of 12, as required by Section 16-1614, Idaho Code. GALs conduct independent factual investigations and advocate for the best interests of the child at each stage of CPA proceedings. Further, GALs are now involved in placement decisions made by the Department of Health and Welfare, pursuant to Section 16-1629(8), Idaho Code. According to the court, there were 855 CPA petitions filed in FY 2016, which represents an approximate increase of 13% above FY 2015. Further, GAL program reports indicate that 671 children under the age of 12 were not served by a volunteer GAL in CPA proceedings in FY 2016. The \$467,500 from the General Fund requested here would be used to recruit, train, and support approximately 187 additional volunteer GALs. According to the GAL programs, it costs approximately \$2,500 to recruit, train, and support a volunteer GAL. Recruitment involves advertisement, administrative support, and booths at fairs and conferences. Training entails background checks, training materials, and approximately 30 hours of staff time for pre-service instruction. Lastly, support consists of reviewing reports prior to hearings, coordinating visits, attending hearings with volunteers, and conducting in-service training.

Agency Request	0.00	467,500	0	0	467,500
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Pursuant to Section 67-3506, Idaho Code, the Governor is required to transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>467,500</i>	<i>0</i>	<i>0</i>	<i>467,500</i>
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FY 2018 Total					
Agency Request	0.00	1,109,400	0	0	1,109,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,109,200</i>	<i>0</i>	<i>0</i>	<i>1,109,200</i>

Agency Request					
Change from Original App	0.00	467,700	0	0	467,700
% Change from Original App		72.9%			72.9%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>467,500</i>	<i>0</i>	<i>0</i>	<i>467,500</i>
<i>% Change from Original App</i>		<i>72.9%</i>			<i>72.9%</i>

Judicial Council

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	130,800	82,100	130,800	130,800	130,800
Percent Change:		(37.2%)	59.3%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,800	3,500	1,800	1,800	1,800
Operating Expenditures	129,000	78,600	129,000	129,000	129,000
Total:	130,800	82,100	130,800	130,800	130,800

Division Description

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 make recommendations to the Supreme Court for the removal, discipline, and retirement of judicial officers.

Judicial Council

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	130,800	130,800	0.00	130,800	130,800
FY 2018 Base	0.00	130,800	130,800	0.00	130,800	130,800
FY 2018 Total	0.00	130,800	130,800	0.00	130,800	130,800
Change from Original Appropriation	0.00	0	0	0.00	0	0
% Change from Original Appropriation		0.0%	0.0%		0.0%	0.0%

Judicial Council

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	130,800	0	0	130,800
FY 2018 Base					
Agency Request	0.00	130,800	0	0	130,800
Governor's Recommendation	0.00	130,800	0	0	130,800
FY 2018 Total					
Agency Request	0.00	130,800	0	0	130,800
Governor's Recommendation	0.00	130,800	0	0	130,800
Agency Request					
Change from Original App	0.00	0	0	0	0
% Change from Original App		0.0%			0.0%
Governor's Recommendation					
Change from Original App	0.00	0	0	0	0
% Change from Original App		0.0%			0.0%

Department of Juvenile Corrections

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	3,970,800	4,021,300	4,240,400	4,319,700	4,174,400
COPS	14,040,000	11,159,600	12,769,500	11,565,700	11,579,300
Institutions	30,505,200	28,690,600	32,300,600	33,095,400	33,148,800
Community-Based Substance Abuse	4,042,500	3,754,300	3,154,900	3,154,900	3,157,200
Total:	52,558,500	47,625,800	52,465,400	52,135,700	52,059,700
BY FUND CATEGORY					
General	39,910,700	38,585,700	40,967,500	41,826,200	41,745,900
Dedicated	8,790,200	6,795,200	8,367,300	7,295,200	7,295,100
Federal	3,857,600	2,244,900	3,130,600	3,014,300	3,018,700
Total:	52,558,500	47,625,800	52,465,400	52,135,700	52,059,700
Percent Change:		(9.4%)	10.2%	(0.6%)	(0.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	24,541,000	24,067,200	26,520,400	27,238,500	27,299,300
Operating Expenditures	5,494,000	4,799,600	5,547,300	5,801,500	5,779,000
Capital Outlay	418,000	551,900	659,400	646,200	531,900
Trustee/Benefit	21,050,500	18,207,100	18,675,500	18,449,500	18,449,500
Lump Sum	1,055,000	0	1,062,800	0	0
Total:	52,558,500	47,625,800	52,465,400	52,135,700	52,059,700
Full-Time Positions (FTP)	410.00	410.00	412.00	414.00	412.00

Department Description

I. **ADMINISTRATION:** 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.

II. **COPS:** Community, Operations, and Program Services (COPS) addresses the needs of communities, offenders, and families throughout the continuum of care, from prevention through aftercare. District liaisons connect to a wide range of community stakeholders to ensure that the department is responsive to the needs of partners. The program distributes Juvenile Corrections Act and Cigarette/Tobacco Tax funds to counties. It coordinates POST Certified Probation/Detention and IDJC Academies, oversees delivery of religious activities in the department's three facilities, and supports pre-screening and reintegration services. The Juvenile Justice Commission and Grants Management Unit administers federal programs, and also manages state funds through the Community Incentive Project, Mental Health Program, and Detention Clinician Project. COPS is responsible for certification of detention facilities for state and federal standards compliance, and collaborative planning through seven district councils and one tribal council.

III. **INSTITUTIONS:** The department operates three facilities for juvenile offenders and contracts with private residential providers for additional juvenile placements. Department programming is based on a balanced approach, and includes components of victim and community restoration, work projects, social skills development, and education. Youth presenting the highest risk to the community are placed in the Juvenile Corrections Center-St. Anthony (130 beds), the Juvenile Corrections Center-Nampa (66 beds) or the Juvenile Corrections Center-Lewiston (30 beds). The department has recently reconfigured its bed allocations and thereby reduced its total capacity by 38 beds as follows: JCC-Nampa (from 84 to 66 beds); JCC-Lewiston (from 36 to 30 beds); and JCC-St. Anthony (from 144 to 130 beds).

IV. **SUBSTANCE ABUSE SERVICES:** This program provides community-based substance abuse services for juveniles with serious chemical dependency issues.

Department of Juvenile Corrections

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	412.00	40,967,500	52,465,400	412.00	40,967,500	52,465,400
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	412.00	40,967,500	52,465,400	412.00	40,967,500	52,465,400
Removal of One-Time Expenditures	0.00	(786,100)	(2,519,000)	0.00	(786,100)	(2,519,000)
Base Adjustments	0.00	0	(113,000)	0.00	0	(113,000)
FY 2018 Base	412.00	40,181,400	49,833,400	412.00	40,181,400	49,833,400
Benefit Costs	0.00	481,500	488,000	0.00	338,500	343,100
Inflationary Adjustments	0.00	31,700	271,700	0.00	31,700	271,700
Replacement Items	0.00	220,600	628,000	0.00	125,500	531,900
Statewide Cost Allocation	0.00	(60,900)	(60,900)	0.00	(60,900)	(60,900)
Change in Employee Compensation	0.00	204,200	207,800	0.00	611,700	622,500
FY 2018 Program Maintenance	412.00	41,058,500	51,368,000	412.00	41,227,900	51,541,700
1. Rule of 80 for Direct Care Staff	0.00	29,000	29,000	0.00	29,000	29,000
2. Match Instructor Pay to Public Schools	0.00	558,200	558,200	0.00	484,100	484,100
3. Community Programs Grant Admin	0.00	0	0	0.00	0	0
4. Vocational Program Instructor	1.00	93,700	93,700	0.00	0	0
5. Records Program Manager	1.00	81,900	81,900	0.00	0	0
6. Office Specialist Alignment	0.00	0	0	0.00	0	0
Cybersecurity Insurance	0.00	4,900	4,900	0.00	4,900	4,900
FY 2018 Total	414.00	41,826,200	52,135,700	412.00	41,745,900	52,059,700
Change from Original Appropriation	2.00	858,700	(329,700)	0.00	778,400	(405,700)
% Change from Original Appropriation		2.1%	(0.6%)		1.9%	(0.8%)

Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	412.00	40,967,500	8,367,300	3,130,600	52,465,400

Noncognizable Funds and Transfers

Current year expenditure adjustments include a one-time program transfer of \$200,800 in General Fund personnel costs from Institutions to Administration. Going into FY 2017, the department's personnel costs were over-obligated by \$200,800 above its FY 2017 appropriation for Administration. According to the department, it used un-obligated personnel cost appropriation in Institutions to support its agency-wide compensation plan and to provide pay raises in Administration. Over the last three fiscal years, the department has transferred an average of \$62,700 in personnel costs from Institutions to other programs.

Also included is a program transfer of 0.70 FTP from Community, Operations, and Program Services to Administration.

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	412.00	40,967,500	8,367,300	3,130,600	52,465,400
<i>Governor's Recommendation</i>	<i>412.00</i>	<i>40,967,500</i>	<i>8,367,300</i>	<i>3,130,600</i>	<i>52,465,400</i>

Removal of One-Time Expenditures

Agency Request	0.00	(786,100)	(1,722,700)	(10,200)	(2,519,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(786,100)</i>	<i>(1,722,700)</i>	<i>(10,200)</i>	<i>(2,519,000)</i>

Base Adjustments

Adjustments include restoration of current year program transfers and an ongoing base reduction of \$113,000 in trustee & benefit payments from the Federal Grant Fund in the Community, Operations, and Program Services program to align its appropriation with available revenue.

Agency Request	0.00	0	0	(113,000)	(113,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>(113,000)</i>	<i>(113,000)</i>

FY 2018 Base					
Agency Request	412.00	40,181,400	6,644,600	3,007,400	49,833,400
<i>Governor's Recommendation</i>	<i>412.00</i>	<i>40,181,400</i>	<i>6,644,600</i>	<i>3,007,400</i>	<i>49,833,400</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	481,500	2,400	4,100	488,000
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>338,500</i>	<i>1,700</i>	<i>2,900</i>	<i>343,100</i>
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Inflationary Adjustments

Inflationary adjustments include \$31,700 in ongoing operating expenditures from the General Fund. Of the total amount, \$21,100 is for rental increases at the department's central office and \$10,600 is for increases in Idaho Law Enforcement Telecommunication System (ILETS) access fees. Also included for medical inflation is \$240,000 in ongoing operating expenditures from the Juvenile Corrections Center Endowment Income Fund to pay for an estimated 34% increase in medical expenses. Between FY 2013 and FY 2016, medical expenses have increased by 23.7%, while the number of juveniles in the department's correctional centers and contract facilities has decreased by 17.2% since October of 2013.

Agency Request	0.00	31,700	240,000	0	271,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>31,700</i>	<i>240,000</i>	<i>0</i>	<i>271,700</i>

Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
Requested replacement items include: \$6,600 for building improvements; \$90,000 for personal computer hardware; \$6,500 for server and storage hardware; \$40,100 for peripheral equipment; \$45,600 for educational books; \$54,500 for landscape equipment; \$265,600 for automobiles and light trucks; \$38,300 for household appliances and equipment; \$29,000 for flooring; \$18,800 for communication equipment; and \$33,000 for electrical and photo equipment. Of the total amount requested, \$407,400 is from the Juvenile Corrections Center Endowment Income Fund and \$220,600 is from the General Fund.					
Agency Request	0.00	220,600	407,400	0	628,000
<i>The Governor does not recommend the replacement of one van and three sedans, at the total cost of \$96,100.</i>					
Governor's Recommendation	0.00	125,500	406,400	0	531,900

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$4,100, State Controller fees will decrease by \$4,700, Attorney General fees will decrease by \$59,900, and State Treasurer fees will decrease by \$400, for a net reduction of \$60,900.

Agency Request	0.00	(60,900)	0	0	(60,900)
Governor's Recommendation	0.00	(60,900)	0	0	(60,900)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	204,200	800	2,800	207,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	611,700	2,400	8,400	622,500
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FY 2018 Program Maintenance

Agency Request	412.00	41,058,500	7,295,200	3,014,300	51,368,000
Governor's Recommendation	412.00	41,227,900	7,295,100	3,018,700	51,541,700

1. Rule of 80 for Direct Care Staff

Institutions

This request is for \$29,000 in ongoing personnel costs from the General Fund to cover the employer's portion of a proposed change from the Rule of 90 to the Rule of 80 for the department's 230 POST-certified direct care staff, which consist of safety/security officers, rehabilitation technicians, and instructors. The Rule of 80 would entitle these staff to an unreduced retirement allowance once their years of service plus their age equals 80. According to the department, this change would reduce staff turnover, increase morale and retention, and create a more stable and experienced workforce that can better respond to emergencies. Consequently, this would contribute to a safe and secure environment at each of the department's juvenile correctional facilities. Variable benefit contribution rates associated with retirement would increase from 11.32% to 11.66% for the employer, and from 6.79% to 8.36% for the employee. Separate legislation will be required.

Agency Request	0.00	29,000	0	0	29,000
Governor's Recommendation	0.00	29,000	0	0	29,000

Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Match Instructor Pay to Public Schools

Institutions

The department requests \$558,200 in ongoing personnel costs from the General Fund to provide pay raises to the department's instructors that correspond with those received by instructional staff in the public school setting. The Legislature created a career ladder compensation system, which sets pay based on achieving performance criteria and maintaining professional certifications. Funding to school districts for their instructors is determined through a statutory formula. DJC instructors do hold certificates but are classified state employees and not equivalent to public school teachers for pay progression. DJC instructors are currently at paygrade J with an annual starting salary of \$32,053 and a maximum salary of \$57,221. DJC instructor specialists are at paygrade K with an annual starting salary of \$35,901 and a maximum salary of \$64,085. While there are differences between instructional staff working for school districts and those for the state in the correctional setting, the department's methodology behind this request plots its instructors within the appropriate cohort, based on education levels, years of teaching experience, achievements, and premiums, as if they were subject to the career ladder. This proposal would provide the department with a General Fund appropriation to support structuring its instructors' pay progression as if they were subject to the career ladder. The agency has 40 DJC instructor specialist and two DJC instructor positions. The total estimated cost would be \$1,185,700 over three years (\$558,200 in FY 2018, \$308,400 in FY 2019, and \$319,100 in FY 2020).

Agency Request	0.00	558,200	0	0	558,200
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The Governor recommends increased funding for instructor pay. However, the recommendation has been adjusted downward to account for the 3% CEC.

Governor's Recommendation	0.00	484,100	0	0	484,100
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3. Community Programs Grant Admin

COPS, Institutions

The department requests to transfer \$113,000 General Fund trustee & benefit payments intended to pay for youth in contract facilities in the Institutions Program into personnel costs and operating expenditures in the Community, Operations, and Program Services (COPS) Program to support the administration of community-based programs for justice-involved youth. The department's grant bureau distributes state and federal funds to support these community-based programs, which are designed to fill gaps in the community and divert juveniles away from commitment to the custody of the department. For example, the Community Incentive Program (CIP), which has a 97% success rate, provides a higher level of services in the community, such as counseling, behavioral therapy, family preservation services, and mentoring, to juveniles who otherwise meet commitment criteria. According to the agency, the \$3,200 average cost of providing CIP services to a juvenile avoids the \$135,000 average cost of committing a juvenile to the custody of the department. Of the total amount in trustee & benefit payments to be transferred, \$97,000 would go to personnel costs for three filled positions that have historically been funded with a combination of state, federal, and Millennium Fund grants. These federal funds are no longer expected by the agency and personnel costs were not requested in its FY 2018 Millennium Fund grant application. Further, \$16,000 would go to operating expenditures for site inspections of the 12 county juvenile detention centers and one tribal juvenile detention center. This request would not increase the total amount appropriated but would reduce the amount available for residential providers.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Vocational Program Instructor					Institutions
<p>The department requests 1.00 FTP and \$93,700 from the General Fund to hire a vocational program instructor in order to enhance the department's pre-vocational program for juveniles in custody at JCC-St. Anthony. The instructor would teach teen living skills, entry-level food preparation, customer service, and potentially food service industry entrepreneurship and point-of-sale (POS) skills. An existing, but outdated, facility known as "the canteen" would be cleaned, evaluated, and brought up to code in order to create a classroom that could be a fully functional café and learning environment. Juveniles would earn certifications for food handling, OSHA, first aid, and CPR. According to the department, this program could become self-sustaining, in that it would generate revenue through food sales. Of the total amount requested, \$64,200 is in ongoing personnel costs for salary and benefits; \$12,500 is in ongoing operating expenditures for training and consumable food service/POS supplies; and \$17,000 is in one-time capital outlay for a new commercial grade freezer and refrigerators, an updated fire suppression system, and a curriculum-based POS system.</p>					
Agency Request	1.00	93,700	0	0	93,700
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Records Program Manager					Administration
<p>This is a request for 1.00 FTP and \$81,900 from the General Fund to hire a records program manager to develop and manage the department's records management program. The department currently has a records management program that only includes e-mails. The goal is to expand the program to include records retention for all department records. This would require developing an information governance document and developing processes to ensure compliance with Idaho Technology Authority policies and guidelines. Of the total amount requested, \$70,700 is in ongoing personnel costs for salary and benefits; \$10,000 is in ongoing operating expenditures for travel and training; and \$1,200 is in one-time capital outlay for a laptop and docking station.</p>					
Agency Request	1.00	81,900	0	0	81,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Office Specialist Alignment					COPS, Institutions
<p>The department requests a transfer of 3.00 FTP and their associated personnel costs between programs, from COPS to Institutions. The FTP at issue are associated with three office specialist 2 (OS2) positions. Historically, a total of six OS2s provided support to both juvenile services coordinators (JSCs) and district liaisons (DLs). As JSCs are part of the Institutions Program and DLs are part of the COPS Program, the appropriation for the six OS2s was split between the two programs. According to the department, however, a recent analysis and survey of OS2 and district staff workloads indicated that OS2s spend a vast majority of their time supporting JSCs in the Institutions Program. The agency, therefore, requests to transfer 3.00 FTP and \$134,300 in ongoing General Fund personnel costs in order to align the appropriation with the work being performed. Department-wide this request has a net-zero effect on FTP counts and appropriation amounts. This alignment was requested as a base adjustment but was moved to a line item.</p>					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Cybersecurity Insurance					
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	4,900	0	0	4,900
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	4,900	0	0	4,900

Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Total					
Agency Request	414.00	41,826,200	7,295,200	3,014,300	52,135,700
<i>Governor's Recommendation</i>	<i>412.00</i>	<i>41,745,900</i>	<i>7,295,100</i>	<i>3,018,700</i>	<i>52,059,700</i>
Agency Request					
Change from Original App	2.00	858,700	(1,072,100)	(116,300)	(329,700)
% Change from Original App	0.5%	2.1%	(12.8%)	(3.7%)	(0.6%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>778,400</i>	<i>(1,072,200)</i>	<i>(111,900)</i>	<i>(405,700)</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>1.9%</i>	<i>(12.8%)</i>	<i>(3.6%)</i>	<i>(0.8%)</i>

Idaho Legislative Budget Book

Idaho State Police

2017 Legislative Session

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Idaho State Police

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Brand Inspection	2,761,000	2,519,700	2,924,300	3,067,100	3,091,500
Police, Division of Idaho State	62,930,600	59,060,600	69,553,300	69,819,400	69,360,500
POST Academy	4,507,700	3,842,300	4,662,800	4,671,300	4,690,500
Racing Commission	611,000	403,900	625,500	434,800	435,000
Total:	70,810,300	65,826,500	77,765,900	77,992,600	77,577,500
BY FUND CATEGORY					
General	25,581,400	25,780,100	27,352,500	30,167,100	29,501,500
Dedicated	36,869,600	34,852,700	41,680,700	39,643,800	39,867,000
Federal	8,359,300	5,193,700	8,732,700	8,181,700	8,209,000
Total:	70,810,300	65,826,500	77,765,900	77,992,600	77,577,500
Percent Change:		(7.0%)	18.1%	0.3%	(0.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	48,632,800	45,281,600	53,499,100	54,653,100	54,248,100
Operating Expenditures	15,343,800	14,048,000	16,246,300	17,564,100	17,554,000
Capital Outlay	3,822,100	4,615,100	5,005,200	2,964,100	2,964,100
Trustee/Benefit	2,917,600	1,787,800	2,921,300	2,811,300	2,811,300
Lump Sum	94,000	94,000	94,000	0	0
Total:	70,810,300	65,826,500	77,765,900	77,992,600	77,577,500
Full-Time Positions (FTP)	560.50	560.50	575.85	586.85	585.85

Department Description

Idaho State Police consists of four separate divisions, all reporting to the director. These divisions are Brand Inspection, the Division of Idaho State Police, POST Academy, and the Racing Commission.

Idaho State Police

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	575.85	27,352,500	77,765,900	575.85	27,352,500	77,765,900
Supplementals						
Brand Inspection						
1. Animal Identification Software	0.00	250,000	250,000	0.00	250,000	250,000
FY 2017 Total Appropriation	575.85	27,602,500	78,015,900	575.85	27,602,500	78,015,900
Noncognizable Funds and Transfers	0.00	0	800,000	0.00	0	800,000
FY 2017 Estimated Expenditures	575.85	27,602,500	78,815,900	575.85	27,602,500	78,815,900
Removal of One-Time Expenditures	0.00	(3,442,800)	(8,824,800)	0.00	(3,442,800)	(8,824,800)
Base Adjustments	0.00	0	(191,200)	0.00	0	(191,200)
FY 2018 Base	575.85	24,159,700	69,799,900	575.85	24,159,700	69,799,900
Benefit Costs	0.00	273,800	703,400	0.00	193,000	496,200
Inflationary Adjustments	0.00	600	600	0.00	600	600
Replacement Items	0.00	2,925,500	3,747,200	0.00	2,925,500	3,747,200
Statewide Cost Allocation	0.00	59,500	5,300	0.00	59,500	5,300
Annualizations	0.00	0	5,000	0.00	0	5,000
Change in Employee Compensation	0.00	168,000	395,600	0.00	505,100	1,190,800
FY 2018 Program Maintenance	575.85	27,587,100	74,657,000	575.85	27,843,400	75,245,000
Line Items						
Brand Inspection						
1. Brand Inspectors	1.00	0	122,700	1.00	0	124,500
Division of Idaho State Police						
1. Commissioned Officer Retention Plan	0.00	872,200	956,200	0.00	0	0
2. D3 Patrol Lieutenant	0.00	203,100	203,100	0.00	205,500	205,500
3. ISP Specialists	3.00	558,200	558,200	3.00	564,000	564,000
4. Sergeant & Trooper	2.00	419,200	419,200	2.00	421,000	421,000
5. IT Information System Techs	2.00	146,400	146,400	2.00	148,600	148,600
6. Instrument Maintenance	0.00	32,000	32,000	0.00	32,000	32,000
7. Conducted Energy Devices	0.00	0	292,400	0.00	0	292,400
8. Advanced Malware Protection	0.00	24,400	24,400	0.00	24,400	24,400
9. ABC Technical Records Specialist 2	1.00	0	56,400	1.00	0	57,300
10. BCI Office Specialist 2	1.00	0	47,400	1.00	0	48,000
11. Digital Imaging	0.00	0	102,000	0.00	0	102,000
12. Buyer Position	1.00	63,800	63,800	0.00	0	0
13. DNA Collection	0.00	183,500	183,500	0.00	183,500	183,500
14. Dispatchers – Rule of 80	0.00	0	0	0.00	1,900	6,400
POST Academy						
1. Travel, Lodging & Per Diem	0.00	0	5,000	0.00	0	0
Omnibus Decisions	0.00	77,200	122,900	0.00	77,200	122,900
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	586.85	30,167,100	77,992,600	585.85	29,501,500	77,577,500
Chg from FY 2017 Orig Approp.	11.00	2,814,600	226,700	10.00	2,149,000	(188,400)
% Chg from FY 2017 Orig Approp.	1.9%	10.3%	0.3%	1.7%	7.9%	(0.2%)

Brand Inspection

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	2,761,000	2,519,700	2,924,300	3,067,100	3,091,500
Percent Change:		(8.7%)	16.1%	4.9%	5.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,286,600	2,160,100	2,439,900	2,527,900	2,552,300
Operating Expenditures	374,900	281,600	384,900	402,200	402,200
Capital Outlay	99,500	78,000	99,500	137,000	137,000
Total:	2,761,000	2,519,700	2,924,300	3,067,100	3,091,500
Full-Time Positions (FTP)	35.50	35.50	36.84	37.84	37.84

Division Description

The Brand Inspection Program provides protection to the livestock industry from losses by theft and illegal slaughter.

Brand Inspection

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	36.84	0	2,924,300	36.84	0	2,924,300
1. Animal Identification Software	0.00	250,000	250,000	0.00	250,000	250,000
FY 2017 Total Appropriation	36.84	250,000	3,174,300	36.84	250,000	3,174,300
Removal of One-Time Expenditures	0.00	(250,000)	(413,200)	0.00	(250,000)	(413,200)
FY 2018 Base	36.84	0	2,761,100	36.84	0	2,761,100
Benefit Costs	0.00	0	44,600	0.00	0	31,500
Replacement Items	0.00	0	114,600	0.00	0	114,600
Statewide Cost Allocation	0.00	0	2,300	0.00	0	2,300
Change in Employee Compensation	0.00	0	19,000	0.00	0	54,700
FY 2018 Program Maintenance	36.84	0	2,941,600	36.84	0	2,964,200
1. Brand Inspectors	1.00	0	122,700	1.00	0	124,500
Cybersecurity Insurance	0.00	0	2,800	0.00	0	2,800
FY 2018 Total	37.84	0	3,067,100	37.84	0	3,091,500
Change from Original Appropriation	1.00	0	142,800	1.00	0	167,200
% Change from Original Appropriation			4.9%			5.7%

Brand Inspection

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	36.84	0	2,924,300	0	2,924,300

1. Animal Identification Software

The Brand Board is requesting a supplemental appropriation of \$250,000 in one-time capital outlay from the General Fund to purchase and implement an electronic livestock software system. According to the board, the software will provide an efficient platform that combines and provides instant, real-time access to information regarding brand inspections, such as ownership information, brand inspection history, pictures of brands, and financial transactions, as well as animal health, identification, and other data pertaining to livestock movements for the Idaho Department of Agriculture (ISDA). Currently, all brand inspections are processed with handwritten notes that are manually entered on carbon forms and then sent into the main office. Furthermore, transactions are often delayed while brand inspectors return to their offices to conduct research. The goal of the system is to increase the efficiency and transparency of brand inspections. The agency estimates that \$250,000 will cover the cost of purchasing the software and associated training, but will not know the exact amount until a vendor is selected. Further, the agency is not able to identify what, if any, maintenance costs will be associated with the software. The agency has indicated that it will absorb any maintenance costs with its existing appropriation. The board also requests carryover authority for the appropriation in order to accommodate the possible overlap of fiscal years.

Agency Request	0.00	250,000	0	0	250,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>250,000</i>	<i>0</i>	<i>0</i>	<i>250,000</i>

FY 2017 Total Appropriation					
Agency Request	36.84	250,000	2,924,300	0	3,174,300
<i>Governor's Recommendation</i>	<i>36.84</i>	<i>250,000</i>	<i>2,924,300</i>	<i>0</i>	<i>3,174,300</i>

Removal of One-Time Expenditures

Agency Request	0.00	(250,000)	(163,200)	0	(413,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(250,000)</i>	<i>(163,200)</i>	<i>0</i>	<i>(413,200)</i>

FY 2018 Base					
Agency Request	36.84	0	2,761,100	0	2,761,100
<i>Governor's Recommendation</i>	<i>36.84</i>	<i>0</i>	<i>2,761,100</i>	<i>0</i>	<i>2,761,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	44,600	0	44,600
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>31,500</i>	<i>0</i>	<i>31,500</i>

Replacement Items

Replacement items from the Brand Board Fund include \$112,500 for five pickup trucks with an average mileage of 147,600; and \$2,100 for two computers with monitors.

Agency Request	0.00	0	114,600	0	114,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>114,600</i>	<i>0</i>	<i>114,600</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$4,700, State Controller fees will decrease by \$1,100, Attorney General fees will decrease by \$1,200, and State Treasurer fees will decrease by \$100, for a net increase of \$2,300.

Agency Request	0.00	0	2,300	0	2,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,300</i>	<i>0</i>	<i>2,300</i>

Brand Inspection

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	19,000	0	19,000
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$3,700 for that purpose.

Governor's Recommendation	0.00	0	54,700	0	54,700
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FY 2018 Program Maintenance					
Agency Request	36.84	0	2,941,600	0	2,941,600
Governor's Recommendation	36.84	0	2,964,200	0	2,964,200

1. Brand Inspectors

This line item request is for 1.00 FTP and \$122,700 from the Brand Board Fund to hire a full-time brand inspector and two part-time, non-benefited group positions for the Caldwell District to accommodate a new livestock processing facility in Kuna. According to the board, the new facility will process approximately 1,700 head of cattle per day and require an estimated 10,000 brand inspections per week. In FY 2016, the existing 7.00 FTP and three group positions in the same district processed 450,000 brands. The opening of the new Kuna facility will more than double the needed brand inspections in the district.

Agency Request	1.00	0	122,700	0	122,700
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	124,500	0	124,500
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	2,800	0	2,800
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	0	2,800	0	2,800
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FY 2018 Total					
Agency Request	37.84	0	3,067,100	0	3,067,100
Governor's Recommendation	37.84	0	3,091,500	0	3,091,500

Agency Request

Change from Original App	1.00	0	142,800	0	142,800
% Change from Original App	2.7%		4.9%		4.9%

Governor's Recommendation

Change from Original App	1.00	0	167,200	0	167,200
% Change from Original App	2.7%		5.7%		5.7%

Division of Idaho State Police

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Director's Office	2,509,400	2,483,900	2,705,800	2,651,800	2,614,800
Executive Protection	540,700	466,300	571,600	581,500	573,600
Investigations	9,109,900	8,383,200	10,129,400	9,757,200	9,664,100
Patrol	36,219,600	33,882,700	39,027,100	40,783,000	40,390,700
Law Enforcement Programs	2,256,600	2,050,900	2,345,700	2,316,300	2,299,400
Support Services	7,224,900	6,879,900	8,932,100	7,713,400	7,754,800
Forensic Services	5,069,500	4,913,700	5,841,600	6,016,200	6,063,100
Total:	62,930,600	59,060,600	69,553,300	69,819,400	69,360,500
BY FUND CATEGORY					
General	25,581,400	25,780,100	27,352,500	30,167,100	29,501,500
Dedicated	29,247,300	28,162,200	33,725,500	31,728,200	31,907,400
Federal	8,101,900	5,118,300	8,475,300	7,924,100	7,951,600
Total:	62,930,600	59,060,600	69,553,300	69,819,400	69,360,500
Percent Change:		(6.1%)	17.8%	0.4%	(0.3%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	43,701,600	40,878,500	48,247,800	49,535,700	49,081,900
Operating Expenditures	12,691,100	11,934,800	13,560,600	14,823,500	14,818,400
Capital Outlay	3,662,200	4,479,600	4,865,500	2,784,800	2,784,800
Trustee/Benefit	2,781,700	1,673,700	2,785,400	2,675,400	2,675,400
Lump Sum	94,000	94,000	94,000	0	0
Total:	62,930,600	59,060,600	69,553,300	69,819,400	69,360,500
Full-Time Positions (FTP)	494.00	494.00	507.34	517.34	516.34

Division Description

Director's Office: 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.

Executive Protection: Provides protection for Idaho's Governor and First Lady. Currently, two officers are assigned to escort and protect them at all events while they are representing Idaho. It also provides protection to the Legislature during session, Supreme Court security, and officer support for Capitol mall security.

Investigations: Provides drug enforcement, internal police and governmental investigation.

Patrol: Responsible for the protection of life and property on Idaho's highways; provision of accident investigations and assistance to the motoring public and all law enforcement agencies in Idaho; fleet management; and training.

Law Enforcement Programs: Includes the Alcohol Beverage Control function which administers the alcohol beverage laws of the state relating to licensing and compliance.

Support Services: Includes the criminal identification section which provides wanted persons and stolen property information to law enforcement in the field; maintains sex offender and other registries; and supports information systems.

Forensic Services: Assists law enforcement agencies through evidence gathering, laboratory examinations, analysis and training; performs DNA analysis; and maintains the Combined DNA Index System (CODIS) database.

Division of Idaho State Police

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	507.34	27,352,500	69,553,300	507.34	27,352,500	69,553,300
Noncognizable Funds and Transfers	0.00	0	810,100	0.00	0	810,100
FY 2017 Estimated Expenditures	507.34	27,352,500	70,363,400	507.34	27,352,500	70,363,400
Removal of One-Time Expenditures	0.00	(3,192,800)	(8,285,600)	0.00	(3,192,800)	(8,285,600)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	507.34	24,159,700	62,077,800	507.34	24,159,700	62,077,800
Benefit Costs	0.00	273,800	620,900	0.00	193,000	437,800
Inflationary Adjustments	0.00	600	600	0.00	600	600
Replacement Items	0.00	2,925,500	3,560,500	0.00	2,925,500	3,560,500
Statewide Cost Allocation	0.00	59,500	2,700	0.00	59,500	2,700
Annualizations	0.00	0	5,000	0.00	0	5,000
Change in Employee Compensation	0.00	168,000	356,100	0.00	505,100	1,080,200
FY 2018 Program Maintenance	507.34	27,587,100	66,623,600	507.34	27,843,400	67,164,600
1. Commissioned Officer Retention Plan	0.00	872,200	956,200	0.00	0	0
2. D3 Patrol Lieutenant	0.00	203,100	203,100	0.00	205,500	205,500
3. ISP Specialists	3.00	558,200	558,200	3.00	564,000	564,000
4. Sergeant & Trooper	2.00	419,200	419,200	2.00	421,000	421,000
5. IT Information System Techs	2.00	146,400	146,400	2.00	148,600	148,600
6. Instrument Maintenance	0.00	32,000	32,000	0.00	32,000	32,000
7. Conducted Energy Devices	0.00	0	292,400	0.00	0	292,400
8. Advanced Malware Protection	0.00	24,400	24,400	0.00	24,400	24,400
9. ABC Technical Records Specialist 2	1.00	0	56,400	1.00	0	57,300
10. BCI Office Specialist 2	1.00	0	47,400	1.00	0	48,000
11. Digital Imaging	0.00	0	102,000	0.00	0	102,000
12. Buyer Position	1.00	63,800	63,800	0.00	0	0
13. DNA Collection	0.00	183,500	183,500	0.00	183,500	183,500
14. Dispatchers – Rule of 80	0.00	0	0	0.00	1,900	6,400
Cybersecurity Insurance	0.00	77,200	110,800	0.00	77,200	110,800
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	517.34	30,167,100	69,819,400	516.34	29,501,500	69,360,500
Change from Original Appropriation	10.00	2,814,600	266,100	9.00	2,149,000	(192,800)
% Change from Original Appropriation		10.3%	0.4%		7.9%	(0.3%)

Division of Idaho State Police

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	507.34	27,352,500	33,725,500	8,475,300	69,553,300

Noncognizable Funds and Transfers

Current year expenditure adjustments include various transfers within fund sources and among programs due to reallocation of Project CHOICE funding. Also included is a Millennium Fund lump sum reallocation of \$94,000 to operating expenditures within Law Enforcement Programs; and the shift of 0.25 FTP from the Miscellaneous Revenue Fund to the General Fund to reflect actual personnel cost appropriation within Support Services. Further, a noncognizable fund adjustment includes \$800,000 in one-time capital outlay from the Federal Grant Fund within the Forensics Program to purchase two liquid chromatography tandem mass spectrometry instruments (LC/MS/MS instruments) to perform qualitative and quantitative toxicology testing. The source of the funds is a Highway Safety Grant passed through the Idaho Transportation Department from the U.S. Department of Transportation. The maintenance costs associated with the instruments, which amount to \$32,000 per year, are requested in line item 6 herein.

Agency Request	0.00	0	10,100	800,000	810,100
<i>Governor's Recommendation</i>	0.00	0	10,100	800,000	810,100

FY 2017 Estimated Expenditures					
Agency Request	507.34	27,352,500	33,735,600	9,275,300	70,363,400
<i>Governor's Recommendation</i>	507.34	27,352,500	33,735,600	9,275,300	70,363,400

Removal of One-Time Expenditures

Agency Request	0.00	(3,192,800)	(3,556,300)	(1,536,500)	(8,285,600)
<i>Governor's Recommendation</i>	0.00	(3,192,800)	(3,556,300)	(1,536,500)	(8,285,600)

Base Adjustments

Ongoing base adjustments include restoration of current year expenditure adjustments; and various transfers within fund sources and among programs due to reallocation of Project CHOICE funding. Other ongoing base adjustments include the transfer of \$140,000 in unobligated appropriation from the Federal Grant Fund in the Patrol Program to be used for the High Intensity Drug Trafficking Area (HIDTA) program in the Investigations Program. FTP adjustments shift 1.00 vacant FTP from the Federal Grant Fund to the Law Enforcement Fund and then transfer it from Patrol to Support Services to be used as an IT position; and 0.25 FTP from the Miscellaneous Revenue Fund to the General Fund to reflect the actual personnel cost appropriation within Support Services.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2018 Base					
Agency Request	507.34	24,159,700	30,179,300	7,738,800	62,077,800
<i>Governor's Recommendation</i>	507.34	24,159,700	30,179,300	7,738,800	62,077,800

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	273,800	324,200	22,900	620,900
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	193,000	228,700	16,100	437,800

Inflationary Adjustments

Inflationary adjustments include \$600 from the General Fund to cover the 3% contractual increase for ISP's share of the negotiated rent increase for Public Safety Communication sites located on endowment lands.

Agency Request	0.00	600	0	0	600
<i>Governor's Recommendation</i>	0.00	600	0	0	600

Division of Idaho State Police

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

Requested replacement items include \$636,100 for vehicle services; \$140,100 for office equipment; \$62,600 for personal computer software; \$190,100 for personal computer hardware; \$6,500 for server and storage hardware; \$24,200 for peripheral equipment; \$124,300 for safety supplies; \$245,900 for server and storage hardware; \$1,968,300 for automobiles and light trucks; \$30,000 for small motorized equipment; \$5,000 for law enforcement equipment; and \$127,400 for medical and lab equipment. Of the total amount requested, \$2,925,500 is from the General Fund, \$11,200 is from the Alcohol Beverage Control Fund, \$373,200 is from the Law Enforcement Fund; \$116,000 is from the Hazardous Materials/Waste Enforcement Fund, \$7,700 is from the ILETS Fund, \$111,200 is from the Federal Grant Fund, and \$15,700 is from the Miscellaneous Revenue Fund.

Agency Request	0.00	2,925,500	523,800	111,200	3,560,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,925,500</i>	<i>523,800</i>	<i>111,200</i>	<i>3,560,500</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$34,100, State Controller fees will decrease by \$18,100, Attorney General fees will decrease by \$13,200, and State Treasurer fees will decrease by \$100, for a net increase of \$2,700.

Agency Request	0.00	59,500	(59,500)	2,700	2,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>59,500</i>	<i>(59,500)</i>	<i>2,700</i>	<i>2,700</i>

Annualizations

Annualizations include \$5,000 in ongoing operating expenditures from the Drug & DWUI Enforcement Donation Fund for maintenance of Qualtrax, the software that tracks all lab quality documents, including training programs, analytical methods, and the system quality manual. Two months of maintenance costs were requested and funded for FY 2017 with the expectation that the remaining ten months would be requested as an annualization for FY 2018.

Agency Request	0.00	0	5,000	0	5,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,000</i>	<i>0</i>	<i>5,000</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	168,000	159,300	28,800	356,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$19,700 for that purpose.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>505,100</i>	<i>492,900</i>	<i>82,200</i>	<i>1,080,200</i>
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FY 2018 Program Maintenance					
Agency Request	507.34	27,587,100	31,132,100	7,904,400	66,623,600
<i>Governor's Recommendation</i>	<i>507.34</i>	<i>27,843,400</i>	<i>31,370,200</i>	<i>7,951,000</i>	<i>67,164,600</i>

Division of Idaho State Police

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Commissioned Officer Retention Plan					Investigations, Patrol, LEP, Executive Protection
<p>Idaho State Police (ISP) requests a total of \$956,200 in ongoing personnel costs to address high turnover rates among commissioned officers, which include troopers, specialists, sergeants, lieutenants, captains, and majors. Over the last five years, ISP has lost 59 of 293 commissioned officers to voluntary resignations, not including retirements. With regard to troopers in particular, 57% have less than five years of experience with ISP. According to ISP, competing agencies (e.g., Ada County Sheriff's Office, Boise Police Department, Meridian Police Department, Spokane Police Department, Montana Highway Patrol, and Washington State Police) actively and openly recruit ISP officers. On average, these competing agencies' starting rates are \$21.89 per hour, compared to ISP's \$19.48 per hour. ISP's goal is to raise its starting hourly rate for troopers to \$21.82 per hour, which is 78% of policy. By rank, the retention plan would provide increases, depending on compa-ratios, ranging from 1% to 12% for troopers; from 4% to 9.9% for specialists; from 1.75% to 4.25% for sergeants; and 0.75% for lieutenants, captains, and majors. Of the total amount requested, \$872,200 is from the General Fund, \$34,200 is from the Alcohol Beverage Control Fund, \$12,100 is from the Idaho Law Enforcement Fund, \$14,600 is from the Hazardous Material/Waste Enforcement Fund, \$4,000 is from the Miscellaneous Revenue Fund, and \$19,100 is from the Federal Grant Fund.</p>					
Agency Request	0.00	872,200	64,900	19,100	956,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. D3 Patrol Lieutenant					Patrol
<p>This request is for \$203,100 from the General Fund to fill a vacant, unfunded FTP with a patrol lieutenant for District 3, which encompasses the southwest portion of the state. According to the agency, the current District 3 patrol lieutenant has nearly twice the workload and responsibility of his counterparts statewide. For example, the five other patrol lieutenants statewide manage an average of 21 troopers and 4 sergeants each, compared to District 3's 39 troopers and 6 sergeants. Furthermore, in each of the following categories, District 3 substantially exceeds the average of the other five districts: case numbers pulled, crashes investigated, citations issued, abandoned vehicles towed, use of force, pursuits, fleet crashes, and complaints. Of the total amount requested, \$105,000 is in ongoing personnel costs for salary and benefits; \$9,400 is in ongoing operating expenditures for cell phone data, vehicle maintenance, gasoline, e-ticket software licensing, and officer equipment/supplies; \$35,600 is in one-time operating expenditures for a smart phone, medical exams, vehicle equipment and installation, training, office equipment, software licensing, and law enforcement equipment; and \$53,100 is in one-time capital outlay for an equipped vehicle, radio equipment, and firearms.</p>					
Agency Request	0.00	203,100	0	0	203,100
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	0.00	205,500	0	0	205,500
3. ISP Specialists					Patrol
<p>ISP requests 3.00 FTP and \$558,200 from the General Fund to hire three ISP specialists to conduct fatal crash investigations and oversee accident reconstruction. ISP has recently adopted the Accreditation Commission for Traffic Accident Reconstruction (ACTAR) standard, which requires commissioned officers to demonstrate technical knowledge and expertise. According to ISP, the oversight of the reconstruction report process requires extra time and effort. Currently, three troopers each oversee reconstruction efforts in two districts each, which limits their patrol efforts. Thus, the three ISP specialists requested here would each oversee the reconstruction process in two of the six districts, freeing up the three existing troopers to focus on patrol coverage. Of the total amount requested, \$270,600 is in ongoing personnel costs for salary and benefits; \$28,100 is in ongoing operating expenditures for training, vehicle maintenance, gasoline, e-ticket software licensing, and officer equipment/supplies for all three specialists; \$100,500 is in one-time operating expenditures for medical exams, vehicle equipment and installation, training, software licenses, and law enforcement equipment; and \$159,000 is in one-time capital outlay for three equipped vehicles, radio equipment, and firearms.</p>					
Agency Request	3.00	558,200	0	0	558,200
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	3.00	564,000	0	0	564,000

Division of Idaho State Police

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Sergeant & Trooper					Patrol
<p>This line item request is for 2.00 FTP and \$419,200 from the General Fund to hire a sergeant and a trooper for ISP's drug detection K9 program. ISP currently has four drug detection K9 teams located in Coeur d'Alene, Meridian, Jerome, and Idaho Falls. Three of these were added in 2014. This request would add one team in Lewiston and one in Pocatello and result in one K9 team in each of the six districts. The sergeant position would manage the drug detection K9 program statewide, but would also serve on a team. Of the total amount requested, \$174,200 is in ongoing personnel costs for salary and benefits; \$27,400 is in ongoing operating expenditures for cell phone data, training, K9 boarding expenses, vehicle maintenance, travel, gasoline, e-ticket software licensing, K9 supplies, and officer equipment/supplies; \$75,100 is in one-time operating expenditures for a smart phone, medical exams, vehicle equipment and installation with a K9 up-fit, training, office equipment, software licensing, a kennel with a slab, fan, and light, a narcotics safe, and law enforcement equipment; and \$142,500 is in one-time capital outlay for two equipped vehicles, radio equipment, a portable kennel, two dogs, and firearms.</p>					
Agency Request	2.00	419,200	0	0	419,200
<p><i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
Governor's Recommendation	2.00	421,000	0	0	421,000
5. IT Information System Techs					Support Services
<p>ISP requests 2.00 FTP and \$146,400 from the General Fund to hire two IT information system technicians to support the Criminal Justice Information System (CJIS). One position would be located in Coeur d'Alene and another in Pocatello. Currently a staff of three works statewide in support of ISP's server and networking infrastructure and the Idaho Public Safety and Security Information System (i.e., ILETS). According to ISP, its infrastructure has seen a significant increase in demand for networking and systems services. These positions would help meet this increase in demand. Of the total amount requested, \$123,000 is in ongoing personnel costs for salary and benefits; \$12,200 is in ongoing operating expenditures for cell phone data, training, and office supplies for each technician; and \$11,200 is in one-time operating expenditures for smart phones, office furniture, and computer equipment.</p>					
Agency Request	2.00	146,400	0	0	146,400
<p><i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
Governor's Recommendation	2.00	148,600	0	0	148,600
6. Instrument Maintenance					Forensic Services
<p>The agency requests \$32,000 in ongoing operating expenditures for maintenance costs associated with the liquid chromatography tandem mass spectrometry instruments (LC/MS/MS instruments) which were approved by the Division of Financial Management as a noncognizable fund adjustment, and reflected herein. Maintenance costs associated with the instruments amount to \$16,000 for each instrument, and are expected to include parts and labor for one preventative maintenance visit and four additional on-site visits per year.</p>					
Agency Request	0.00	32,000	0	0	32,000
Governor's Recommendation	0.00	32,000	0	0	32,000

Division of Idaho State Police

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Conducted Energy Devices

Patrol

This request is for \$292,400 from the Law Enforcement Fund to purchase conducted energy devices (CEDs) to address subjects that are not responsive to standard arrest and restraint tactics. CEDs use a high-voltage, low-power charge of electricity to induce involuntary muscle contractions that cause temporary incapacitation. Deployment of these devices may reduce the frequency of lethal force, as well as reduce the frequency of officer injury, by preventing the escalation of police encounters. Since 2006, ISP has used lethal force five times. According to ISP, the use of less-than-lethal weapons, such as CEDs, by its officers is consistent with the findings and recommendations of the Task Force on 21st Century Policing, which was established by a federal executive order on December 18, 2014. Pursuant to the task force's recommendations, law enforcement culture should embrace a guardian mindset to build trust and legitimacy both within agencies and with the public; law enforcement agencies should proactively promote public trust by initiating positive non-enforcement activities; law enforcement agencies should have clear and comprehensive policies on the use of force (including training on the importance of de-escalation), mass demonstrations (including the appropriate use of equipment, particularly rifles and armored personnel carriers), consent before searches, gender identification, racial profiling, and performance measures; law enforcement should establish national standards for the research and development of new technology including auditory, visual, and biometric data, and less-than-lethal technology; POST boards should include mandatory crisis intervention training, which equips officers to deal with individuals in crisis or living with mental disabilities; and law enforcement agencies should also promote wellness and safety by adopting policies that require officers to wear seat belts and bullet-proof vests. Of the total amount requested, \$11,400 is in ongoing operating expenditures for smart performance cartridges; and \$281,000 is in one-time operating expenditures for 175 CEDs (\$223,400) and a four-year warranty (\$57,600).

Agency Request	0.00	0	292,400	0	292,400
Governor's Recommendation	0.00	0	292,400	0	292,400

8. Advanced Malware Protection

Support Services

The agency requests \$24,400 in ongoing operating expenditures from the General Fund for the purchase of advanced malware protection to enhance the security and resiliency of the ISP network. According to the agency, there is an urgent need to enhance the security of the ISP network because many of the security and server technologies currently being used by ISP are reaching end-of-life for manufacturer support. With the ever-increasing threat of cyber-attacks, this malware protection service license will mitigate the chances of a successful attack, reduce remediation time in the event an attack is successful, and enable the agency to meet increased security demands without compromising the integrity and reliability of current ISP systems while also supporting the growing level of complexity of future systems.

Agency Request	0.00	24,400	0	0	24,400
Governor's Recommendation	0.00	24,400	0	0	24,400

9. ABC Technical Records Specialist 2

Law Enforcement Programs

This line item request is for 1.00 FTP and \$56,400 from the Alcohol Beverage Control Fund to hire a technical records specialist 2 to address workload issues caused by the increasing number of alcohol license applications and renewals processed. According to the agency, these applications have increased in number from 6,330 in 2013 to over 6,700 in 2015. These renewals are currently handled by 2.00 FTP. Of the total amount requested, \$53,600 is in ongoing personnel costs for salary and benefits; and \$2,800 is in one-time operating expenditures for related office furniture and computer equipment.

Agency Request	1.00	0	56,400	0	56,400
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	57,300	0	57,300
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Division of Idaho State Police

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. BCI Office Specialist 2					Support Services
<p>ISP requests 1.00 FTP and \$47,400 from the Miscellaneous Revenue Fund to hire an office specialist 2 to address workload issues caused by increasing requirements for background checks. According to ISP, the workload associated with background checks has grown by approximately 32% in the past ten years due to passage of various pieces of legislation, such as H192 (2013) requiring such checks for enhanced concealed weapons permits. The position requested would assist with processing background checks, fingerprinting customers at the counter, and uploading results to customer files. Of the total amount requested, \$43,300 is in ongoing personnel costs for salary and benefits; and \$4,100 is in one-time operating expenditures for related office furniture and computer equipment. The dedicated funds requested are entirely derived from fees collected for performing background checks.</p>					
Agency Request	1.00	0	47,400	0	47,400
<p><i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
Governor's Recommendation	1.00	0	48,000	0	48,000
11. Digital Imaging					Support Services
<p>This request is for \$102,000 in dedicated funds to expand the agency's digital imaging system. The system would build upon the current system used for the sex offender registry and will support retention of applicants' financial and background check information, ILETS auditing and training unit records, and administrative records. Though scanning documents for file archival is time consuming, according to the agency, staff would not have to spend time doing manual filing/retrieval. Of the total amount requested, ongoing amounts include \$4,200 in operating expenditures from the Law Enforcement Telecommunications Fund and \$4,200 in operating expenditures from the Miscellaneous Revenue Fund for annual software maintenance. One-time amounts include \$34,000 in operating expenditures and \$12,800 in capital outlay from the Law Enforcement Telecommunications Fund and \$34,000 in operating expenditures and \$12,800 in capital outlay from the Miscellaneous Revenue Fund for software, licensing, project management, training, scanners, and server storage.</p>					
Agency Request	0.00	0	102,000	0	102,000
Governor's Recommendation	0.00	0	102,000	0	102,000
12. Buyer Position					Director's Office
<p>ISP requests 1.00 FTP and \$63,800 from the General Fund to add a buyer position to the agency's purchasing team. According to the agency, purchasing management and operations workload routinely overwhelms staff, leading to periodic errors or tardiness of orders. In addition, ISP must now write requests for proposals for every purchase above \$10,000, as required by the Division of Purchasing. Of the total amount requested, \$58,700 in ongoing personnel costs is for salary and benefits; \$1,000 in ongoing operating expenditures is for national association membership dues, training, and office supplies; and \$4,100 in one-time operating expenditures is for computer equipment and office furniture.</p>					
Agency Request	1.00	63,800	0	0	63,800
<p><i>Not recommended by the Governor.</i></p>					
Governor's Recommendation	0.00	0	0	0	0
13. DNA Collection					Forensic Services
<p>This line item request is for \$183,500 in operating expenditures from the General Fund to address the fiscal impact of proposed legislation which would ensure that DNA samples are collected from all individuals in Idaho, including those moving in from out-of-state, who are required to register as sex offenders pursuant to Sections 18-8304 and 18-8410, Idaho Code. According to the agency, there are approximately 1,535 individuals in Idaho for which DNA samples have not been collected. Furthermore, approximately 300 convicted sex offenders move to Idaho each year. The cost of processing a single DNA sample is approximately \$100. Thus, this request includes \$153,500 in one-time operating expenditures to obtain samples for those currently living in Idaho, and \$30,000 in ongoing operating expenditures to obtain samples for those who move to Idaho in the future. Separate legislation will be required.</p>					
Agency Request	0.00	183,500	0	0	183,500
Governor's Recommendation	0.00	183,500	0	0	183,500

Division of Idaho State Police

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
14. Dispatchers – Rule of 80					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$6,400 in ongoing personnel costs to cover the employer's portion of a proposed change from the Rule of 90 to the Rule of 80 for ISP's dispatchers. The Rule of 80 would entitle these staff to an unreduced retirement allowance once their years of service plus their age equals 80. Of the total amount recommended, \$1,900 is from the General Fund, \$3,600 is from the Law Enforcement Fund, and \$900 is from the Project Choice Fund. Separate legislation will be required.</i>					
Governor's Recommendation	0.00	1,900	4,500	0	6,400

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	77,200	33,000	600	110,800
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	77,200	33,000	600	110,800

Budget Law Exceptions

The agency requests the following legislative intent language to be included in its FY 2018 appropriation bill:

There is hereby appropriated and the State Controller shall transfer in accordance with Section 63-2552A(3), Idaho Code, on July 1, 2017, or as soon thereafter as 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.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

FY 2018 Total					
Agency Request	517.34	30,167,100	31,728,200	7,924,100	69,819,400
Governor's Recommendation	516.34	29,501,500	31,907,400	7,951,600	69,360,500
Agency Request					
Change from Original App	10.00	2,814,600	(1,997,300)	(551,200)	266,100
% Change from Original App	2.0%	10.3%	(5.9%)	(6.5%)	0.4%
Governor's Recommendation					
Change from Original App	9.00	2,149,000	(1,818,100)	(523,700)	(192,800)
% Change from Original App	1.8%	7.9%	(5.4%)	(6.2%)	(0.3%)

POST Academy

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	4,250,300	3,766,900	4,405,400	4,413,700	4,433,100
Federal	257,400	75,400	257,400	257,600	257,400
Total:	4,507,700	3,842,300	4,662,800	4,671,300	4,690,500
Percent Change:		(14.8%)	21.4%	0.2%	0.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,227,600	2,006,100	2,379,000	2,350,500	2,374,700
Operating Expenditures	2,113,800	1,674,200	2,137,700	2,172,600	2,167,600
Capital Outlay	60,400	56,100	40,200	42,300	42,300
Trustee/Benefit	105,900	105,900	105,900	105,900	105,900
Total:	4,507,700	3,842,300	4,662,800	4,671,300	4,690,500
Full-Time Positions (FTP)	28.00	28.00	28.67	28.67	28.67

Division Description

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 Academy

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	28.67	0	4,662,800	28.67	0	4,662,800
Noncognizable Funds and Transfers	0.00	0	(10,100)	0.00	0	(10,100)
FY 2017 Estimated Expenditures	28.67	0	4,652,700	28.67	0	4,652,700
Removal of One-Time Expenditures	0.00	0	(119,200)	0.00	0	(119,200)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	28.67	0	4,533,500	28.67	0	4,533,500
Benefit Costs	0.00	0	35,400	0.00	0	25,100
Replacement Items	0.00	0	72,100	0.00	0	72,100
Statewide Cost Allocation	0.00	0	400	0.00	0	400
Change in Employee Compensation	0.00	0	18,400	0.00	0	52,900
FY 2018 Program Maintenance	28.67	0	4,659,800	28.67	0	4,684,000
1. Travel, Lodging & Per Diem	0.00	0	5,000	0.00	0	0
Cybersecurity Insurance	0.00	0	6,500	0.00	0	6,500
FY 2018 Total	28.67	0	4,671,300	28.67	0	4,690,500
Change from Original Appropriation	0.00	0	8,500	0.00	0	27,700
% Change from Original Appropriation			0.2%			0.6%

POST Academy

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	28.67	0	4,405,400	257,400	4,662,800

Noncognizable Funds and Transfers

Current year expenditure adjustments include various transfers among fund sources and programs due to reallocation of Project CHOICE funding.

Agency Request	0.00	0	(10,100)	0	(10,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(10,100)</i>	<i>0</i>	<i>(10,100)</i>

FY 2017 Estimated Expenditures					
Agency Request	28.67	0	4,395,300	257,400	4,652,700
<i>Governor's Recommendation</i>	<i>28.67</i>	<i>0</i>	<i>4,395,300</i>	<i>257,400</i>	<i>4,652,700</i>

Removal of One-Time Expenditures

Agency Request	0.00	0	(119,200)	0	(119,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(119,200)</i>	<i>0</i>	<i>(119,200)</i>

Base Adjustments

Ongoing base adjustments include the restoration of current year expenditure adjustments; and the reallocation of Project CHOICE funding.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	28.67	0	4,276,100	257,400	4,533,500
<i>Governor's Recommendation</i>	<i>28.67</i>	<i>0</i>	<i>4,276,100</i>	<i>257,400</i>	<i>4,533,500</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	35,400	0	35,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>25,100</i>	<i>0</i>	<i>25,100</i>

Replacement Items

Requested replacement items from the Peace Officers Training Fund include \$3,600 for personal computer software; \$20,200 for personal computer hardware; \$4,500 for peripheral equipment; \$1,500 for educational supplies; \$4,000 for personal computer hardware; and \$38,300 for automobiles and light trucks.

Agency Request	0.00	0	72,100	0	72,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>72,100</i>	<i>0</i>	<i>72,100</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$2,000, State Controller fees will increase by \$100, and Attorney General fees will decrease by \$1,900, for a net increase of \$200.

Agency Request	0.00	0	400	0	400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>400</i>	<i>0</i>	<i>400</i>

POST Academy

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	18,200	200	18,400
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$400 for that purpose.

Governor's Recommendation	0.00	0	52,900	0	52,900
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FY 2018 Program Maintenance					
Agency Request	28.67	0	4,402,200	257,600	4,659,800
Governor's Recommendation	28.67	0	4,426,600	257,400	4,684,000

1. Travel, Lodging & Per Diem

Peace Officer Standards and Training Academy

This line item request is for \$5,000 in ongoing operating expenditures from the Peace Officers Training Fund. It would address the fiscal impact of proposed legislation which would alter POST Council membership by adding a county juvenile justice administrator, an additional chief, and an additional sheriff; and by removing the representative from the Federal Bureau of Investigation. According to the agency, POST transitioned from three operational geographic regions to four in 2013, with no change in the composition of the council. Accordingly, the membership of the council does not reflect a geographical balance from the southern, central, and eastern regions of Idaho. Additionally, the county-based juvenile detention and probation functions are not represented on the council at all. The amount requested here would go toward anticipated council members' travel, lodging, and per diem. Separate legislation will be required.

Agency Request	0.00	0	5,000	0	5,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	6,500	0	6,500
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	0	6,500	0	6,500
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FY 2018 Total					
Agency Request	28.67	0	4,413,700	257,600	4,671,300
Governor's Recommendation	28.67	0	4,433,100	257,400	4,690,500

Agency Request

Change from Original App	0.00	0	8,300	200	8,500
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% Change from Original App	0.0%		0.2%	0.1%	0.2%
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Governor's Recommendation

Change from Original App	0.00	0	27,700	0	27,700
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% Change from Original App	0.0%		0.6%	0.0%	0.6%
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Racing Commission

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	611,000	403,900	625,500	434,800	435,000
Percent Change:		(33.9%)	54.9%	(30.5%)	(30.5%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	417,000	236,900	432,400	239,000	239,200
Operating Expenditures	164,000	157,400	163,100	165,800	165,800
Capital Outlay	0	1,400	0	0	0
Trustee/Benefit	30,000	8,200	30,000	30,000	30,000
Total:	611,000	403,900	625,500	434,800	435,000
Full-Time Positions (FTP)	3.00	3.00	3.00	3.00	3.00

Division Description

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, mutuel 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.

Racing Commission

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	3.00	0	625,500	3.00	0	625,500
Removal of One-Time Expenditures	0.00	0	(6,800)	0.00	0	(6,800)
Base Adjustments	0.00	0	(191,200)	0.00	0	(191,200)
FY 2018 Base	3.00	0	427,500	3.00	0	427,500
Benefit Costs	0.00	0	2,500	0.00	0	1,800
Statewide Cost Allocation	0.00	0	(100)	0.00	0	(100)
Change in Employee Compensation	0.00	0	2,100	0.00	0	3,000
FY 2018 Program Maintenance	3.00	0	432,000	3.00	0	432,200
Cybersecurity Insurance	0.00	0	2,800	0.00	0	2,800
FY 2018 Total	3.00	0	434,800	3.00	0	435,000
Change from Original Appropriation	0.00	0	(190,700)	0.00	0	(190,500)
% Change from Original Appropriation			(30.5%)			(30.5%)

Racing Commission

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	3.00	0	625,500	0	625,500

Removal of One-Time Expenditures

Agency Request	0.00	0	(6,800)	0	(6,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(6,800)</i>	<i>0</i>	<i>(6,800)</i>

Base Adjustments

This base reduction reduces the personnel cost appropriation by \$191,200 from the Racing Commission Fund to align the appropriation with available revenue.

Agency Request	0.00	0	(191,200)	0	(191,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(191,200)</i>	<i>0</i>	<i>(191,200)</i>

FY 2018 Base					
Agency Request	3.00	0	427,500	0	427,500
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>0</i>	<i>427,500</i>	<i>0</i>	<i>427,500</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	2,500	0	2,500
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,800</i>	<i>0</i>	<i>1,800</i>
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100 and Attorney General fees will decrease by \$200, for a net reduction of \$100.

Agency Request	0.00	0	(100)	0	(100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(100)</i>	<i>0</i>	<i>(100)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	2,100	0	2,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,000</i>	<i>0</i>	<i>3,000</i>
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FY 2018 Program Maintenance					
Agency Request	3.00	0	432,000	0	432,000
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>0</i>	<i>432,200</i>	<i>0</i>	<i>432,200</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	2,800	0	2,800
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,800</i>	<i>0</i>	<i>2,800</i>
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Racing Commission

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Total					
Agency Request	3.00	0	434,800	0	434,800
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>0</i>	<i>435,000</i>	<i>0</i>	<i>435,000</i>
Agency Request					
Change from Original App	0.00	0	(190,700)	0	(190,700)
% Change from Original App	0.0%		(30.5%)		(30.5%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>(190,500)</i>	<i>0</i>	<i>(190,500)</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>(30.5%)</i>		<i>(30.5%)</i>

Idaho Legislative Budget Book

Natural Resources

2017 Legislative Session

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Department of Environmental Quality

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration and Support	7,909,900	7,832,700	8,386,900	8,502,800	8,553,500
Air Quality	7,244,500	6,383,800	7,735,400	8,667,900	8,741,100
Water Quality	19,035,700	17,968,000	20,256,500	21,076,800	21,240,700
CDA Basin Commission	512,500	163,200	524,000	523,100	524,700
Waste Mgmt and Remediation	27,827,700	15,737,800	28,275,600	26,106,600	26,187,500
INL Oversight	2,090,600	1,323,200	2,154,200	2,150,400	2,161,200
Total:	64,620,900	49,408,700	67,332,600	67,027,600	67,408,700
BY FUND CATEGORY					
General	16,449,600	16,449,600	17,908,000	19,185,100	19,401,100
Dedicated	10,738,000	8,088,900	11,290,800	11,476,500	11,540,800
Federal	37,433,300	24,870,200	38,133,800	36,366,000	36,466,800
Total:	64,620,900	49,408,700	67,332,600	67,027,600	67,408,700
Percent Change:		(23.5%)	36.3%	(0.5%)	0.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	29,718,200	27,402,600	32,180,800	32,677,800	33,058,900
Operating Expenditures	27,382,400	16,405,500	27,448,700	26,551,000	26,551,000
Capital Outlay	368,100	450,800	550,900	646,600	646,600
Trustee/Benefit	7,152,200	5,149,800	7,152,200	7,152,200	7,152,200
Total:	64,620,900	49,408,700	67,332,600	67,027,600	67,408,700
Full-Time Positions (FTP)	368.00	368.00	372.00	382.00	382.00

Department Description

The Idaho Legislature created the Department of Environmental Quality (DEQ) in the public's interest, "to protect human health and the environment as its sole mission" (Section 39-102A, Idaho Code). The department is organized into six budgetary programs.

Administration and Support Services develops policies, legislation, and rules for permitting and regulatory programs; promotes public understanding of environmental issues and solicits public input; assesses program effectiveness in improving water and air quality; and services DEQ internal support needs.

The Air Quality Program addresses compliance with federal and state health-based air quality standards by monitoring air quality and collecting data; developing and issuing permits; and coordinating air quality improvement efforts made by communities, citizen groups, businesses, industries, and governmental agencies.

The Water Quality Program develops strategies to prevent, protect, and remediate areas from pollution so as to maintain or improve water quality. The program protects human health and biological integrity through watershed, drinking water, ground water, waste water, and grant and loan activities.

The Coeur d'Alene Basin Project Commission (Section 39-8104, Idaho Code) coordinates natural resource restoration to address heavy metal contamination caused from upstream mining operations.

Waste Management and Remediation is responsible for ensuring that solid wastes are managed and disposed of in a manner protective of human health and the environment. The program responds to existing releases of hazardous substances and works with active mines to ensure that best management practices are followed.

The primary responsibility of the Idaho National Laboratory (INL) Oversight Program is to independently monitor INL operations and document transportation of radiological materials along transportation corridors. The objective is to protect Idaho's land, air, water, wildlife, and public health from nuclear releases.

Department of Environmental Quality

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	372.00	17,908,000	67,332,600	372.00	17,908,000	67,332,600
Removal of One-Time Expenditures	(1.50)	(726,600)	(1,724,600)	(1.50)	(726,600)	(1,724,600)
Base Adjustments	0.00	0	(1,200,000)	0.00	0	(1,200,000)
FY 2018 Base	370.50	17,181,400	64,408,000	370.50	17,181,400	64,408,000
Benefit Costs	0.00	246,000	452,100	0.00	173,900	318,000
Replacement Items	0.00	402,500	671,300	0.00	402,500	671,300
Statewide Cost Allocation	0.00	(37,200)	(29,000)	0.00	(37,200)	(29,000)
Change in Employee Compensation	0.00	143,500	265,100	0.00	416,700	765,400
FY 2018 Program Maintenance	370.50	17,936,200	65,767,500	370.50	18,137,300	66,133,700
1. IPDES Program	9.00	1,161,600	1,086,500	9.00	1,175,000	1,099,900
2. Air Quality Permitting Staff Engineer	1.00	87,200	87,200	1.00	88,700	88,700
3. Underground Storage Tank Fees	1.50	0	160,000	1.50	0	160,000
4. Environmental Remediation Match	0.00	0	(73,700)	0.00	0	(73,700)
5. Cash Transfer WPCF to Env Remed	0.00	0	1,500,000	0.00	0	1,500,000
Cybersecurity Insurance	0.00	100	100	0.00	100	100
Cash Transfer WPCF to Env Remed	0.00	0	(1,500,000)	0.00	0	(1,500,000)
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	382.00	19,185,100	67,027,600	382.00	19,401,100	67,408,700
Change from Original Appropriation	10.00	1,277,100	(305,000)	10.00	1,493,100	76,100
% Change from Original Appropriation		7.1%	(0.5%)		8.3%	0.1%

Department of Environmental Quality

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	372.00	17,908,000	11,290,800	38,133,800	67,332,600

Removal of One-Time Expenditures

Removes \$933,900 provided one-time for the 27th payroll, \$28,500 for one-time CEC related to the 27th payroll, \$550,200 provided for replacement items, and \$212,000 provided for one-time line items.

Agency Request	(1.50)	(726,600)	(356,000)	(642,000)	(1,724,600)
<i>Governor's Recommendation</i>	(1.50)	(726,600)	(356,000)	(642,000)	(1,724,600)

Base Adjustments

Air Quality, Waste Management and Remediation

Transfers \$800,000 in excess federal operating expenditure appropriation from the Waste Management and Remediation Program to the Air Quality Program for additional diesel grants and Silver Valley Airshed Grant contractual expenditures. Also, removes \$1,200,000 in excess federal appropriation from the Waste Management and Remediation Program.

Agency Request	0.00	0	0	(1,200,000)	(1,200,000)
<i>Governor's Recommendation</i>	0.00	0	0	(1,200,000)	(1,200,000)

FY 2018 Base					
Agency Request	370.50	17,181,400	10,934,800	36,291,800	64,408,000
<i>Governor's Recommendation</i>	370.50	17,181,400	10,934,800	36,291,800	64,408,000

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency. The total includes the shift of \$50,500 to the General Fund for five federal grants that will not be able to absorb the increases.

Agency Request	0.00	246,000	82,500	123,600	452,100
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status. The recommendation reduces the fund shift to the General Fund by \$14,700 to \$35,800.

<i>Governor's Recommendation</i>	0.00	173,900	57,400	86,700	318,000
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Replacement Items

Replacement items include \$261,400 for computer equipment; \$90,600 for three vehicles; and \$319,300 for field equipment. The source of funding is \$402,500 from the General Fund; \$27,200 from receipts; \$7,800 from the Water Pollution Control Fund; \$17,600 from air quality permitting fees; \$17,600 from the Public Water System Supervision Fund; and \$198,600 from federal funds for a total of \$671,300.

Agency Request	0.00	402,500	70,200	198,600	671,300
<i>Governor's Recommendation</i>	0.00	402,500	70,200	198,600	671,300

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$42,900, risk management fees will increase by \$9,200, State Controller fees will decrease by \$6,600, and State Treasurer fees will decrease by \$200. Also includes \$11,500 for contractual rent increases at the Lewiston Regional Office. The rent is going up 21.4% from \$53,700 to \$65,200 per year. After accounting for the rent increase the net reduction is \$29,000.

Agency Request	0.00	(37,200)	1,300	6,900	(29,000)
<i>Governor's Recommendation</i>	0.00	(37,200)	1,300	6,900	(29,000)

Department of Environmental Quality

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. This item also includes a fund shift of \$28,300 from federal funds to the General Fund for capped grants. The five capped grants that cannot afford to pay additional personnel costs are 1) Air 105 Base Grant capped at \$1.237 million; 2) Air 103 (Particulate Mater 2.5) capped at \$395,000; 3) Resource Conservation and Recovery Act & Emergency Planning Response Guide capped at \$620,000; 4) 106 Surface and Groundwater capped at \$254,000; 5) Surface Water capped at \$1.439 million for a total of \$3.947 million.

Agency Request	0.00	143,500	47,700	73,900	265,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$1,900 for that purpose. The recommendation increases the fund shift to the General Fund by \$56,600 to \$84,900.

Governor's Recommendation	0.00	416,700	137,100	211,600	765,400
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FY 2018 Program Maintenance					
Agency Request	370.50	17,936,200	11,136,500	36,694,800	65,767,500
Governor's Recommendation	370.50	18,137,300	11,200,800	36,795,600	66,133,700

1. IPDES Program

Admin & Support Services, Water Quality

The department requests \$1,161,600 from the General Fund to develop capability for the Idaho Pollution Discharge Elimination System (IPDES). The request includes an offsetting reduction of \$75,100 in federal funds for a total of \$1,086,500. A reduction of federal funds and increase of \$150,000 in the General Fund shifts 1.40 positions to the General Fund in the Administration and Support Program. Nine positions and \$1,011,600 are added to the Water Quality Program. The department has also requested that the Attorney General's Office include a position in their FY 2018 budget request to work on permitting and enforcement.

Idaho is one of four states that do not have primacy to implement the National Pollutant Discharge Elimination System (NPDES). Because Idaho does not currently have primacy, all NPDES permits in the state are issued by the U.S. Environmental Protection Agency (EPA) Region 10. However, H406 of 2014 directed DEQ to develop an NPDES primacy delegation application. The application was submitted to the EPA before the September 1, 2016 deadline. One of the requirements is that the state must demonstrate its ability to fully implement the program, expected to require 29 positions and a \$3.1 million budget at full build out. Last year, the Legislature approved four additional staff to bring the total staff allocation to ten for FY 2017 (counting the three positions funded in FY 2015 and the three funded in FY 2016). The future composition of funding for the Idaho Pollutant Discharge Elimination System (IPDES) Program is expected to include a portion from permit fees that will be addressed through negotiated rulemaking. [\$280,000 one-time]

Agency Request	9.00	1,161,600	0	(75,100)	1,086,500
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The Governor adds \$13,400. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.

Governor's Recommendation	9.00	1,175,000	0	(75,100)	1,099,900
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2. Air Quality Permitting Staff Engineer

Air Quality

The request is \$87,200 from the General Fund for an additional full-time permanent air quality permitting staff engineer. It includes \$52,300 for salary, \$24,900 for benefits, \$4,000 for rentals, \$3,500 for travel, and \$2,500 for administrative supplies, for a total of \$87,200. The position is calculated using paygrade M at 80% of policy. DEQ is authorized by statute to administer programs in lieu of the Environmental Protection Agency to meet the requirements of the Clean Air Act. One of Idaho's required regulatory program elements is air quality construction and operating permits. The agency states that the current staff of seven is inadequate to process permits in a timely manner. The complexities of new standards and a rebound in the economy has dropped permit turnaround from the targeted 99 days to 125 days. [Ongoing]

Agency Request	1.00	87,200	0	0	87,200
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The Governor adds \$1,500. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.

Governor's Recommendation	1.00	88,700	0	0	88,700
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Department of Environmental Quality

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Underground Storage Tank Fees **Admin & Support Services, Waste Mgmt & Remediation**

The department requests \$340,000 from dedicated fees and a reduction of \$180,000 in federal funds for the Underground Storage Tank Program. H3 of 2007 directed DEQ to establish an Underground Storage Tank (UST) Program through negotiated rulemaking which eventually led to state program approval, or primacy, from the Environmental Protection Agency. Since then, federal funds were cut 20% in FY 2013, 20% in FY 2015, 11% in FY 2016, and the EPA has projected future cuts of 10% each year. Last session, JFAC approved a one-time fund shift of 1.5 positions and \$160,000 from federal funds to the General Fund to support the Underground Storage Tank (UST) Program. Also, during the 2016 session, S1244 passed that allowed user fees not to exceed \$100 per tank per year. DEQ's UST program is nationally recognized for having a streamlined approach to inspections and on-site operator training, and is recognized by gas station owners, commercial fueling facilities, petroleum marketers, and government UST owners. With approval of this line item, the program would be funded at \$90,000 from the General Fund, \$270,000 from federal funds, and \$340,000 from dedicated fees for a total of \$700,000 and six positions. [Ongoing]

Agency Request	1.50	0	340,000	(180,000)	160,000
<i>Governor's Recommendation</i>	1.50	0	340,000	(180,000)	160,000

4. Environmental Remediation Match **Admin & Support Services, Waste Mgmt & Remediation**

This request is in three parts: 1) to cut 1.00 FTP and \$73,700 from federal funds in the Waste Remediation Program; 2) to add 1.00 FTP and transfer \$73,700 from operating expenditures to personnel costs within the Environmental Remediation (Basin) Fund; and 3) to transfer \$26,300 of Environmental Remediation (Basin) Fund operating expenditures from the Waste Program (DQAE) to the Administration & Support Program for ongoing administrative expenses. This shift will be used to fund DEQ staff salaries working on match eligible projects. As federal funding for this work begins to wind down, using money from the Environmental Remediation (Basin) Fund for staff time will help Idaho meet its match obligations and will ensure that DEQ maintains a local presence in Kellogg. The net impact recognizes a reduction of \$73,700 in federal funds.

The state of Idaho is responsible for paying the 10% match requirement for project costs, and the vast majority of operation and maintenance (O&M) costs for the Coeur d'Alene Basin (Operable Unit 3). Operable Unit 3 includes areas contaminated from mining in the Coeur d'Alene Basin that are outside of the Bunker Hill "Box," which is the 21-square-mile area surrounding the former smelter complex that was located in Kellogg. Operable Unit 3 consists primarily of the floodplain and river corridor of the Coeur d'Alene River, Lake Coeur d'Alene, the Spokane River; and those areas where mine wastes have come to be located because of flooding transport and deposition, their use for road building, or use for fill and construction of residential or commercial properties. The match requirement for Operable Unit 3 is estimated to be \$9,574,000. The DEQ has already funded remedial projects and personnel to meet the match obligations in the amount of \$3,540,000. That leaves a remainder of just over \$6 million dollars in match. The Environmental Remediation (Basin) Fund was created in FY 2006 to meet state match and O&M obligations for Operable Unit 3, and is funded by an annual transfer of \$1.5 million from the Water Pollution Control Fund. The estimated outstanding obligation for O&M into perpetuity is estimated at over \$60 million in current dollars. [Ongoing]

Agency Request	0.00	0	0	(73,700)	(73,700)
<i>Governor's Recommendation</i>	0.00	0	0	(73,700)	(73,700)

5. Cash Transfer WPCF to Env Remed **Waste Management and Remediation**

DEQ is currently building a balance in the Environmental Remediation (Basin) Fund to act as the state's 10% match to Superfund cleanup projects in the Coeur d'Alene Basin, and to pay the majority of the operations costs to maintain those projects. Through FY 2016, the Legislature had transferred \$16.5 million to the fund which, after accounting for interest and expenditures, had an ending balance of \$14.5 million. The objective is to transfer a total of \$45 million into the fund over a 30-year period ending in FY 2035. This request is to transfer an additional \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund. JFAC started to fill this fund in FY 2006 after the Box match was satisfied.

Agency Request	0.00	0	1,500,000	0	1,500,000
<i>Governor's Recommendation</i>	0.00	0	1,500,000	0	1,500,000

Department of Environmental Quality

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
Administration and Support Services					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	100	0	0	100
Cash Transfer WPCF to Env Remed					
Waste Management and Remediation					
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 installments or as practicable for the period July 1, 2017, through June 30, 2018.					
Agency Request	0.00	0	(1,500,000)	0	(1,500,000)
Governor's Recommendation	0.00	0	(1,500,000)	0	(1,500,000)
Budget Law Exceptions					
Waste Management and Remediation					
LEGISLATIVE INTENT. It is legislative intent that moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.					
LEGISLATIVE INTENT. It is legislative intent that the appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.					
Agency Request	0.00	0	0	0	0
<i>The Governor does not address the legislature's standard legislative intent.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2018 Total					
Agency Request	382.00	19,185,100	11,476,500	36,366,000	67,027,600
Governor's Recommendation	382.00	19,401,100	11,540,800	36,466,800	67,408,700
Agency Request					
Change from Original App	10.00	1,277,100	185,700	(1,767,800)	(305,000)
% Change from Original App	2.7%	7.1%	1.6%	(4.6%)	(0.5%)
Governor's Recommendation					
Change from Original App	10.00	1,493,100	250,000	(1,667,000)	76,100
% Change from Original App	2.7%	8.3%	2.2%	(4.4%)	0.1%

Department of Fish and Game

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	14,965,600	13,630,400	17,792,400	17,510,100	17,600,500
Enforcement	10,701,100	11,052,300	11,722,000	11,637,200	11,746,100
Fisheries	39,046,900	35,286,600	40,865,200	39,534,900	39,631,100
Wildlife	23,226,900	21,613,500	25,932,000	23,744,700	23,849,100
Communications	4,318,400	4,217,100	4,629,100	4,743,100	4,767,600
Engineering	1,079,900	894,800	1,057,400	1,052,200	1,062,800
Wildlife Mitigation & Habitat Cons	4,021,800	3,630,700	4,072,200	4,099,800	4,108,800
Total:	97,360,600	90,325,400	106,070,300	102,322,000	102,766,000
BY FUND CATEGORY					
Dedicated	52,091,100	47,501,500	57,571,500	55,738,800	56,006,800
Federal	45,269,500	42,823,900	48,498,800	46,583,200	46,759,200
Total:	97,360,600	90,325,400	106,070,300	102,322,000	102,766,000
Percent Change:		(7.2%)	17.4%	(3.5%)	(3.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	53,069,200	48,232,300	56,344,900	56,266,000	56,710,000
Operating Expenditures	38,197,800	33,119,900	39,548,100	39,135,000	39,135,000
Capital Outlay	5,318,800	8,398,000	9,402,500	6,146,200	6,146,200
Trustee/Benefit	774,800	575,200	774,800	774,800	774,800
Total:	97,360,600	90,325,400	106,070,300	102,322,000	102,766,000
Full-Time Positions (FTP)	558.00	558.00	558.00	558.00	558.00

Department Description

In 1899, the fifth Idaho Legislature established the Fish and Game Department with a state game warden in charge and deputy wardens in each county who were paid half of each fine for which they could get a conviction. The total department budget was \$1,500. In 1938, Idaho's first voter initiative passed which created the Idaho Fish and Game Commission. The seven-member commission appoints a director, holds public hearings, establishes regulations and management controls on fish and wildlife, and approves departmental budgets for submission to the Legislature. The department is organized into seven major programs and funded primarily by licenses, fees and federal fund sources. The following mission, vision, and goals are from the department's strategic plan.

Department's Mission (Section 36-103, Idaho Code): All wildlife, including all wild animals, wild birds and fish, within the state of Idaho, is hereby declared to be the property of the state of Idaho. It shall be preserved, protected, perpetuated, and managed. It shall only be captured or taken at such times or places, under such conditions, or by such means, or in such manner, as will preserve, protect, and perpetuate such wildlife, and provide for the citizens of this state and, as by law permitted to others, continued supplies of such wildlife for hunting, fishing, and trapping.

Department's Vision: The Idaho Department of Fish and Game shall work with the citizens of Idaho in providing abundant, diverse fish and wildlife, and ensuring a rich outdoor heritage for all generations.

Primary Goals: 1) Sustain Idaho's fish and wildlife and the habitats upon which they depend. 2) Meet the demand for fish and wildlife recreation. 3) Improve public understanding of, and involvement in, fish and wildlife management. 4) Enhance the capability of the department to manage fish and wildlife and serve the public.

HJR2 of 2012 amended the Constitution of the state of Idaho to preserve the rights of the people of Idaho to hunt, fish, and trap.

Department of Fish and Game

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	558.00	0	106,070,300	558.00	0	106,070,300
1. Emergency Winter Feeding	0.00	0	300,000	0.00	0	300,000
FY 2017 Total Appropriation	558.00	0	106,370,300	558.00	0	106,370,300
Removal of One-Time Expenditures	0.00	0	(13,574,600)	0.00	0	(13,574,600)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	558.00	0	92,795,700	558.00	0	92,795,700
Benefit Costs	0.00	0	713,000	0.00	0	498,300
Replacement Items	0.00	0	4,447,200	0.00	0	4,447,200
Statewide Cost Allocation	0.00	0	(28,600)	0.00	0	(28,600)
Change in Employee Compensation	0.00	0	458,900	0.00	0	1,117,600
FY 2018 Program Maintenance	558.00	0	98,386,200	558.00	0	98,830,200
1. Wildlife Program Fund Shifts	0.00	0	0	0.00	0	0
2. Health Insurance for Temps	0.00	0	201,100	0.00	0	201,100
3. Region 3 Office Building	0.00	0	650,000	0.00	0	650,000
4. Improve Shooting Ranges	0.00	0	175,000	0.00	0	175,000
5. Fish Screening and Fishing Access	0.00	0	899,000	0.00	0	899,000
6. Hunter and Trapper Education	0.00	0	119,000	0.00	0	119,000
7. Wildlife Monitoring	0.00	0	216,200	0.00	0	216,200
8. Wildlife Habitat Management	0.00	0	116,800	0.00	0	116,800
9. Sockeye Trapping and Transport	0.00	0	210,000	0.00	0	210,000
10. Hatchery Maintenance and Repairs	0.00	0	500,000	0.00	0	500,000
11. Sockeye Weir Reconstruction	0.00	0	800,000	0.00	0	800,000
Cybersecurity Insurance	0.00	0	48,700	0.00	0	48,700
FY 2018 Total	558.00	0	102,322,000	558.00	0	102,766,000
Change from Original Appropriation	0.00	0	(3,748,300)	0.00	0	(3,304,300)
% Change from Original Appropriation			(3.5%)			(3.1%)

Department of Fish and Game

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	558.00	0	57,571,500	48,498,800	106,070,300

1. Emergency Winter Feeding

Wildlife Mitigation and Habitat Conservation

The department requests \$300,000 one-time from the dedicated Fish and Game Set-aside Fund for the Winter Feeding Program to address emergency conditions in the Upper Snake Region. In August of 2016, the Henry's Creek fire in Eastern Idaho burned nearly 53,000 acres including 25,000 acres of the Tex Creek Wildlife Management Area (TCWMA). The TCWMA provides crucial winter range for about 3,500 elk and 5,000 mule deer. The commission approved additional harvest and a plan to initiate emergency winter feeding following the hunting season, depending on snow conditions. Cost estimates to feed deer and elk at TCWMA are \$420,000 and the department anticipates up to \$150,000 of winter feeding in other locations statewide. The source of funding is from \$0.75 of each pronghorn, elk, and deer tag sold. Moneys are used for blocks, pellets, and hay or for seed and materials that provide feed and forage. The existing base budget is \$269,000 and cash reserves in the set-aside exceed \$700,000. [One-time]

Agency Request	0.00	0	300,000	0	300,000
<i>Governor's Recommendation</i>	0.00	0	300,000	0	300,000

FY 2017 Total Appropriation					
Agency Request	558.00	0	57,871,500	48,498,800	106,370,300
<i>Governor's Recommendation</i>	558.00	0	57,871,500	48,498,800	106,370,300

Removal of One-Time Expenditures

This decision unit removes the one-time costs associated with the 27th payroll. It removes funding provided last year for one-time replacement items and one-time line items. Lastly, it removes the one-time supplemental request.

Agency Request	0.00	0	(9,139,200)	(4,435,400)	(13,574,600)
<i>Governor's Recommendation</i>	0.00	0	(9,139,200)	(4,435,400)	(13,574,600)

Base Adjustments

This decision unit reflects a series of adjustments to realign the base budget. First, it transfers \$230,000 from personnel costs to operating expenditures in the Wildlife Program. The Wildlife Program is overappropriated in personnel costs in the Expendable Trust Fund and tighter in operating expenditures. Second, it transfers \$30,700 from operating expenditures to personnel costs in the Fisheries Program. Of that amount, \$3,300 is being requested to cover a temporary position at the Nampa Fish Hatchery. Similarly, the special studies program was the beneficiary of a 12-month benefited temp that had previously been assigned to the Clearwater Fish Hatchery but they were short by \$27,400. This amount is also being requested as a shift from operating expenditures. Third, this decision unit transfers \$424,900 out of the Wildlife Program and \$32,400 out of the Administration Program to the Fisheries, Communications, and Wildlife Mitigation programs.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2018 Base					
Agency Request	558.00	0	48,732,300	44,063,400	92,795,700
<i>Governor's Recommendation</i>	558.00	0	48,732,300	44,063,400	92,795,700

Department of Fish and Game

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid health insurance costs for the Department of Fish and Game are calculated differently than most state agencies. IDFG has a separate actuarial analysis and pays only for those employees that participate in the state's insurance plan. Health insurance costs are projected to increase 10% (or \$1,304 per participating FTP) for health insurance, bringing the total annual cost to \$14,387 per participating FTP. The total also includes changes in workers' compensation rates that are projected to decline from 0.02960 to 0.02910 of salary for a difference of 0.0005 of salary for a total reduction of \$14,700 for all programs. The net increase is \$713,000.					
Agency Request	0.00	0	420,700	292,300	713,000
<i>The Governor recommends an increase of 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
Governor's Recommendation	0.00	0	290,600	207,700	498,300
Replacement Items					
Replacement items include: \$69,500 for property improvements; \$130,400 for building improvements; \$535,300 for computer equipment; \$3,095,600 for fleet replacement; \$6,000 for furniture; and \$610,400 for trailers, heavy equipment, and field equipment, for a total of \$4,447,200					
Agency Request	0.00	0	3,999,600	447,600	4,447,200
Governor's Recommendation	0.00	0	3,999,600	447,600	4,447,200
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$300, risk management fees will decrease by \$8,000, State Controller fees will decrease by \$17,900, and State Treasurer fees will decrease by \$2,400, for a net reduction of \$28,600.					
Agency Request	0.00	0	(17,500)	(11,100)	(28,600)
Governor's Recommendation	0.00	0	(17,500)	(11,100)	(28,600)
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	256,800	202,100	458,900
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$13,000 for that purpose.</i>					
Governor's Recommendation	0.00	0	654,900	462,700	1,117,600
FY 2018 Program Maintenance					
Agency Request	558.00	0	53,391,900	44,994,300	98,386,200
Governor's Recommendation	558.00	0	53,659,900	45,170,300	98,830,200
1. Wildlife Program Fund Shifts					
Wildlife					
The department requests the shift of \$178,300 from federal funds to dedicated funds, the shift of \$86,400 between dedicated funds, and the adjustment of 2.19 full-time equivalent positions between fund sources. The shifts are primarily due to two reasons. First is the loss of Bureau of Reclamation funding for the Tex Creek Wildlife Management Area (WMA) starting in February of 2017. This WMA is 34,000 acres and supports 8,000 wintering deer and elk, and is a key wintering area for wildlife that helps the department manage depredation. If not approved, the primary impacts will be the department's inability to maintain management infrastructure on the WMA – including invasive species management, fence maintenance, and habitat improvement projects designed to keep 8,000 deer and elk off of adjacent private lands. Second, the shift of \$86,400 off of other dedicated funds and onto the Expendable Trust Fund and license and tag moneys is due to the loss of funding from the Office of Species Conservation for wolf management that is not expected to be available in FY 2018. The net impact of both actions is \$30,000 to the Trust Fund and \$234,700 to the License Fund. [Ongoing]					
Agency Request	0.00	0	178,300	(178,300)	0
Governor's Recommendation	0.00	0	178,300	(178,300)	0

Department of Fish and Game

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Health Insurance for Temps			Admin, Enf, Fisheries, Wildlife, Comm, Wildlife Mit		
<p>The department requests \$201,100 to cover increases in health insurance costs for benefited temporary employees. Changes in health insurance costs for permanent positions are calculated in the maintenance area, but additional funding for group positions must be included as a line item. Last year, the department spent \$5.7 million for the salaries of 769 group employees plus \$843,400 for health insurance for 123 of those employees, and \$1,089,900 for variable benefits (social security, workers' compensation, unemployment insurance, and retirement for some) for a grand total of \$7.6 million. The request includes enhanced funding as follows: \$40,000 in licenses and fees, \$23,100 in fish and game non-federal contracts, \$2,600 in license set-aside; \$1,800 in other set-aside moneys, \$1,000 in expendable trust moneys, and \$132,600 in federal funding for a total of \$201,100. [Ongoing]</p>					
Agency Request	0.00	0	68,500	132,600	201,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>68,500</i>	<i>132,600</i>	<i>201,100</i>
3. Region 3 Office Building					Administration
<p>The department requests \$650,000 in ongoing dedicated license and federal funding for the estimated cost of constructing and operating a new regional office building in the Southwest region, to be located near the I-84 corridor between Meridian and Nampa. In the FY 2017 budget, JFAC approved \$100,000 ongoing to secure the land for this regional office. This enhancement assumes a 25 year capital lease at prevailing interest rates to construct a 21,000 sq. ft. office complex that will enhance public access including ADA compliance with the capacity to meet current and future employee work and equipment storage needs. Included in the plan are four public meeting and outdoor education rooms, a wet lab, a walk-in freezer, and offices for about 74 permanent and temporary staff. At the conclusion of the capital lease, the department will take ownership of the facility. Initial estimates for construction range from \$5 million to \$6 million, which puts the entire project from \$7 million to \$8 million. Current financing estimates used by the department calculate a yearly lease payment from \$530,000 to \$600,000 depending on the final cost of both land and building construction. The remaining budget authority in the base (including last year's appropriation of \$100,000 per year) will be used to fund increased operating and maintenance costs of the new facility; provide for one-time furnishing costs in the new building, IT infrastructure, security, window blinds, landscaping, fencing where appropriate, parking lot paving, and; one-time costs of moving the staff and equipment from the existing office to the new one. [Ongoing]</p>					
Agency Request	0.00	0	413,600	236,400	650,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>413,600</i>	<i>236,400</i>	<i>650,000</i>
4. Improve Shooting Ranges					Communications
<p>The department requests authority to spend up to \$120,000 of fine and forfeiture funds (Section 36-412A, Idaho Code) and \$55,000 from federal Pittman-Robertson moneys on shooting range development and maintenance throughout the state. Examples of uses include payments to contractors for capital improvements, repairs and maintenance to department ranges, and purchase of supplies or cash grants to shooting range operators to improve their ranges. This improves safety, provides equipment, and enhances existing private and public ranges. This program receives requests for funding each fall and makes awards the following spring. Although grants for FY 2018 won't be determined until March of 2017, statewide recipients of FY 2017 awards include Troy-Deary Gun Club, Kamiah Gun Club, Lewiston Pistol Club, EE-DA-HOW (Black's Creek Range, Boise), Garden Valley Sportsmen, Parma Rod and Gun Club, Lincoln County, Pocatello Field Archers, and Fremont County Sportsman's Club. The second portion of this request is for \$55,000 of federal funds from increased Pittman-Robertson (PR) allocations to supplement the fine and forfeiture funds already dedicated to range improvements. Ranges where PR funds were used during FY 2017 include: Farragut Range, Lewis-Clark Wildlife Club, Basin School District – Idaho City, Caldwell Gun Club, Nampa Bow Chiefs, and the Unified Sportsman's Club. [One-time]</p>					
Agency Request	0.00	0	120,000	55,000	175,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>120,000</i>	<i>55,000</i>	<i>175,000</i>

Department of Fish and Game

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. Fish Screening and Fishing Access					Fisheries
<p>The department requests \$899,000 in capital outlay for the fish screening program, and the fishing and boating access program. The screening program, funded by federal Bonneville Power Administration and NOAA Mitchell Act moneys, installs new screens and fish ways and maintains over 200 existing installations to keep juvenile salmon and steelhead out of irrigation ditches and canals. This is important to maintaining traditional ranching and farming practices in locations where ESA listed fish are present. Also, the department maintains over 300 boating and fishing access sites statewide and requests federal Dingell-Johnson Act (United States Fish and Wildlife Service Sport Fisheries Restoration) moneys for development and improvements of those sites. [One-time]</p>					
Agency Request	0.00	0	0	899,000	899,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>899,000</i>	<i>899,000</i>
6. Hunter and Trapper Education					Communications
<p>This request has two components. The first is to use federal Pittman-Robertson moneys in the amount of \$27,000 to pay personnel costs and \$42,000 to buy equipment and supplies for more hunter education classes throughout the state. In FY 2015, Idaho Fish and Game staff and volunteers staged more than 700 hunter education classes throughout the state and nearly 15,000 students were certified. Equipment and supplies to be purchased include: non-fire inert training firearms, a five-piece set of training firearms; 3-D animal simulation targets for shoot/don't shoot and wildlife identification training; mock fences for instruction on safely crossing fences with firearms; and a mock boat for instruction about safely hunting from a boat. The funds will also be used to purchase policy and procedure guides for volunteer instructors, hunter orange vests for instructors to wear while teaching class, and background checks on all volunteer instructor candidates. The second component of this request is for \$50,000 in additional Fish and Game license funds to launch mandatory trapper education statewide, if the proposed rules are approved by the Legislature. Those proposed rules make trapper education certification mandatory for Idahoans who began trapping after July 1, 2011. The \$50,000 enhancement will be used to purchase equipment and educate trainers to deliver trapper education to approximately 3,500 trappers over the next 18 months and beyond. The course will be taught in one day and will cover ethics, responsibility, non-target avoidance, and techniques. [Ongoing]</p>					
Agency Request	0.00	0	50,000	69,000	119,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>50,000</i>	<i>69,000</i>	<i>119,000</i>
7. Wildlife Monitoring					Wildlife
<p>The department requests \$64,900 from the license fund and \$151,300 from federal Pittman-Robertson funds for a total of \$216,200 to implement statewide monitoring of gray wolves and mountain lions using camera-based techniques. The Game Management Program is responsible for collecting, analyzing, and reporting population status data on 12 big game, 11 upland game, nine furbearer, 19 migratory bird, and other harvest species. Additional activities include recommending harvest opportunities, soliciting public involvement in wildlife management activities, trapping and transplanting wildlife, and developing species management plans. The Game Management Program implements the annual mule deer monitoring program where agency biologists, sportsmen, and landowners work together to capture, radio-collar, and monitor over 400 mule deer across southern Idaho to collect information on survival and cause-specific mortality. State funds act as a 25% match to federal funds. [Ongoing]</p>					
Agency Request	0.00	0	64,900	151,300	216,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>64,900</i>	<i>151,300</i>	<i>216,200</i>
8. Wildlife Habitat Management					Wildlife
<p>The department requests \$116,800 from the Expendable Trust Fund to collaborate with the Idaho Department of Lands to implement a forest management program for northern Idaho Wildlife Management Areas (WMAs). The Habitat Management Program manages 32 WMAs totaling more than 360,000 acres, provides technical assistance to private and public land managers, and implements private land habitat improvement projects with willing landowners. Revenues from timber sales will be used for part-time seasonal technicians (\$16,800 for personnel costs and \$100,000 for operating expenditures) to implement on-the-ground forest management on Wildlife Management Areas. [Ongoing]</p>					
Agency Request	0.00	0	116,800	0	116,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>116,800</i>	<i>0</i>	<i>116,800</i>

Department of Fish and Game

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
9. Sockeye Trapping and Transport					Fisheries
The department requests \$210,000 from federal Bonneville Power Administration moneys for the Snake River Sockeye Salmon Recovery Program. This new federal contract money is being provided to address new production and recovery objectives. Funding is requested for trapping and transportation of juvenile and adult sockeye salmon, surveys of spawning grounds, expanded lake monitoring, estimating population productivity, population trend analysis, and genetic evaluations. [Ongoing]					
Agency Request	0.00	0	0	210,000	210,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>210,000</i>	<i>210,000</i>
10. Hatchery Maintenance and Repairs					Fisheries
The department requests \$500,000 from the dedicated Fish and Game Expendable Trust Fund for hatchery maintenance and repairs. These moneys are restricted by the Bonneville Power Administration to maintenance and repairs at resident fish hatcheries. A 2015 engineering study estimated that \$19 million was needed to bring production facilities and residential housing to a safe and fully functional condition. The FY 2016 budget included \$500,000 for hatchery repairs. The FY 2017 budget included \$1.5 million to make needed repairs to fish rearing tanks, to replace two of the oldest hatchery residences, and to secure the largest artesian spring against the introduction of pathogens. The fund had about \$200,000 in cash and about \$2.8 million in investments at the end of FY 2016 and the balance is expected to be about \$1.5 million by the end of FY 2017. [One-time]					
Agency Request	0.00	0	500,000	0	500,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>500,000</i>	<i>0</i>	<i>500,000</i>
11. Sockeye Weir Reconstruction					Fisheries
The department requests \$800,000 in capital outlay to fund FY 2018 construction activities to rebuild the Snake River sockeye salmon trap facility located on the outlet of Redfish Lake near Stanley. Funding for this request has been obligated to the department through the Governor's Office of Species Conservation and comes through a \$2 million grant from the Pacific Coastal Salmon Recovery Fund (appropriated by Congress annually to NOAA Fisheries). Last session, JFAC appropriated \$1.2 million for FY 2017 to be used to reconstruct the weir. This request is for an FY 2018 appropriation to complete the weir construction. [One-time]					
Agency Request	0.00	0	800,000	0	800,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>800,000</i>	<i>0</i>	<i>800,000</i>
Cybersecurity Insurance					Administration
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	34,800	13,900	48,700
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>34,800</i>	<i>13,900</i>	<i>48,700</i>
FY 2018 Total					
Agency Request	558.00	0	55,738,800	46,583,200	102,322,000
<i>Governor's Recommendation</i>	<i>558.00</i>	<i>0</i>	<i>56,006,800</i>	<i>46,759,200</i>	<i>102,766,000</i>
Agency Request					
Change from Original App	0.00	0	(1,832,700)	(1,915,600)	(3,748,300)
% Change from Original App	0.0%		(3.2%)	(3.9%)	(3.5%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>(1,564,700)</i>	<i>(1,739,600)</i>	<i>(3,304,300)</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>(2.7%)</i>	<i>(3.6%)</i>	<i>(3.1%)</i>

Idaho Legislative Budget Book

Board of Land Commissioners

2017 Legislative Session

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Board of Land Commissioners

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Investment Board, Endow Fund	644,500	597,800	675,400	746,100	753,600
Lands, Department of	51,020,800	44,079,400	59,525,400	53,861,000	54,315,300
Total:	51,665,300	44,677,200	60,200,800	54,607,100	55,068,900
BY FUND CATEGORY					
General	5,662,600	5,577,800	5,344,900	5,676,100	5,701,300
Dedicated	39,626,200	35,412,200	43,238,300	42,055,700	42,478,100
Federal	6,376,500	3,687,200	11,617,600	6,875,300	6,889,500
Total:	51,665,300	44,677,200	60,200,800	54,607,100	55,068,900
Percent Change:		(13.5%)	34.7%	(9.3%)	(8.5%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	24,985,100	23,221,400	28,354,100	28,853,800	29,367,600
Operating Expenditures	19,931,200	15,641,000	19,660,900	19,015,300	18,996,300
Capital Outlay	1,720,600	1,851,700	2,134,300	1,619,700	1,619,700
Trustee/Benefit	5,028,400	3,963,100	10,051,500	5,118,300	5,085,300
Total:	51,665,300	44,677,200	60,200,800	54,607,100	55,068,900
Full-Time Positions (FTP)	290.15	290.15	294.80	310.85	312.85

Department Description

Section 58-101, Idaho Code, creates the Department of Lands: "The governor, secretary of state, attorney general, state controller, and superintendent of public instruction being constituted a state board of land commissioners by section 7 of article 9, of the constitution of the state, as such board, have the direction, control and disposition of the public lands of the state. The board shall exercise the said constitutional functions through the instrumentality of a department of lands which is hereby created." Section 67-2402, Idaho Code, lists the Department of Lands as one of the 20 executive branch departments authorized by Section 20 of Article 4 of the state Constitution.

Section 57-718, Idaho Code, places the Endowment Fund Investment Board under the Land Board, effective July 1, 2000: "There is hereby established in the state board of land commissioners an endowment fund investment board."

Endowment Fund Investment Board

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	644,500	597,800	675,400	746,100	753,600
Percent Change:		(7.2%)	13.0%	10.5%	11.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	448,400	430,400	480,300	550,700	558,200
Operating Expenditures	194,400	163,800	193,400	193,700	193,700
Capital Outlay	1,700	3,600	1,700	1,700	1,700
Total:	644,500	597,800	675,400	746,100	753,600
Full-Time Positions (FTP)	3.70	3.70	3.70	3.70	3.70

Division Description

The Endowment Fund Investment Board (EFIB) is responsible for managing the investments of the land grant endowment funds (Section 57-721, Idaho Code), the State Insurance Fund (Section 72-912, Idaho Code), and other moneys as required by law (Section 57-720, Idaho Code). Other moneys as required by law include Ritter Island and Trail of the Coeur d'Alenes for the Idaho Department of Parks and Recreation, and new in FY 2015, investments for the Kellogg institutional controls program for DEQ and two wildlife habitat endowments for the Idaho Department of Fish and Game.

The State Legislature created the Endowment Fund Investment Board in 1969 (§57-718, Idaho Code), after the passage of a constitutional amendment in 1968. Before that, the State Treasurer had been responsible for the management of the state's land grant endowment funds. The Department of Finance took over investment responsibilities for two years until the EFIB's first manager was hired and the office opened July 1, 1971.

The 1998 Legislature approved four pieces of legislation (HJM9, HJR6, HJR8, and H643aa) that began the latest round of endowment reform. 1) HJM9 requested that Congress allow proceeds from the sale of public school endowment lands to be deposited into a land bank to be used to purchase other lands. Congress later approved the memorial. 2) HJR6 proposed amendments to the state constitution to change the word "disposal" to "sale" and to allow a land bank. Voters approved the constitutional amendment but the Supreme Court later invalidated the amendment, ruling that the amendment contained two questions and was not put properly before the people. The land board resubmitted the constitutional amendment regarding the land bank as HJR1 in 2000 and the electorate approved the amendment that fall. 3) HJR8 proposed amendments to the State Constitution to allow the permanent fund to be invested rather than loaned, to create an earnings reserve, and to allow for payment of administrative costs from the earnings reserve. Voters approved that constitutional amendment in 1998. 4) H643aa of 1998 set up the distribution mechanisms necessary for the permanent funds, the earnings reserve and the income funds. The bill moved the Endowment Fund Investment Board from the Governor's Office to the Land Board effective July 1, 2000. Therefore, actual expenditures before FY 2001 are shown in the Executive Office of the Governor. The legislation also set up a land bank, and changed the makeup of the board. The makeup of the nine-member board changed to remove the Superintendent of Public Instruction and the Director of the Department of Finance, and replaced them with two "public members from the citizenry at large who are knowledgeable and experienced in financial matters and the placement or management of investment assets" (§57-718, Idaho Code). S1107 of 1999 changed the effective date of certain sections of H643aa to allow investment in equities (stock) effective February 15, 1999.

H690aa of 1998 established the Capitol Commission and the Capitol Endowment from the former Public Building Endowment effective on July 1, 1998. H643aa was to become effective July 1, 2000 creating a potential conflict with H690aa. However, during the 2000 session, the Legislature resolved that conflict by repealing the Public Building Endowment. H181 of 2013 established a Capitol Maintenance Reserve Fund for the Capitol Commission. Starting in FY 2014, most of the distribution from the Capitol Permanent Endowment Fund began flowing to the maintenance reserve instead of the Capitol Commission's operating fund.

Endowment Fund Investment Board

Agency Profile

Analyst: Houston

Profile of Key Services Provided

Millions of dollars	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016			
End of Year Market Values of Funds Under Management (\$ Millions)									
1. Public School Permanent Endowment	\$714.7	\$708.4	\$792.9	\$922.4	\$954.0	\$847.4			
2. Public School Earnings Reserve Fund	93.5	100.2	122.0	163.8	183.6	282.6			
3. Other Land Grant Permanent Funds	326.9	352.3	392.2	477.4	500.9	538.6			
4. Other Land Grant Earnings Reserves	110.8	97.4	127.6	181.2	204.2	161.8			
5. Subtotal Land Grant Endowments	\$1,245.9	\$1,258.3	\$1,434.8	\$1,744.8	\$1,842.7	\$1,830.4			
6. Capitol Permanent Endowment	21.9	22.2	25.9	in line 3	in line 3	in line 3			
7. State Insurance Fund	574.7	592.2	594.4	630.2	621.5	669.9			
8. Judges' Retirement (to PERSI in 2015)	62.9	60.4	66.4	75.1	0.0	0.0			
9. Other Investments * IDPR, DEQ, IDFG	3.4	3.3	3.4	3.7	74.8	77.1			
10. Total Funds under Management	\$1,908.8	\$1,936.3	\$2,125.0	\$2,453.7	\$2,539.1	\$2,577.4			
*IDPR Ritter Island \$1.2 M; IDPR Trail of the Coeur d'Alenes \$2.5 M; DEQ Kellogg Institutional Controls \$54 M; IDFG Wildlife Stewardship \$16.2 M; F&G Trust \$3.2 M									
Combined Permanent & Earnings Reserve Funds (\$ Millions)									
11. Beginning Value July 1	\$1,023.9	\$1,245.9	\$1,258.3	\$1,434.8	\$1,744.8	\$1,842.7			
12. Lands Contributions to Permanent Fund	\$4.0	\$11.6	\$2.4	\$28.3	\$49.1	\$2.1			
13. Lands Contributions to Earnings Reserve	\$64.6	\$62.6	\$74.4	\$87.9	\$83.1	\$78.2			
14. Income (Loss) from Investments	\$250.2	\$12.7	\$179.3	\$273.8	\$53.2	(2.8)			
15. Lands Expenses	(23.7)	(22.7)	(26.0)	(23.7)	(27.7)	(25.3)			
16. EFIB Expenses	(5.3)	(5.4)	(6.2)	(7.3)	(7.7)	(7.6)			
17. Capital Endowment Distributions	\$0.0	\$0.0	\$0.0	(.1)	(.1)	(.4)			
18. Distributions to Beneficiaries	(67.8)	(46.4)	(47.5)	(48.8)	(52.0)	(56.5)			
19. Ending Combined Perm & ER Funds	\$1,245.9	\$1,258.3	\$1,434.8	\$1,744.8	\$1,842.7	\$1,830.4			
20. Gross Investment Return Before Fees	24.6%	1.0%	14.4%	18.8%	3.0%	(0.2%)			
21. Expenses to year-end net assets	0.43%	0.45%	0.43%	0.42%	0.44%	0.43%			

				FY 2017	FY 2018				
Distributions to Beneficiaries (\$ Millions)				FY 2013	FY 2014	FY 2015	FY 2016	Estimate	Estimate
22. Public Schools	\$31.2924	\$31.2924	\$31.2924	\$32.7588	\$36.7248	\$47.0496			
23. Agricultural College	.9168	.9672	1.1640	1.2888	1.3476	1.3476			
24. Charitable Institutions	2.9646	3.3480	3.8520	4.5000	5.5440	5.5440			
25. Idaho State University 4/15	.7906	.8928	1.0272	1.2000	1.4784	1.4784			
26. Juvenile Corrections Center 4/15	.7906	.8928	1.0272	1.2000	1.4784	1.4784			
27. State Hospital North 4/15	.7906	.8928	1.0272	1.2000	1.4784	1.4784			
28. Veterans Home 5/30	.4941	.5580	.6420	.7500	.9240	.9240			
29. School for the Deaf and Blind 1/30	.0988	.1116	.1284	.1500	.1848	.1848			
30. Normal School	2.6700	2.6700	3.1440	3.6084	4.2624	4.2624			
31. ISU College of Education 1/2	1.3350	1.3350	1.5720	1.8042	2.1312	2.1312			
32. Lewis-Clark State College 1/2	1.3350	1.3350	1.5720	1.8042	2.1312	2.1312			
33. Penitentiary	1.2468	1.4220	1.7076	1.8720	1.9656	1.9656			
34. School of Science	2.9976	3.3384	3.8664	3.8664	4.7088	4.7088			
35. SHS Mental Hospital	2.8680	2.9460	3.6254	4.5624	4.5624	4.5624			
36. University of Idaho	2.5524	2.8608	3.3264	4.0164	4.0428	4.0428			
37. Distributions to Land Grant Beneficiares	\$47.5086	\$48.8448	\$51.9782	\$56.4732	\$63.1584	\$73.4832			
38. Percent Change in Distributions		2.8%	6.4%	8.6%	11.8%	16.3%			

Except for the Capitol Endowment, the distribution rule for each land grant endowment is based on a percentage of the lower of the three-year moving average of the permanent fund or the amount held in the Earnings Reserve divided by the number of target reserve years. The Land Board approved FY 2018 Public School Distribution is based on 2014 and 2015 deferred gains.

Endowment Fund Investment Board

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	3.70	0	675,400	3.70	0	675,400
Removal of One-Time Expenditures	0.00	0	(17,500)	0.00	0	(17,500)
FY 2018 Base	3.70	0	657,900	3.70	0	657,900
Benefit Costs	0.00	0	4,900	0.00	0	3,600
Replacement Items	0.00	0	1,700	0.00	0	1,700
Statewide Cost Allocation	0.00	0	200	0.00	0	200
Change in Employee Compensation	0.00	0	4,400	0.00	0	13,200
FY 2018 Program Maintenance	3.70	0	669,100	3.70	0	676,600
1. Shift Misc Rev Fund to Endow Fund	0.00	0	0	0.00	0	0
2. Double-fill Manager of Investments	0.00	0	36,800	0.00	0	36,800
3. Investment Manager Salary Increase	0.00	0	40,100	0.00	0	40,100
Cybersecurity Insurance	0.00	0	100	0.00	0	100
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	3.70	0	746,100	3.70	0	753,600
Change from Original Appropriation	0.00	0	70,700	0.00	0	78,200
% Change from Original Appropriation			10.5%			11.6%

Endowment Fund Investment Board

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	3.70	0	675,400	0	675,400

Removal of One-Time Expenditures

Removes \$15,800 provided for the 27th payroll and \$1,700 provided for replacement items.

Agency Request	0.00	0	(17,500)	0	(17,500)
<i>Governor's Recommendation</i>	0.00	0	(17,500)	0	(17,500)

FY 2018 Base					
Agency Request	3.70	0	657,900	0	657,900
<i>Governor's Recommendation</i>	3.70	0	657,900	0	657,900

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	4,900	0	4,900
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	0.00	0	3,600	0	3,600
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Replacement Items

The agency requests \$1,700 to replace two computers funded 65% from the Endowment Administrative Fund and 35% from the Miscellaneous Revenue Fund.

Agency Request	0.00	0	1,700	0	1,700
<i>Governor's Recommendation</i>	0.00	0	1,700	0	1,700

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$1,000, risk management fees will increase by \$100, and State Controller fees will decrease by \$900, for a net increase of \$200.

Agency Request	0.00	0	200	0	200
<i>Governor's Recommendation</i>	0.00	0	200	0	200

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	4,400	0	4,400
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	0.00	0	13,200	0	13,200
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FY 2018 Program Maintenance					
Agency Request	3.70	0	669,100	0	669,100
<i>Governor's Recommendation</i>	3.70	0	676,600	0	676,600

1. Shift Misc Rev Fund to Endow Fund

This is a fund shift of \$69,900 from the Miscellaneous Revenue Fund to the Endowment Administrative Fund. Both are dedicated funds used to fund operations of the agency. The shift is calculated annually based on the asset value and time spent administering the portfolios. This shift brings the proportion of funding from 80% to 89% for the land grant endowment related programs and from 20% to 11% for those that are not land grant endowment portfolios.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

<i>Governor's Recommendation</i>	0.00	0	0	0	0
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Endowment Fund Investment Board

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Double-fill Manager of Investments					
<p>After 12 years of state service, the manager of investments is planning to retire in FY 2018. Additional one-time personnel costs in the amount of \$36,800 are requested for vacation payoff and to double-fill the position for training purposes during the transition period. The request is based on 45 days of compensation of which 25 days is for accrued vacation payoff and 20 days is for double-fill. The request is split 89% or \$32,800 from the Endowment Earnings Administrative Fund and 11% or \$4,000 from the Miscellaneous Revenue Fund. [One-time]</p>					
Agency Request	0.00	0	36,800	0	36,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>36,800</i>	<i>0</i>	<i>36,800</i>
3. Investment Manager Salary Increase					
<p>The Endowment Fund Investment Board requests additional appropriation to give the board flexibility to offer a new manager of investments a salary that is closer to market for similar public fund investment managers. The current salary is \$164,600 and benefit costs are \$37,200 for a total of \$201,800. In a compensation survey of 48 state investment organizations done in July 2016, the median salary of chief investment officers with a similar level of responsibility to Idaho's manager of investments was about \$260,000, and the lower quartile median salary of chief investment officers with a level of responsibility similar to Idaho's manager of investments was about \$210,000. The request includes \$33,000 or a 20% increase in salary plus \$7,100 for benefits for a total of \$40,100. This would bring funding for the salary to \$197,600. The request is 11% from the Miscellaneous Revenue Fund and 89% from the Endowment Administrative Fund. [Ongoing]</p>					
Agency Request	0.00	0	40,100	0	40,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>40,100</i>	<i>0</i>	<i>40,100</i>
Cybersecurity Insurance					
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	0	100	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100</i>	<i>0</i>	<i>100</i>
Budget Law Exceptions					
<p>The Endowment Fund Investment Board requests a continuous appropriation for consulting fees, bank custodial fees, and portfolio-related external costs. The variable costs associated with these services depend on the size of the portfolio and the turnover of investments. This uncertainty makes budgeting difficult. Legislative intent included in the appropriation bill allows the Legislature to re-evaluate the need for a continuous appropriation on an annual basis and to consider a fixed appropriation should the costs be determined to be more predictable.</p>					
<p>Actual costs paid through the continuous appropriation for FY 2001 were \$1,327,421 (the first full-year after endowment reform), \$3,215,995 for FY 2002, \$2,528,072 for FY 2003, \$2,178,500 for FY 2004, \$2,603,623 for FY 2005, \$3,832,942 for FY 2006, \$3,861,545 for FY 2007, \$3,823,136 for FY 2008, \$3,157,041 for FY 2009, \$3,892,404 for FY 2010, \$4,750,571 for FY 2011, \$5,155,948 for FY 2012, \$5,444,444 for FY 2013, \$6,641,068 for FY 2014, \$7,305,865 for FY 2015, and \$7,211,682 for FY 2016.</p>					
<p>Language Requested: 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, 2017, through June 30, 2018.</p>					
Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2018 Total					
Agency Request	3.70	0	746,100	0	746,100
<i>Governor's Recommendation</i>	<i>3.70</i>	<i>0</i>	<i>753,600</i>	<i>0</i>	<i>753,600</i>

Endowment Fund Investment Board

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	0	70,700	0	70,700
% Change from Original App	0.0%		10.5%		10.5%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	78,200	0	78,200
% Change from Original App	0.0%		11.6%		11.6%

Department of Lands

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Support Services	5,593,300	5,855,000	6,338,200	6,543,700	6,591,600
Forest Resources Management	25,571,600	21,582,600	31,752,100	26,716,400	27,063,400
Lands and Waterways	10,333,100	8,149,400	10,456,000	10,298,400	10,347,600
Forest & Range Fire Protection	9,257,900	8,254,000	10,715,400	10,032,800	10,040,300
Scaling Practices	264,900	238,400	263,700	269,700	272,400
Total:	51,020,800	44,079,400	59,525,400	53,861,000	54,315,300
BY FUND CATEGORY					
General	5,662,600	5,577,800	5,344,900	5,676,100	5,701,300
Dedicated	38,981,700	34,814,400	42,562,900	41,309,600	41,724,500
Federal	6,376,500	3,687,200	11,617,600	6,875,300	6,889,500
Total:	51,020,800	44,079,400	59,525,400	53,861,000	54,315,300
Percent Change:		(13.6%)	35.0%	(9.5%)	(8.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	24,536,700	22,791,000	27,873,800	28,303,100	28,809,400
Operating Expenditures	19,736,800	15,477,200	19,467,500	18,821,600	18,802,600
Capital Outlay	1,718,900	1,848,100	2,132,600	1,618,000	1,618,000
Trustee/Benefit	5,028,400	3,963,100	10,051,500	5,118,300	5,085,300
Total:	51,020,800	44,079,400	59,525,400	53,861,000	54,315,300
Full-Time Positions (FTP)	286.45	286.45	291.10	307.15	309.15

Division Description

The Department of Lands has five budgeted programs. 1) The Support Services Program provides staff support to the State Board of Land Commissioners, and provides administrative and technical assistance in areas such as legal, data processing, personnel, and fiscal.

2) The Division of Forest Resources has the responsibility to develop and supervise an annual timber sales program of 242.2 million board feet on state endowment lands; develop and administer an intensive forest improvement program to enhance the productivity of state forest lands; and provide assistance to Idaho's cities and rural communities in the areas of the Forest Practices Act, forest stewardship, and urban forestry programs.

3) The Lands and Waterways Program derives income from cropland, grazing, mineral resources, recreation sites, and special surface uses of state owned land. It provides environmental protection of the state's natural resources and public trust lands through active administration of the Lake Protection Act, Surface Mining Act, and the Dredge & Placer Mining Act. The program administers land sale and exchange transactions of state ownership that increase efficiency while acquiring high value, high revenue-producing property. The program also provides support under the Oil & Gas Conservation Commission Act.

4) The Forest and Range Fire Protection Program provides protection to the timbered and grazing lands and resources of the state through prevention, rapid detection and suppression of wildfire; and provides assistance to rural community fire departments.

5) The Board of Scaling Practices is charged with the responsibility of assuring that only competent and certified scalers are used by the forest products industry to scale (measure) forest products in a standard, uniform method statewide.

Department of Lands

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	291.10	5,344,900	59,525,400	291.10	5,344,900	59,525,400
Reappropriation	0.00	0	933,400	0.00	0	933,400
FY 2017 Total Appropriation	291.10	5,344,900	60,458,800	291.10	5,344,900	60,458,800
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	291.10	5,344,900	60,458,800	291.10	5,344,900	60,458,800
Removal of One-Time Expenditures	0.00	(311,600)	(10,806,000)	0.00	(311,600)	(10,806,000)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	291.10	5,033,300	49,652,800	291.10	5,033,300	49,652,800
Benefit Costs	0.00	49,400	336,400	0.00	34,200	232,900
Inflationary Adjustments	0.00	500	10,500	0.00	500	10,500
Replacement Items	0.00	121,500	1,142,400	0.00	121,500	1,142,400
Statewide Cost Allocation	0.00	(18,800)	(77,800)	0.00	(18,800)	(77,800)
Change in Employee Compensation	0.00	29,100	223,100	0.00	79,800	583,500
FY 2018 Program Maintenance	291.10	5,215,000	51,287,400	291.10	5,250,500	51,544,300
1. LIMS Implementation	0.00	40,000	200,000	0.00	20,000	200,000
2. OHV Program Specialist	1.00	0	177,000	1.00	0	179,200
3. Electronic Records Management	0.00	6,000	60,000	0.00	0	60,000
4. Wide Area Network Failsafe	0.00	4,500	22,800	0.00	0	22,800
5. Mapping Software and Storage	0.00	10,300	103,300	0.00	0	103,300
6. IT Equipment and Network Software	0.00	9,000	44,600	0.00	0	44,600
7. Sage Grouse Conservation Initiative	1.00	103,100	298,100	1.00	79,200	274,200
8. Oil and Gas Program Specialist	1.00	0	63,500	1.00	0	65,600
9. SITPA Dispatch Center	0.00	33,800	33,800	0.00	33,800	33,800
10. Navigable Waters Fund Shift	0.00	0	0	0.00	0	0
11. Navigable Waters Study	0.00	0	250,000	0.00	0	250,000
12. Additional Equipment	0.00	2,000	36,200	0.00	0	36,200
13. Scan Minerals Documents	0.00	20,000	40,000	0.00	0	40,000
14. Abandoned Mine Program	0.00	0	200,000	0.00	0	200,000
15. Good Neighbor Authority	0.00	0	500,000	2.00	250,000	750,000
16. Coeur d'Alene Office Expansion	0.00	199,400	398,800	0.00	67,800	398,800
17. Temp to Permanent Conversion	13.05	0	112,400	13.05	0	112,400
18. Project Learning Tree	0.00	25,000	25,000	0.00	0	0
19. Timber Protective Assn CEC & Inflation	0.00	8,000	8,000	0.00	0	0
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	307.15	5,676,100	53,861,000	309.15	5,701,300	54,315,300
Change from Original Appropriation	16.05	331,200	(5,664,400)	18.05	356,400	(5,210,100)
% Change from Original Appropriation		6.2%	(9.5%)		6.7%	(8.8%)

Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	291.10	5,344,900	42,562,900	11,617,600	59,525,400

Reappropriation

Forest Resources Management

The Idaho Department of Lands was authorized to carryover any unexpended and unencumbered balances of moneys appropriated or reappropriated for the Forest Resources Management Program, from the Federal Grant Fund for trustee & benefit payments, for FY 2016, to be used for the Forest Legacy Program, for the period July 1, 2016, through June 30, 2017. For FY 2016, the Forest Resources Management Program was appropriated \$3,135,400 in federal trustee & benefit payments and spent \$2,182,000. That left \$933,400 to be reappropriated into FY 2017.

Agency Request	0.00	0	0	933,400	933,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>933,400</i>	<i>933,400</i>

FY 2017 Total Appropriation					
Agency Request	291.10	5,344,900	42,562,900	12,551,000	60,458,800
<i>Governor's Recommendation</i>	<i>291.10</i>	<i>5,344,900</i>	<i>42,562,900</i>	<i>12,551,000</i>	<i>60,458,800</i>

Noncognizable Funds and Transfers

Realigns 2.48 FTP between programs and fund sources. Transfers \$71,000 in operating expenditures in the Endowment Earnings Reserve Fund from the Forest Resources Management Program to the Support Services Program to account for software licenses and maintenance costs. Moves \$666,700 provided for the Coeur d'Alene Office expansion from operating expenditures to capital outlay.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	291.10	5,344,900	42,562,900	12,551,000	60,458,800
<i>Governor's Recommendation</i>	<i>291.10</i>	<i>5,344,900</i>	<i>42,562,900</i>	<i>12,551,000</i>	<i>60,458,800</i>

Removal of One-Time Expenditures

Removes \$742,600 provided for the 27th payroll and related CEC, \$1,216,800 for replacement items, \$7,913,200 for one-time line items, and \$933,400 for reappropriation.

Agency Request	0.00	(311,600)	(4,549,300)	(5,945,100)	(10,806,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(311,600)</i>	<i>(4,549,300)</i>	<i>(5,945,100)</i>	<i>(10,806,000)</i>

Base Adjustments

Move \$112,800 in Earnings Reserve Fund personnel cost funding from the Forest Resources Management Program to the Support Services Program. Move personnel costs from Forest and Range Fire Protection to the Support Services Program in the amount of \$29,100 from the General Fund and \$84,600 from the Department of Lands Fund.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	291.10	5,033,300	38,013,600	6,605,900	49,652,800
<i>Governor's Recommendation</i>	<i>291.10</i>	<i>5,033,300</i>	<i>38,013,600</i>	<i>6,605,900</i>	<i>49,652,800</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	49,400	281,400	5,600	336,400
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>34,200</i>	<i>194,800</i>	<i>3,900</i>	<i>232,900</i>
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Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					
			Support Services, Lands and Waterways		
Includes \$10,500 for the increase in the Capitol Park Plaza rent charged by the Department of Lands. The building rent at 300 N 6th Street in Boise is going from \$27.28/sq. ft. to \$28.10/sq. ft., which is a 3% increase or \$0.82 per sq. ft. The department leases 13,625 sq. ft. at Capitol Park Plaza for a total of \$371,700 per year. The Capitol Park Plaza is owned by the State Hospital South endowment and the Normal School endowment.					
Agency Request	0.00	500	10,000	0	10,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>500</i>	<i>10,000</i>	<i>0</i>	<i>10,500</i>

Replacement Items

Replacement items include \$293,900 for computer equipment, \$765,900 for vehicles and field equipment, and \$82,600 for furniture and specific use equipment for a total of \$1,142,400. The total includes \$121,500 from the General Fund, \$370,300 from the Department of Lands Fund, and \$650,600 from the Endowment Earnings Administrative Fund.

Agency Request	0.00	121,500	1,020,900	0	1,142,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>121,500</i>	<i>1,020,900</i>	<i>0</i>	<i>1,142,400</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$63,000, risk management fees will decrease by \$2,700, State Controller fees will decrease by \$11,900, and State Treasurer fees will decrease by \$200, for a net reduction of \$77,800.

Agency Request	0.00	(18,800)	(59,000)	0	(77,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(18,800)</i>	<i>(59,000)</i>	<i>0</i>	<i>(77,800)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	29,100	180,200	13,800	223,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>79,800</i>	<i>474,000</i>	<i>29,700</i>	<i>583,500</i>
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FY 2018 Program Maintenance					
Agency Request	291.10	5,215,000	39,447,100	6,625,300	51,287,400
<i>Governor's Recommendation</i>	<i>291.10</i>	<i>5,250,500</i>	<i>39,654,300</i>	<i>6,639,500</i>	<i>51,544,300</i>

1. LIMS Implementation

Lands and Waterways

The department requests \$200,000 one-time to implement the third phase of the LIMS (Land Information Management System) for Lands and Waterways. The funding source is 20% from the General Fund and 80% from the Department of Lands Fund. This request includes partial funding to backfill IDL subject matter experts needed on a short-term basis to implement the LIMS. This request also includes partial funding for software acquisition and licensing, and related implementation services. Once these new systems are implemented, agency staff participating in Lands and Waterways programs will be more efficient, data will be more accurate, and agency customers will receive more accurate and timely information. In addition, these new systems will increase the transparency of all Lands and Waterways programs, making public information readily available to interested citizens and stakeholders. The information will be stored once and accuracy of information will be ensured through improved processes, automated consistency checks, and storage in just one location. [One-time]

Agency Request	0.00	40,000	160,000	0	200,000
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The Governor increases the amount from the Department of Lands Fund by \$20,000 and decreases the General Fund by a like amount. [One-time]

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>20,000</i>	<i>180,000</i>	<i>0</i>	<i>200,000</i>
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Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. OHV Program Specialist					Lands and Waterways
<p>The department requests \$177,000 for a full-time lands program specialist (\$77,200 including benefits, pay grade M at 80% of policy) and operating support for the Endowment Leasing Bureau and the Off-Highway Vehicle (OHV) Program. This position will assist multiple leasing programs by conducting research, in the development of policy and procedure documents, and with scoping and document development for contracted services. This position will also interact with lessees and with the Lands and Waterways processing center and the public record request coordinator. Additionally, this position will take the lead in executing the OHV Fund Program that was created under the authority of Section 64-7126, Idaho Code. IDL currently has a base appropriation of \$127,600. The OHV Funds receives \$1.00 per OHV license from Idaho Parks and Recreation, which translated to average income to the OHV Fund of approximately \$190,000 per year over the past three years. IDL requests an appropriation of \$137,400 (78%) from the OHV Fund and \$39,600 (22%) from the Endowment Earnings Administrative Fund to accomplish the OHV projects identified in the five-year OHV plan developed by the OHV Committee. [\$1,300 one-time for a laptop computer]</p>					
Agency Request	1.00	0	177,000	0	177,000
<p><i>The Governor adds \$2,200. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.</i></p>					
Governor's Recommendation	1.00	0	179,200	0	179,200
3. Electronic Records Management					Support Services
<p>The department requests \$60,000 for implementation of an electronic records management system (ERMS). The source of funding is 10% General Fund, 20% Department of Lands Fund, and 70% Endowment Earnings Administrative Fund. With the implementation of the Land Information Management Systems (LIMS) for forestry and lands and waterways, there is an increased need to store records created by normal agency business processes in a single central system. The LIMS create traditional business documents such as leases, permits, contracts, inspection reports, and many more. These documents need to be readily and easily available to staff across the agency that will allow technical resources and operational subject matter experts to focus their efforts on making careful design decisions based on best practices and to test these processes against operational needs. The ERMS software provides that single source of the truth, which is specifically aligned to the agency's strategic goal of providing timely and accurate information and data to the Land Board and other stakeholders. [Ongoing]</p>					
Agency Request	0.00	6,000	54,000	0	60,000
<p><i>The Governor recommends using the Department of Lands Fund in place of the General Fund to implement the records management system.</i></p>					
Governor's Recommendation	0.00	0	60,000	0	60,000
4. Wide Area Network Failsafe					Support Services
<p>The department requests \$22,800 for network upgrades in two parts. The first part is \$14,800 of one-time funding to purchase routers that will allow IDL's wide area network (WAN) to switch over to the cellular network in the event of a failure in traditional network services. This request also includes \$8,000 of ongoing funding for the cellular data charges necessary to support this functionality. Agency business relies more than ever on being connected both to internal enterprise applications and the Internet. Adding this layer of failsafe provides assurance that the department will be able to continue to operate in the event of a network or hardware failure. This is particularly important to fire suppression efforts, where the ability to communicate with field staff and interagency cooperators can endanger employee and public life and safety. Funding is split 20% from the General Fund, 20% from the Department of Lands Fund, and 60% from the Endowment Earnings Administrative Fund. [\$8,000 ongoing]</p>					
Agency Request	0.00	4,500	18,300	0	22,800
<p><i>The Governor recommends using the Department of Lands Fund in place of the General Fund.</i></p>					
Governor's Recommendation	0.00	0	22,800	0	22,800

Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. Mapping Software and Storage					Support Services
<p>This request of \$103,300 for mapping software and cloud storage is in four parts. The department requests \$5,000 for dedicated equipment to serve as an Environmental Systems Research Institutions (ESRI's) ArcGIS portal, \$6,800 for additional software to extend to existing ArcGIS desktop analytical tools, \$1,500 ongoing annual maintenance for the new extension, and \$90,000 for cloud computing services. Portal is software that works with an organization's ArcGIS server. Portal provides a simple interface for viewing, editing, and sharing map information. This request provides better software for the remote sensing analyst, approved in the FY 2017 budget, to successfully process, analyze, and interpret light detection and ranging (LiDAR) data. Cloud computing services, 20 TB for storage and 60 TB for processing, provide a platform allowing customers to develop, run, and manage applications without the complexity of building and maintaining the infrastructure associated with developing and launching an application. These resources are needed in order to store, process, and develop derivatives from LiDAR data-viewing with the full capabilities offered by these ESRI ArcGIS software extensions. The source of funding is 10% General Fund, 20% from the Department of Lands Fund, and 70% from the Endowment Earnings Administrative Fund. [\$11,800 one-time and \$91,500 ongoing]</p>					
Agency Request	0.00	10,300	93,000	0	103,300
<i>The Governor recommends using the Department of Lands Fund in place of the General Fund.</i>					
Governor's Recommendation	0.00	0	103,300	0	103,300
6. IT Equipment and Network Software					Support Services
<p>The department requests one-time funding to purchase a server devoted to software testing, SAN storage for virtual machines (VMs), and a consultant to ensure successful implementation. Automated testing will allow many tests to be completed in a short amount of time, or over night. This will improve the quality of IT solutions by increasing the capacity to perform testing. The devoted server will enable stress, load, and performance testing, which requires a significant amount of resources at one time in order to simulate a scenario in which hundreds of people are accessing the website or application at the same time. The request includes \$5,000 for a server, \$4,000 for SAN storage, \$6,000 for a switch, \$15,000 for network monitoring software, \$10,800 for a consultant, and funding to equip the additional conference room located in the CDA Shop which includes \$2,400 for a projector and microphone, \$800 for a PC, and \$600 for a conference phone. Funding is 20% from the General Fund, 20% from the Department of Lands Fund, and 60% from the Endowment Earnings Administrative Fund. [One-time]</p>					
Agency Request	0.00	9,000	35,600	0	44,600
<i>The Governor recommends using the Department of Lands Fund in place of the General Fund.</i>					
Governor's Recommendation	0.00	0	44,600	0	44,600
7. Sage Grouse Conservation Initiative					Lands and Waterways, Forest and Range Fire Protection
<p>The department requests ongoing support for sage-grouse habitat conservation protection and treatments in two parts. First, it includes one FTP, \$53,100 in personnel costs, and \$50,000 in operating expenditures from the General Fund for a heavy equipment mechanic to support the continued start-up of the Rangeland Fire Protection Association (RFPA) Program. The program continues to have equipment acquisition and refurbishment needs. Second, this request includes \$195,000 in operating expenditures from the Endowment Earnings Administrative Fund for fire prevention fuel breaks, conifer encroachment treatments, post-fire seeding, fire prevention brush management, wildlife fencing, flagging, and ramps. Roughly 44% of IDL's endowment grazing rangelands are within priority and important habitat management areas. A listing by the Fish and Wildlife Service could potentially reduce grazing revenues on endowment lands. [Ongoing]</p>					
Agency Request	1.00	103,100	195,000	0	298,100
<i>The Governor adds \$1,100 in personnel costs and reduces operating expenditures by \$25,000 for a net reduction of \$23,900 from the request. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline. Furthermore, the Governor recommends General Fund support for the heavy equipment mechanic and operating expenditures as one-time.</i>					
Governor's Recommendation	1.00	79,200	195,000	0	274,200

Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Oil and Gas Program Specialist					Lands and Waterways
<p>The department requests \$77,200 in personnel costs to fund a permanent, full-time lands program specialist for the Idaho Oil and Gas Conservation Commission (OGCC). This position would be funded from dedicated permitting fees and severance taxes deposited to the Oil and Gas Conservation Fund. Increased drilling and oil and gas development will require a full-time inspector to review applications, conduct field inspections, and take care of routine regulatory matters. This will allow the program manager to focus on more technical matters that require review, statute and rule changes, procedures, and program development. The lands program specialist will require \$1,300 for a computer. A \$15,000 reduction in operating expenditures is included to augment the personnel cost budget resulting in a net request of \$63,500. [\$1,300 one-time]</p>					
Agency Request	1.00	0	63,500	0	63,500
<p><i>The Governor adds \$2,100. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i></p>					
Governor's Recommendation	1.00	0	65,600	0	65,600
9. SITPA Dispatch Center					Forest and Range Fire Protection
<p>The purpose of this request is to pay for a change in Southern Idaho Timber Protective Association's (SITPA) interagency initial attack dispatching services. SITPA is currently operating under its own local dispatch center which does not integrate well into the national interagency coordination system. This includes dispatching services to SITPA for personnel and equipment, and limited dispatch services to IDL's Payette Lakes Supervisory Area. Federal cooperators and IDL have raised the concern that SITPA's initial attack dispatch lacks operational alignment with the standard Tier 3 system. SITPA's local dispatch is the last remaining Tier 4 dispatch in the Great Basin Geographic Area. The annual, ongoing cost of entering into a Tier 3 interagency dispatch center with the Payette National Forest is \$33,800. [Ongoing]</p>					
Agency Request	0.00	33,800	0	0	33,800
Governor's Recommendation	0.00	33,800	0	0	33,800
10. Navigable Waters Fund Shift					Lands and Waterways
<p>The department requests a shift of \$84,200 in ongoing personnel costs from the dedicated Endowment Earnings Administrative Fund to the dedicated Navigable Waterways Fund to cover the costs of the current number of positions serving under the Public Trust Program. This amount is in addition to the FY 2017 base of \$515,800 and accounts for the change in employee compensation and the increased health benefit costs. This request does not seek to add positions, but rather to maintain the current level; therefore, a reduction of appropriation in dedicated Endowment Earnings Administrative Fund is also requested. [Ongoing]</p>					
Agency Request	0.00	0	0	0	0
<p><i>Recommended by the Governor.</i></p>					
Governor's Recommendation	0.00	0	0	0	0
11. Navigable Waters Study					Lands and Waterways
<p>The department requests \$250,000 from the dedicated Navigable Waters Fund, to conduct a study on navigable waterways in Idaho. The purpose of the study is to obtain evidence to support the state in making claim to the beds of navigable lakes and rivers. Under the Equal Footing Doctrine, Idaho gained title to the beds of the navigable lakes and rivers upon statehood. Lakes and rivers are deemed to be navigable, for title purposes, if they are used, or susceptible of being used, for trade or travel in the customary modes of trade and travel on water. Currently IDL has a list of 32 rivers and 61 lakes for which the state claims title; however, documentation to support these claims is limited. These funds will be used to contract a historian to conduct a search for, identify, obtain, review and analyze documents regarding the historical use and physical conditions of lakes and rivers in Idaho and provide digital copies of all materials found to IDL. [One-time]</p>					
Agency Request	0.00	0	250,000	0	250,000
Governor's Recommendation	0.00	0	250,000	0	250,000

Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Additional Equipment		Forest Res Mgmt, Lands & Waterways, Fire Protection			
Additional one-time equipment for the Forest Resources Management Program includes \$3,000 for 30% of the cost of a radio repeater; \$9,200 for two utility vehicle track systems for fall and spring months; \$700 for a metal trailer box to hold equipment; \$2,200 for a teleskop for cruising; \$3,500 for a wide ATV trailer; and \$1,500 for two desktop computers for a total of \$20,100 from the Endowment Earnings Administrative Fund.					
Additional one-time equipment for the Lands and Waterways Program includes \$3,100 for two laptop computers with docking stations and \$500 for a tablet for a total of \$3,600. Funding is 83% from the Department of Lands Fund and 17% from the Endowment Earnings Administrative Fund.					
Additional one-time equipment for the Forest and Range Fire Protection Program includes \$7,000 for 70% of a radio repeater; \$3,900 for two laptop computers; and \$1,600 for two tool boxes for a total of \$12,500. Funding is 16% from the General Fund and 84% from the Department of Lands Fund.					
Agency Request	0.00	2,000	34,200	0	36,200
<i>The Governor recommends \$2,000 from the Department of Lands Fund instead of the General Fund.</i>					
Governor's Recommendation	0.00	0	36,200	0	36,200
13. Scan Minerals Documents		Lands and Waterways			
The department requests \$40,000 one-time to scan current reclamation plan and placer permit files. Some of these date back to the late 1970s and early 1980s, and only exist in hard copy. Some of these records are for large mines that have several boxes of plans and records. This makes responding to record requests very time consuming. It also creates difficulty when requesting assistance from GIS or other staff because they must have access to the hard files. Current support staff do not have sufficient time to complete this work for the 1,528 reclamation plans and 24 placer permits. Access to digital files will make program management more efficient, especially when responding to public information requests. The funding source is 50% from the General Fund and 50% from the Department of Lands Fund. [One-time]					
Agency Request	0.00	20,000	20,000	0	40,000
<i>The Governor recommends the use of the Department of Lands Fund for contract services to scan current reclamation plan and placer permit files. [One-time]</i>					
Governor's Recommendation	0.00	0	40,000	0	40,000
14. Abandoned Mine Program		Lands and Waterways			
The department requests \$200,000 from the Department of Lands Fund for the Abandoned Mine Program. Large projects in the Abandoned Mines plan include the Nicholia Smelter site in the Beaverhead Mountains, the Silver King Mine in the Sawtooth Mountains, and Bayhorse State Park near Challis. Site assessments are still underway and not all projects are expected to be ready for FY 2018, but reclamation costs are expected to be \$400,000 or more for each of these three sites. IDL is also planning several smaller projects near Silver City in the Owyhee Mountains, Shoshone County's Silver Valley, the Gilmore District in the Lemhi Mountains, and other locations across the state. Revenue for the Abandoned Mine Reclamation Fund is derived from a portion of the 1% profit tax on Idaho mining operations. It is used for the reclamation of lands affected by mining operations pursuant to Section 47-1703, Idaho Code. The department spent \$1.1 million from the fund last year and the current free-fund balance is \$5.1 million. [Ongoing]					
Agency Request	0.00	0	200,000	0	200,000
Governor's Recommendation	0.00	0	200,000	0	200,000

Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
15. Good Neighbor Authority					Forest Resources Management
<p>The department requests \$300,000 in personnel costs for staffing and \$200,000 in operating expenditures for state and contract foresters to conduct timber sale preparation (timber marking, road layout, etc.) on federal land timber sales. In 2016, the Idaho Department of Lands (IDL) signed a master good neighbor authority (GNA) agreement with Forest Service Regions one and four, encompassing all national forests within Idaho. For FY 2017, JFAC authorized 2.33 FTP and \$200,000 ongoing dedicated funds and \$300,000 ongoing federal funds. Specific project activities are carried out on individual national forests through supplemental project agreements (SPAs) developed under the authority of the statewide master GNA. The IDL is requesting authorization to use \$250,000 of additional federal funds to continue investment in this GNA federal land management effort. In addition, dedicated funding will also be accrued as timber sales are sold and revenue is generated within each SPA. [Ongoing]</p>					
Agency Request	0.00	0	250,000	250,000	500,000
<p><i>In addition to the original request, the Governor recommends 2.00 additional FTP from the General Fund and the shift of one position from federal funds to the General Fund for continued investment in the Good Neighbor Authority federal land management program.</i></p>					
Governor's Recommendation	2.00	250,000	250,000	250,000	750,000
16. Coeur d'Alene Office Expansion					Forest Resources Management
<p>In the FY 2017 budget, the Department of Lands was appropriated \$1,350,000 in dedicated funds and the Permanent Building Fund Advisory Council authorized \$1,665,300 for a total of \$3,015,300 to expand the Coeur d'Alene staff office by approximately 10,000 square feet. In addition to the funds appropriated for the project in FY 2017, the department has a need for some of the soft costs of the project that were not included in the PBFAC scope. The soft costs totaling \$398,800 include: \$38,000 for data cabling for ten walled offices and 40 cubicles; \$106,800 for server room equipment including a generator, battery backup racks, and a dedicated air conditioning unit; \$30,000 for security access controls on eight interior and exterior doors; \$50,000 for two powered security access vehicle gates; \$26,000 for network equipment including patch panels, switches, and access points; \$33,400 for audio-visual equipment for four workrooms including four personal computers, four wall projectors, three LCD screens, seven white boards, four conference telephones, four microphones/speakers, and installation hardware; \$8,600 for water, electrical, gas and phone hookups; \$4,000 for moving expenses; \$2,000 for locks; and \$100,000 for furniture. Funding is 50% from the General Fund and 50% from the Endowment Earnings Administrative Fund. [One-time]</p>					
Agency Request	0.00	199,400	199,400	0	398,800
<p><i>The Governor recommends the use of an additional \$131,600 from the Endowment Administrative Reserve Fund and an equal reduction from the General Fund. [One-time]</i></p>					
Governor's Recommendation	0.00	67,800	331,000	0	398,800
17. Temp to Permanent Conversion					Forest Res Mgmt, Forest and Range Fire Protection
<p>The department requests conversion of temporary part-time positions to full-time equivalent positions. Three of the positions work part of the year as IDL employees and part of the year as either Idaho Fish & Game or Idaho Parks & Recreation employees, but work out of IDL offices all year. This request would switch each of the three employees to full-time employees of IDL. IDL has funding for the hours these positions work as IDL employees, but is requesting additional appropriation of \$104,900 in personnel costs and \$7,500 in operating expenditures from the Endowment Earnings Administrative Fund to make these three employees full-time. Additionally, the Forest Resource Management Program seeks to convert numerous temporary employees to 4.02 permanent full-time equivalent positions and the Fire Bureau requests to convert numerous temporary positions to 6.03 permanent FTP. The department already has the funding for these 10.05 positions. This decision unit will enable IDL to manage and recognize employees working in a 12 month part-time capacity in an equitable manner. [Ongoing]</p>					
Agency Request	13.05	0	112,400	0	112,400
Governor's Recommendation	13.05	0	112,400	0	112,400

Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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18. Project Learning Tree

Forest Resources Management

The department requests \$25,000 from the General Fund for Idaho Project Learning Tree (PLT). The program trains Idaho teachers about the state's natural resources and equips them with effective classroom materials to develop students' critical thinking, problem solving and decision-making skills about complex environmental topics. In 1993, IDL was instrumental in establishing the newly-formed Idaho Forest Products Commission (IFPC) as the home agency for Idaho PLT. Initial partners included IFPC, IDL, USFS, BLM and Idaho State Dept. of Education. The partners all recognized the importance and benefits of providing an ongoing forest education program to Idaho educators and supported PLT as the best option. From 1994 to 2008, IDL fulfilled its financial commitment to PLT through a budget line item directing up to \$23,800 annually to the program which accounted for approximately 20% of PLT's budget. In 2009, the economic downturn reduced the support to half and funding was completely zeroed out in 2010. This severe reduction in financial support led PLT to rely on small grants which often required PLT to develop and provide programming which was neither its initial focus, nor in demand by teachers. [Ongoing]

Agency Request	0.00	25,000	0	0	25,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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19. Timber Protective Assn CEC & Inflation

Forest and Range Fire Protection

This is an \$8,000 ongoing General Fund request on behalf of the Clearwater-Potlatch Timber Protective Association (CPTPA) and the Southern Idaho Timber Protective Association (SITPA) to fund a 1% change in employee compensation (CEC) and 1% inflation for operating expenditures. State fire protection is organized into 12 forest protection districts that provide wildland fire protection of mixed ownership. Ten of the districts are operated by the department and two are operated by timber protective associations under agreement with the department. The TPAs are funded with a combination of membership or tax roll assessments, state General Fund support, and additional contracted services. Once a fire breaks out, the TPAs are paid from deficiency warrants just like the other ten protection districts. The current General Fund base funding is \$580,300 for CPTPA and \$212,800 for SITPA for a total of \$793,100. The request is \$5,000 for CPTPA and \$1,700 for SITPA in personnel costs and \$900 for CPTPA and \$400 for SITPA in operating expenditures for a total of \$8,000. [Ongoing]

Agency Request	0.00	8,000	0	0	8,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Cybersecurity Insurance

Support Services

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	100	0	100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	0	100	0	100
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FY 2018 Total					
Agency Request	307.15	5,676,100	41,309,600	6,875,300	53,861,000
Governor's Recommendation	309.15	5,701,300	41,724,500	6,889,500	54,315,300

Agency Request

Change from Original App	16.05	331,200	(1,253,300)	(4,742,300)	(5,664,400)
% Change from Original App	5.5%	6.2%	(2.9%)	(40.8%)	(9.5%)

Governor's Recommendation

Change from Original App	18.05	356,400	(838,400)	(4,728,100)	(5,210,100)
% Change from Original App	6.2%	6.7%	(2.0%)	(40.7%)	(8.8%)

Idaho Legislative Budget Book

Department of Parks and Recreation

2017 Legislative Session

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Department of Parks and Recreation

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Parks & Recreation, Dept of	41,056,800	28,993,500	39,630,900	41,177,500	41,230,900
Lava Hot Springs Foundation	1,968,700	1,835,800	2,337,200	3,913,400	2,214,500
Total:	43,025,500	30,829,300	41,968,100	45,090,900	43,445,400
BY FUND CATEGORY					
General	5,086,100	3,978,300	3,336,700	3,336,800	3,357,900
Dedicated	32,943,500	22,871,500	33,733,600	35,022,300	33,360,000
Federal	4,995,900	3,979,500	4,897,800	6,731,800	6,727,500
Total:	43,025,500	30,829,300	41,968,100	45,090,900	43,445,400
Percent Change:		(28.3%)	36.1%	7.4%	3.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	13,102,900	12,217,400	13,940,500	14,267,100	14,241,600
Operating Expenditures	7,831,000	6,451,500	7,922,100	7,881,300	7,881,300
Capital Outlay	8,754,000	3,263,800	6,767,900	8,153,200	6,533,200
Trustee/Benefit	13,337,600	8,896,600	13,337,600	14,789,300	14,789,300
Total:	43,025,500	30,829,300	41,968,100	45,090,900	43,445,400
Full-Time Positions (FTP)	164.19	164.19	164.69	170.44	170.44

Department Description

For organizational purposes, Section 67-4401, Idaho Code, places the Lava Hot Springs Foundation into the Department of Parks and Recreation. The foundation has a separate governing board and submits its budget request independently.

Department of Parks and Recreation

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Management Services	16,413,200	11,991,500	16,728,400	18,098,800	18,128,300
Park Operations	17,095,600	15,117,200	17,737,500	18,444,700	18,468,600
Capital Development	7,548,000	1,884,800	5,165,000	4,634,000	4,634,000
Total:	41,056,800	28,993,500	39,630,900	41,177,500	41,230,900
BY FUND CATEGORY					
General	5,086,100	3,978,300	3,336,700	3,336,800	3,357,900
Dedicated	30,974,800	21,035,700	31,396,400	31,108,900	31,145,500
Federal	4,995,900	3,979,500	4,897,800	6,731,800	6,727,500
Total:	41,056,800	28,993,500	39,630,900	41,177,500	41,230,900
Percent Change:		(29.4%)	36.7%	3.9%	4.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	11,985,800	11,135,100	12,765,500	12,916,800	12,970,200
Operating Expenditures	7,087,400	5,768,600	7,130,900	7,135,700	7,135,700
Capital Outlay	8,646,000	3,193,200	6,396,900	6,335,700	6,335,700
Trustee/Benefit	13,337,600	8,896,600	13,337,600	14,789,300	14,789,300
Total:	41,056,800	28,993,500	39,630,900	41,177,500	41,230,900
Full-Time Positions (FTP)	150.39	150.39	150.89	154.64	154.64

Division Description

The Department of Parks and Recreation was created by H138 in 1965. Before the creation of the department there existed areas designated scenic and recreational, usually parks and campgrounds. Between 1907 and 1947, these areas were administered by the State Land Board. In 1947, state parks were transferred to the Highway Department, and responsibility grew with the addition of a number of roadside rest areas. In 1949, control of the parks system was transferred back to the State Land Board, and in 1953 the Division of Parks was created within the Department of Lands, administered by a state parks director. The 1965 legislation created a separate Department of Parks and Recreation, governed by a six-member parks board appointed by the Governor.

The department is organized and funded through three major programs: 1) Management Services includes fiscal support, pass-through grants for recreational programs, planning & development, information technology, registrations, and reservations; 2) Park Operations manages the 30 state parks and trails through six regions, and also manages boating and interpretive programs; 3) Capital Development includes only the capital outlay appropriated for facility maintenance, repair, and construction.

Department of Parks and Recreation

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	150.89	3,336,700	39,630,900	150.89	3,336,700	39,630,900
Reappropriation	0.00	1,056,500	6,700,600	0.00	1,056,500	6,700,600
FY 2017 Total Appropriation	150.89	4,393,200	46,331,500	150.89	4,393,200	46,331,500
Removal of One-Time Expenditures	0.00	(1,125,100)	(13,400,600)	0.00	(1,125,100)	(13,400,600)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	150.89	3,268,100	32,930,900	150.89	3,268,100	32,930,900
Benefit Costs	0.00	45,700	189,100	0.00	32,400	133,800
Replacement Items	0.00	0	3,405,700	0.00	0	3,405,700
Statewide Cost Allocation	0.00	(1,400)	(1,800)	0.00	(1,400)	(1,800)
Change in Employee Compensation	0.00	19,300	103,800	0.00	53,700	239,400
FY 2018 Program Maintenance	150.89	3,331,700	36,627,700	150.89	3,352,800	36,708,000
1. Eagle Island Campground	0.00	0	2,200,000	0.00	0	2,200,000
2. Round Lake Group Use Shelter	0.00	0	160,000	0.00	0	160,000
3. Old Mission Backup Generators	0.00	0	35,000	0.00	0	35,000
4. Lucky Peak Marina Expansion Study	0.00	0	50,000	0.00	0	50,000
5. Ponderosa Kokanee Cove Design	0.00	0	50,000	0.00	0	50,000
6. Henry's Lake CXT and Day Use Shelters	0.00	0	90,000	0.00	0	90,000
7. Harriman Yurt Decks and Furnishings	0.00	0	50,000	0.00	0	50,000
8. McCroskey Primitive Campground	0.00	0	250,000	0.00	0	250,000
9. Yankee Fork Seasonal Housing Yurt	0.00	0	45,000	0.00	0	45,000
10. Trail Maintenance Equipment Operator	1.00	0	27,000	1.00	0	13,900
11. Boating Program Coordinator	0.75	0	16,500	0.75	0	3,000
12. Park Rangers	2.00	0	118,000	2.00	0	117,700
13. Land and Water Conservation Grants	0.00	0	602,900	0.00	0	602,900
14. Recreational Vehicle Program Grants	0.00	0	848,800	0.00	0	848,800
Cybersecurity Insurance	0.00	5,100	6,600	0.00	5,100	6,600
FY 2018 Total	154.64	3,336,800	41,177,500	154.64	3,357,900	41,230,900
Change from Original Appropriation	3.75	100	1,546,600	3.75	21,200	1,600,000
% Change from Original Appropriation		0.0%	3.9%		0.6%	4.0%

Department of Parks and Recreation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	150.89	3,336,700	31,396,400	4,897,800	39,630,900

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation balance for the Capital Development Program only from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base. Carryover provided funding for capital projects that took more than one year to complete.

Agency Request	0.00	1,056,500	5,416,900	227,200	6,700,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,056,500</i>	<i>5,416,900</i>	<i>227,200</i>	<i>6,700,600</i>

FY 2017 Total Appropriation	150.89	4,393,200	36,813,300	5,125,000	46,331,500
<i>Governor's Recommendation</i>	<i>150.89</i>	<i>4,393,200</i>	<i>36,813,300</i>	<i>5,125,000</i>	<i>46,331,500</i>

Removal of One-Time Expenditures

Removes one-time funding in the amount of \$303,100 provided for the 27th payroll and related CEC, \$2,405,900 provided for replacement items, \$3,991,000 for line items, and \$6,700,600 reappropriation for a total of \$13,400,600.

Agency Request	0.00	(1,125,100)	(12,026,900)	(248,600)	(13,400,600)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,125,100)</i>	<i>(12,026,900)</i>	<i>(248,600)</i>	<i>(13,400,600)</i>

Base Adjustments

Transfers funding approved for the interpretive coordinator for FY 2017 from the Management Services Program to the Operations Program. Moves 1.00 FTP, \$71,800 in personnel costs and \$9,000 in operating expenditures for a total of \$80,800 in the dedicated Parks and Recreation Fund (park entry and camping fees).

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base	150.89	3,268,100	24,786,400	4,876,400	32,930,900
<i>Governor's Recommendation</i>	<i>150.89</i>	<i>3,268,100</i>	<i>24,786,400</i>	<i>4,876,400</i>	<i>32,930,900</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	45,700	143,400	0	189,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>32,400</i>	<i>101,400</i>	<i>0</i>	<i>133,800</i>

Replacement Items

Replacement items include \$1,064,000 for site development; \$451,500 for building improvements; \$195,000 for property improvements; \$56,700 for personal computer hardware; \$12,000 for server and storage hardware; \$22,000 for networking hardware; \$998,800 for landscape equipment; \$331,000 for autos and light trucks; \$190,600 for small motorized equipment; and \$84,100 for non-motorized equipment for a total of \$3,405,700.

Agency Request	0.00	0	3,278,200	127,500	3,405,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,278,200</i>	<i>127,500</i>	<i>3,405,700</i>

Department of Parks and Recreation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$3,300, risk management fees will increase by \$5,400, State Controller fees will decrease by \$3,500, and State Treasurer fees will decrease by \$400, for a net reduction of \$1,800.

Agency Request	0.00	(1,400)	(400)	0	(1,800)
Governor's Recommendation	0.00	(1,400)	(400)	0	(1,800)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	19,300	76,000	8,500	103,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	53,700	168,000	17,700	239,400
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FY 2018 Program Maintenance

Agency Request	150.89	3,331,700	28,283,600	5,012,400	36,627,700
Governor's Recommendation	150.89	3,352,800	28,333,600	5,021,600	36,708,000

1. Eagle Island Campground

Capital Development

The department requests \$1,100,000 in dedicated Recreational Vehicle (RV) Fund (0250-05) and \$1,100,000 in federal Land and Water Conservation Fund appropriation, as match, to construct a new campground at Eagle Island State Park. This request must also be approved by the RV Advisory Committee. This campground will accommodate both travelers to and through the region, as well as providing close-to-home camping for Treasure Valley residents. This campground was identified in the Eagle Island Master Plan and will increase park-generated revenue by an estimated \$158,000 annually from campsite rentals. Additional revenue will be also be realized through ancillary services and retail sales. The 2015 Idaho Visitor Report, Longwood's/Idaho Tourism, found that travelers on overnight trips to Idaho were much more likely to use a campground than the national average. The report also determined that visiting a national or state park was one of the top activities for travelers. [One-time]

Agency Request	0.00	0	1,100,000	1,100,000	2,200,000
Governor's Recommendation	0.00	0	1,100,000	1,100,000	2,200,000

2. Round Lake Group Use Shelter

Capital Development

The department requests \$160,000 in dedicated Parks and Recreation Fund (0243) appropriation to construct a day use shelter at Round Lake State Park. This shelter will provide opportunities for park visitors to reserve a large shelter for weddings, family reunions, and other gatherings. The park has seen high demand for additional day use shelters and this project will help meet the demand by providing a large shelter to accommodate approximately 75-100 people. IDPR is currently developing a parking area in an underutilized area of the park which will support this shelter. This project will also include a pathway to the restroom and additional parking spaces. This project will increase estimated annual revenue by \$3,450 based on 30 rentals per year at \$115 per rental. Additional entrance fees will also be realized depending on the number of vehicles associated with each rental party. [One-time]

Agency Request	0.00	0	160,000	0	160,000
Governor's Recommendation	0.00	0	160,000	0	160,000

3. Old Mission Backup Generators

Capital Development

The department requests \$35,000 from the dedicated Parks and Recreation Fund (0243) to install two gasoline powered emergency backup generators at Old Mission State Park. These generators will provide emergency backup power to the visitor center security system and the fire suppression system at the Cataldo Mission, Idaho's oldest standing structure. [One-time]

Agency Request	0.00	0	35,000	0	35,000
Governor's Recommendation	0.00	0	35,000	0	35,000

Department of Parks and Recreation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Lucky Peak Marina Expansion Study					Capital Development
<p>The department requests \$50,000 from the dedicated Park and Recreation Fund (park entry and passport fees) to conduct a marina expansion study for the Spring Shores Marina at Lucky Peak State Park. The objective of the study is to provide an accurate assessment of the need, demand and cost to appropriately and adequately expand the marina. The park has seen high demand for additional boat slips. This project will allow IDPR to move forward with the expansion in subsequent years with an informed idea of marina user needs and associated costs to meet these needs. The expansion will reflect the needs of potential marina users and will result in an increased customer base and park generated revenue. The current marina configuration generated \$170,000 in revenue in FY 2016. [One-time]</p>					
Agency Request	0.00	0	50,000	0	50,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>50,000</i>	<i>0</i>	<i>50,000</i>
5. Ponderosa Kokanee Cove Design					Capital Development
<p>The department requests \$50,000 from the dedicated Park and Recreation Fund (park entry and camping fees) to develop a professional conceptual design for the Kokanee Cove area at Ponderosa State Park. Kokanee Cove is a former Nazarene Church camp on the shore of Payette Lake and this project will design the area to facilitate its revitalization and make it available for public use. The area will be designed for lodging, camping, day use, and associated amenities. Attendance trends at the park show an increase in park visitation and this project will allow IDPR to adequately analyze and develop the area for its best possible use for park visitors. [One-time]</p>					
Agency Request	0.00	0	50,000	0	50,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>50,000</i>	<i>0</i>	<i>50,000</i>
6. Henry's Lake CXT and Day Use Shelters					Capital Development
<p>The department requests a \$90,000 appropriation from the dedicated Park and Recreation Fund (park entry and campground fees) to construct six small day use shelters and to install a CXT vault toilet at Henry's Lake State Park. The shelters will improve the visitor experience by providing a place to picnic and a place to seek shelter from the sun and rain. The shelters and CXT will be located near the lake and boat ramp, a high use area. There are currently no shelters in the park and this project will help meet the needs of park visitors. [One-time]</p>					
Agency Request	0.00	0	90,000	0	90,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>90,000</i>	<i>0</i>	<i>90,000</i>
7. Harriman Yurt Decks and Furnishings					Capital Development
<p>The department requests \$50,000 from the Recreational Fuels Capital Improvement Fund (0247) to purchase and install yurt decks and furnishings for three yurts at Harriman State Park. The yurts are being constructed with funding of \$12,000 each, which was approved in previous years. This project will enhance that experience by developing decking and furnishings. Furnishings include a wood burning stove, beds, and cabinetry. Two of the yurts will be located at the Thurmon Creek overlook near Golden Lake and the third will be adjacent to existing yurts near Silver Lake. It is anticipated that three additional yurts will increase revenue by \$32,400 annually. [One-time]</p>					
Agency Request	0.00	0	50,000	0	50,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>50,000</i>	<i>0</i>	<i>50,000</i>
8. McCroskey Primitive Campground					Capital Development
<p>The department requests \$250,000 from the dedicated Park and Recreation Expendable Trust Fund (0496) to develop a primitive campground adjacent to Skyline Drive in McCroskey State Park. The source of funding is from timber sales on the park's property. The campground will provide a unique overnight experience overlooking the Palouse River Valley. The project will include extending water service to the area to provide central water, developing and furnishing six pull-in recreational vehicle (RV) sites with picnic tables, living pads and fire rings, installing one CXT vault toilet and constructing two small picnic shelters. The project will also include minor improvements to the road needed to accommodate RV traffic. The development is intended to limit natural resource damage and fire risk by better containing camping to designated sites. IDPR estimates new revenue of \$17,000 annually from campsite rentals. [One-time]</p>					
Agency Request	0.00	0	250,000	0	250,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>250,000</i>	<i>0</i>	<i>250,000</i>

Department of Parks and Recreation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. Yankee Fork Seasonal Housing Yurt	Capital Development				
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The agency requests \$45,000 from the Parks and Recreation Fund (park entry, passport and camping fees) to purchase and install a yurt for seasonal staff housing at the Bonanza area of Land of the Yankee Fork State Park. Having staff present improves the visitor experience and helps deter vandalism. The yurt will provide housing at the USFS Bonanza/Custer campground for IDPR staff from mid-May through mid-September. Staff housing previously provided was deemed unsuitable for living and, in the summer of 2016, park management had to rent a camp trailer. The yurt will be connected to existing propane and water at the site. Developing permanent housing will eliminate the ongoing expense of renting a trailer. [One-time]

Agency Request	0.00	0	45,000	0	45,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>45,000</i>	<i>0</i>	<i>45,000</i>

10. Trail Maintenance Equipment Operator	Park Operations				
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The department requests a full-time (1.00 FTP) trail maintenance equipment operator at 80% of paygrade I. The request seeks to consolidate two part-time temporary positions into a single full-time position to serve as a trail dozer operator in the summer and a snow groomer operator in the winter. A portion of the salary will be converted from the existing base group position budget. The ongoing request includes the salary differential between the full-time salary estimate and the part-time temporary hours (695 hours), plus variable benefits and the estimated FY 2018 health benefit costs. The position will be split between dedicated funds with approximately 65% from the Recreational Registration Fund (0250) and 35% from the Public Enterprise Fund (0410-01). This position is responsible for operating very specialized trail grooming equipment valued in excess of \$400,000, often in extremely remote terrain with little supervision. Past experience has proven that it is very challenging to recruit and retain capable operators. The cost of continually recruiting and training is estimated to be greater than the incremental ongoing increase being requested. [Ongoing]

Agency Request	1.00	0	27,000	0	27,000
<i>The Governor reduces the request by \$13,100 to account for benefits already included in the base.</i>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>13,900</i>	<i>0</i>	<i>13,900</i>

11. Boating Program Coordinator	Park Operations				
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The department requests funding for a permanent part-time (0.75 FTP) boating program coordinator at 80% of paygrade H. The request seeks to convert a benefited part-time temporary (group) position into a permanent part-time FTP. This position is similar in nature to the benefited temporary (group) positions that were converted in FY 2016. A portion of the salary will be converted from the existing base group position budget. The ongoing request includes the salary differential between the 0.75 FTP salary estimate and the historical part-time temporary hours (175 hours), plus variable benefits and the estimated FY 2018 health benefit costs. The position is 100% funded through Idaho's apportionment of the U.S. Coast Guard's Recreational Boating Safety Grant Program. The conversion to FTP will provide greater transparency on the size of IDPR's workforce and will assist IDPR in properly budgeting for health insurance increases and changes in employee compensation. [Ongoing]

Agency Request	0.75	0	0	16,500	16,500
<i>The Governor reduces the request by \$13,500 to account for benefits already included in the base.</i>					
<i>Governor's Recommendation</i>	<i>0.75</i>	<i>0</i>	<i>0</i>	<i>3,000</i>	<i>3,000</i>

Department of Parks and Recreation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Park Rangers					Park Operations
<p>The department requests two full-time (2.00 FTP) parks and recreation ranger positions, at 80% of paygrade J, to provide increased capacity for visitor services, resource protection, and facility maintenance at the busiest parks. All of Idaho's state parks have seen a significant increase in visitor use over the past few years due to increasing interest in outdoor recreation and IDPR's commitment to providing exceptional outdoor experiences. Park rangers are a critical component in providing the memorable visitor experience necessary to satisfy the current and future generations of park visitors. The FTPs in this request would be distributed as follows: 1.00 FTP at Farragut State Park; 0.25 FTP at Land of the Yankee Fork State Park to bring a part-time ranger to full-time; 0.25 FTP at Bruneau Dunes State Park to bring a part-time ranger to full-time; and 0.50 FTP at Eagle Island State Park to bring a part-time ranger to full-time. The source of funding is from the dedicated Parks and Recreation Fund (park entry and camping fees). [Ongoing]</p>					
Agency Request	2.00	0	118,000	0	118,000
<p><i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i></p>					
Governor's Recommendation	2.00	0	117,700	0	117,700
13. Land and Water Conservation Grants					Management Services
<p>The department requests an increase of \$602,900 to the ongoing base federal fund trustee & benefit payments appropriation. The Land and Water Conservation Fund (LWCF) was established by Congress in 1964 and allocates a portion of earnings from offshore oil and gas leases to provide matching grants to state and local governments for the acquisition and development of public outdoor recreation areas and facilities. The LWCF has contributed over \$39 million to Idaho for the development of state parks and local projects in nearly every county. The last reauthorization of the LWCF more than doubled the amount from an average of \$445,000 per year to over \$1 million per year. Although the current reauthorization is set to expire at the end of federal FY 2018, it is anticipated that Congress will pass permanent reauthorization before that date. [Ongoing]</p>					
Agency Request	0.00	0	0	602,900	602,900
Governor's Recommendation	0.00	0	0	602,900	602,900
14. Recreational Vehicle Program Grants					Management Services
<p>The department requests an ongoing increase of \$848,800 in trustee & benefit payments appropriation in the Parks and Recreation Registration Fund (0250). The current base appropriation of \$7,401,200 is typically allocated between four programs: \$2,350,000 for the boat registration grant program; \$1,000,000 for the snowmobile registration grant program; \$400,000 for the motorbike grant program, and \$3,651,200 for the recreational vehicle (RV) grant program. These base allocations are sufficient for boat and snowmobile registration pass-through moneys to Idaho counties, and for the motorbike grant program; however, in fiscal years 2015 and 2016, the amount of cash transfers into the RV Grant Program Fund (0250-05) has exceeded \$5,000,000 each year. An increase to the ongoing base is requested to fully award RV grants up to the annual cash available or up to \$4,500,000. [Ongoing]</p>					
Agency Request	0.00	0	848,800	0	848,800
Governor's Recommendation	0.00	0	848,800	0	848,800
Cybersecurity Insurance					Management Services
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	5,100	1,500	0	6,600
<p><i>The Governor recommends all funding be ongoing.</i></p>					
Governor's Recommendation	0.00	5,100	1,500	0	6,600
FY 2018 Total					
Agency Request	154.64	3,336,800	31,108,900	6,731,800	41,177,500
Governor's Recommendation	154.64	3,357,900	31,145,500	6,727,500	41,230,900

Department of Parks and Recreation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	3.75	100	(287,500)	1,834,000	1,546,600
% Change from Original App	2.5%	0.0%	(0.9%)	37.4%	3.9%
<i>Governor's Recommendation</i>					
Change from Original App	3.75	21,200	(250,900)	1,829,700	1,600,000
% Change from Original App	2.5%	0.6%	(0.8%)	37.4%	4.0%

Lava Hot Springs Foundation

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	1,968,700	1,835,800	2,337,200	3,913,400	2,214,500
Percent Change:		(6.8%)	27.3%	67.4%	(5.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,117,100	1,082,300	1,175,000	1,350,300	1,271,400
Operating Expenditures	743,600	682,900	791,200	745,600	745,600
Capital Outlay	108,000	70,600	371,000	1,817,500	197,500
Total:	1,968,700	1,835,800	2,337,200	3,913,400	2,214,500
Full-Time Positions (FTP)	13.80	13.80	13.80	15.80	15.80

Division Description

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. The state created the foundation to manage the land. In 1962 and 1963, severe flooding damaged the foundation's swimming pools and hot baths. Subsequently, the foundation implemented a rebuilding program culminating in the construction of a new swimming pool recreation complex which was dedicated in August 1969.

Section 67-4401, Idaho Code, states that all rights to operate, manage, and control Lava Hot Springs are vested in the Lava Hot Springs Foundation. Such foundation shall consist of a five member board, appointed by the Governor, on a staggered basis, for six-year terms. The foundation employs 13.80 full-time equivalent positions and about 58 part-time people in the summer when the large swimming pool is open. The 25-yard pool of the olympic swimming complex and Kiddie Cove are enclosed and continue to operate during the winter months. The hot baths are open all year. The Lava Hot Springs Foundation is a self-sustaining financial operation with all operating revenues generated from hot baths and swimming pool entrance fees, swimsuit, towel, and locker rentals, miscellaneous merchandise sales, and lease agreements.

Lava Hot Springs Foundation

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	13.80	0	2,337,200	13.80	0	2,337,200
Removal of One-Time Expenditures	0.00	0	(449,000)	0.00	0	(449,000)
FY 2018 Base	13.80	0	1,888,200	13.80	0	1,888,200
Benefit Costs	0.00	0	17,600	0.00	0	12,500
Replacement Items	0.00	0	167,500	0.00	0	167,500
Statewide Cost Allocation	0.00	0	9,300	0.00	0	9,300
Change in Employee Compensation	0.00	0	9,700	0.00	0	18,600
FY 2018 Program Maintenance	13.80	0	2,092,300	13.80	0	2,096,100
1. Increase Baseline Pay	0.00	0	77,000	0.00	0	0
2. Customer Service Representatives	2.00	0	94,000	2.00	0	88,300
3. Construct Parking Facility	0.00	0	1,650,000	0.00	0	30,000
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	15.80	0	3,913,400	15.80	0	2,214,500
Change from Original Appropriation	2.00	0	1,576,200	2.00	0	(122,700)
% Change from Original Appropriation			67.4%			(5.2%)

Lava Hot Springs Foundation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	13.80	0	2,337,200	0	2,337,200

Removal of One-Time Expenditures

Removes funding provided for one-time items including \$23,000 for the 27th payroll, \$131,000 for replacement items, \$225,000 to reconfigure the hot pool customer service area, \$15,000 to add dressing room doors, \$30,000 to seal coat the parking lots, and \$25,000 for a feasibility study to develop Chicken Soup Hot Springs.

Agency Request	0.00	0	(449,000)	0	(449,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(449,000)</i>	<i>0</i>	<i>(449,000)</i>

FY 2018 Base					
Agency Request	13.80	0	1,888,200	0	1,888,200
<i>Governor's Recommendation</i>	<i>13.80</i>	<i>0</i>	<i>1,888,200</i>	<i>0</i>	<i>1,888,200</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	17,600	0	17,600
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>12,500</i>	<i>0</i>	<i>12,500</i>

Replacement Items

Replacement items include \$40,000 for eight pumps and motors; \$50,000 to repair or replace decks; \$67,500 to replace 45 lockers; and \$10,000 for pool equipment for a total of \$167,500.

Agency Request	0.00	0	167,500	0	167,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>167,500</i>	<i>0</i>	<i>167,500</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$1,000, Risk management fees will increase by \$11,800, State Controller fees will decrease by \$1,400, and State Treasurer fees will decrease by \$100, for a net increase of \$9,300.

Agency Request	0.00	0	9,300	0	9,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>9,300</i>	<i>0</i>	<i>9,300</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	9,700	0	9,700
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>18,600</i>	<i>0</i>	<i>18,600</i>

FY 2018 Program Maintenance					
Agency Request	13.80	0	2,092,300	0	2,092,300
<i>Governor's Recommendation</i>	<i>13.80</i>	<i>0</i>	<i>2,096,100</i>	<i>0</i>	<i>2,096,100</i>

Lava Hot Springs Foundation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Increase Baseline Pay

The foundation requests \$77,000 to fund a \$1 per hour pay increase for the agency's 16 full-time and part-time permanent employees, and dozens of seasonal employees. Turnover of classified employees was 23% last year. A \$1 per hour increase would average 7% for permanent employees. Furthermore, the payline for seasonal workers has not changed since 2007. Due to limited local labor availability, the foundation draws employees from communities 20 to 40 miles away. The average hourly wage for non-classified employees of \$8.86 makes travel expenses prohibitive. A \$1 per hour increase for seasonals would average 11.3%. The request is broken down into \$35,500 for permanent salaries, \$6,800 for permanent benefits, and \$34,700 for seasonal employees for a total of \$77,000. [Ongoing]

Agency Request	0.00	0	77,000	0	77,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Customer Service Representatives

The foundation requests \$94,000 to hire two permanent customer service representatives, at 90% of paygrade G, to meet the demand created by increased attendance and usage of the state swimming pool and hot pool facilities. From calendar year 2008 to 2015, attendance at the facilities increased over 50%, taxing the ability to adequately staff the facilities. The foundation has increased the number of part-time temporary employees to fill the gaps but is limited by the requirement that such employees work only 19 hours per week. The hot pool facility operates 363 days per year from 8 AM until 11 PM. There are three full-time employees working rotating shifts who are responsible for greeting customers, searching bags for contraband, providing facility information and acting as lead person for staff dealing with issues and customer problems. Availability of staff to cover positions for sickness and vacation is limited. The foundation states that leaving the positions unmanned is not an option. Establishing these two positions will create the ability to maximize the effectiveness of personnel at both facilities. The request includes \$54,400 for salaries (\$13.07/hr.) and \$39,600 for benefits calculated at 90% of policy for paygrade G. [Ongoing]

Agency Request	2.00	0	94,000	0	94,000
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The Governor removes \$5,700. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.

Governor's Recommendation	2.00	0	88,300	0	88,300
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3. Construct Parking Facility

The foundation requests \$1,650,000 from the Lava Hot Springs Capital Improvement Fund (swimming pool, hot pool, and rental income) to construct a parking facility. The parking structure would be located on an existing surface parking lot, occupy about 13,500 square feet, and accommodate about 40 additional parking spots. The foundation states the inability of patrons of the World Famous Hot Pools, the Olympic Swimming Complex and the City of Lava Hot Springs to find parking is becoming critical to the point of losing paying customers. Congestion in parking areas during peak hours has impeded the ability of emergency vehicles to reach and assist citizens needing medical care. Attendance over the past ten years has seen a 60% increase at the pools with no increase in parking space. The disc golf course adjacent to the Olympic swimming complex is converted to parking during the peak summer season. However, this is not available through the winter months and it is hard on the park's grass in the summer. Funding for this one-time expenditure has been set-aside in the Capital Improvement Fund. Ongoing operating expenditures should be minimal assuming hot water is used in a snowmelt system. [One-time]

Agency Request	0.00	0	1,650,000	0	1,650,000
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The Governor recommends appropriation from the Lava Hot Springs Capital Improvement Fund to conduct preliminary engineering and design work for the construction of a parking garage near the hot pool facility.

The Governor recommends the agency work with city, state, and federal partners to identify and pursue the most cost-efficient solution allowed by the National Park Service. [One-time]

Governor's Recommendation	0.00	0	30,000	0	30,000
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Lava Hot Springs Foundation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	100	0	100
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	0	100	0	100
FY 2018 Total					
Agency Request	15.80	0	3,913,400	0	3,913,400
Governor's Recommendation	15.80	0	2,214,500	0	2,214,500
Agency Request					
Change from Original App	2.00	0	1,576,200	0	1,576,200
% Change from Original App	14.5%		67.4%		67.4%
<i>Governor's Recommendation</i>					
Change from Original App	2.00	0	(122,700)	0	(122,700)
% Change from Original App	14.5%		(5.2%)		(5.2%)

Department of Water Resources

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Management & Support Services	3,324,400	3,091,400	2,665,000	2,935,300	2,938,600
Planning and Technical Services	7,706,900	4,754,700	14,093,200	12,037,400	11,781,400
Water Management	9,616,700	8,410,400	10,969,600	11,006,700	10,740,500
Northern Idaho Adjudication	520,100	465,300	546,500	548,800	551,600
Total:	21,168,100	16,721,800	28,274,300	26,528,200	26,012,100
BY FUND CATEGORY					
General	12,646,600	12,644,900	18,530,400	19,298,900	18,700,800
Dedicated	4,796,100	3,069,800	7,465,600	4,962,200	5,004,300
Federal	3,725,400	1,007,100	2,278,300	2,267,100	2,307,000
Total:	21,168,100	16,721,800	28,274,300	26,528,200	26,012,100
Percent Change:		(21.0%)	69.1%	(6.2%)	(8.0%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	12,016,900	10,601,000	13,418,900	13,713,100	13,728,900
Operating Expenditures	8,301,500	5,262,100	6,165,800	6,446,400	6,271,500
Capital Outlay	267,700	281,800	607,600	486,700	429,700
Trustee/Benefit	582,000	576,900	582,000	882,000	582,000
Lump Sum	0	0	7,500,000	5,000,000	5,000,000
Total:	21,168,100	16,721,800	28,274,300	26,528,200	26,012,100
Full-Time Positions (FTP)	152.00	152.00	155.00	160.00	158.00

Department Description

The Office of the State Engineer was created in 1895 to administer provisions of the Carey Act. Over the years, additional laws expanded the agency's duties, particularly with the increasing value, development, and use of Idaho's limited water resources. As the agency saw its responsibilities grow, it also saw its name change several times. The agency became the Department of Reclamation in 1919; the State Reclamation Engineer in 1943; and the Department of Water Administration in 1970. Meanwhile, through amendment of the state constitution in 1964, the Water Resource Board was created to prepare the state water plan for optimum development of water resources in the public interest. The current name was the result of combining the Department of Water Administration with the Idaho Water Resource Board in 1974. The primary authority for the Department of Water Resources and its programs rests in Title 42, Idaho Code.

The department is divided into four major programs for budgeting purposes. 1) The Management and Support Services Program provides administrative, legal and information system support for the department. 2) The Planning and Technical Services Division provides staff support for the Water Resources Board and provides planning and project management for water sustainability and aquifer stabilization, technical analysis, and ground water monitoring. 3) The Water Management Division provides water resource protection through inspection and regulatory programs, and provides water allocation services through permits and water distribution programs. The Snake River Basin Adjudication Program is responsible for completing a fair and accurate determination of the nature, extent and priority of Snake River Basin water rights. Remaining responsibilities in this program were rolled into Water Management in the 2008 legislative session. 4) The Northern Idaho Adjudication Program is responsible for completing a fair and accurate determination of the nature, extent, and priority of the water rights north of the Snake River Basin.

The Energy Division provided financial assistance and technical assistance on energy conservation and alternative energy development issues. In 2008, it became a stand-alone agency in the Governor's Office.

Department of Water Resources

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	155.00	18,530,400	28,274,300	155.00	18,530,400	28,274,300
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	155.00	18,530,400	28,274,300	155.00	18,530,400	28,274,300
Removal of One-Time Expenditures	0.00	(958,700)	(3,568,700)	0.00	(958,700)	(3,568,700)
FY 2018 Base	155.00	17,571,700	24,705,600	155.00	17,571,700	24,705,600
Benefit Costs	0.00	132,400	188,000	0.00	93,300	132,600
Inflationary Adjustments	0.00	62,900	89,200	0.00	38,900	65,200
Replacement Items	0.00	361,000	361,000	0.00	327,000	327,000
Statewide Cost Allocation	0.00	(152,600)	(153,000)	0.00	(152,600)	(153,000)
Change in Employee Compensation	0.00	71,900	109,800	0.00	215,100	327,300
FY 2018 Program Maintenance	155.00	18,047,300	25,300,600	155.00	18,093,400	25,404,700
1. Aquifer Measuring & Monitoring	0.00	0	716,000	0.00	0	716,000
2. Process Stock Water Claims	2.00	300,000	300,000	0.00	0	0
3. Water Data Collection	0.00	300,000	300,000	0.00	0	0
4. Water Bank Staff	1.00	81,600	81,600	1.00	82,700	82,700
5. GIS Analyst Fund Shift	0.00	24,000	0	0.00	0	0
6. Remote Access Server Solution	0.00	77,100	77,100	0.00	77,100	77,100
7. Stream Channel Program Specialist	1.00	79,100	79,100	1.00	80,200	80,200
8. Technical Hydrogeologist - Modeler	1.00	92,200	92,200	1.00	93,700	93,700
9. State Office Wi-Fi Infrastructure	0.00	24,600	24,600	0.00	24,600	24,600
10. Upgrade Western Region Bandwidth	0.00	13,000	13,000	0.00	0	0
11. Software Application Development	0.00	159,800	159,800	0.00	159,800	159,800
12. State Office Phone System Upgrade	0.00	88,400	88,400	0.00	88,400	88,400
13. Network Monitoring System	0.00	10,900	10,900	0.00	0	0
Cybersecurity Insurance	0.00	900	900	0.00	900	900
Cash Transfers	0.00	0	(716,000)	0.00	0	(716,000)
FY 2018 Total	160.00	19,298,900	26,528,200	158.00	18,700,800	26,012,100
Change from Original Appropriation	5.00	768,500	(1,746,100)	3.00	170,400	(2,262,200)
% Change from Original Appropriation		4.1%	(6.2%)		0.9%	(8.0%)

Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	155.00	18,530,400	7,465,600	2,278,300	28,274,300

Noncognizable Funds and Transfers

Adjusts 1.13 full-time equivalent positions between fund sources and programs.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2017 Estimated Expenditures					
Agency Request	155.00	18,530,400	7,465,600	2,278,300	28,274,300
Governor's Recommendation	155.00	18,530,400	7,465,600	2,278,300	28,274,300

Removal of One-Time Expenditures

Removes \$371,100 provided for the 27th payroll, \$405,400 provided for replacement items, \$2.5 million provided for water sustainability projects, \$40,000 for one-time costs associated with a technical hydrogeologist, \$162,700 for the water settlement agreement, and \$89,500 for support to reduce a backlog in water rights licensing for a total of \$3,568,700.

Agency Request	0.00	(958,700)	(2,592,300)	(17,700)	(3,568,700)
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Governor's Recommendation	0.00	(958,700)	(2,592,300)	(17,700)	(3,568,700)
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FY 2018 Base					
Agency Request	155.00	17,571,700	4,873,300	2,260,600	24,705,600
Governor's Recommendation	155.00	17,571,700	4,873,300	2,260,600	24,705,600

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	132,400	47,500	8,100	188,000
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	93,300	33,500	5,800	132,600
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Inflationary Adjustments

Inflationary adjustments include \$50,300 for general inflation and \$38,900 for contract inflation for a total of \$89,200. General inflationary adjustments include professional services, computer supplies, fuel and lubricant costs, utility charges, communication costs, employee travel, general services, and repair and maintenance services. Contract inflation, all from the General Fund, includes rent increases amounting to \$36,100 for the Water Center and \$2,800 for regional offices for a total of \$38,900.

Agency Request	0.00	62,900	13,300	13,000	89,200
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The Governor recommends contract inflation as requested, and the dedicated fund and federal fund portion of the general inflation request.

Governor's Recommendation	0.00	38,900	13,300	13,000	65,200
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Replacement Items

Replacement items include \$71,400 to replace 51 computers, \$86,000 for network equipment, \$200,000 to replace six light trucks, and \$3,600 for furniture for a total of \$361,000.

Agency Request	0.00	361,000	0	0	361,000
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The Governor removes \$34,000. He does not recommend the replacement of a 2000 Chevy pickup with 53,000 miles.

Governor's Recommendation	0.00	327,000	0	0	327,000
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Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$153,200, risk management fees will increase by \$3,100, State Controller fees will decrease by \$2,700, and State Treasurer fees will decrease by \$200, for a net reduction of \$153,000.					
Agency Request	0.00	(152,600)	(400)	0	(153,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(152,600)</i>	<i>(400)</i>	<i>0</i>	<i>(153,000)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	71,900	28,500	9,400	109,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>215,100</i>	<i>84,600</i>	<i>27,600</i>	<i>327,300</i>
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FY 2018 Program Maintenance					
Agency Request	155.00	18,047,300	4,962,200	2,291,100	25,300,600
<i>Governor's Recommendation</i>	<i>155.00</i>	<i>18,093,400</i>	<i>5,004,300</i>	<i>2,307,000</i>	<i>25,404,700</i>

1. Aquifer Measuring & Monitoring

Planning and Technical Services

The Idaho Water Resource Board (IWRB) requests that \$716,000 be transferred from the Revolving Development Fund to the Aquifer Planning and Management Fund. The IWRB has committed these funds for the purpose of aquifer monitoring, measurement, and modeling by resolution dated May 16, 2014. The funds will be used in the Eastern Snake Plain Aquifer, Wood River Valley, Treasure Valley, Rathdrum Prairie, Palouse, Lewiston, and other aquifers. Moneys will be used to maintain and enhance the Eastern Snake Plain Aquifer ground water model and the Rathdrum Prairie Aquifer ground water model, and to continue the development of the Wood River Valley ground water model and the Treasure Valley ground water model. The source of the money is from the eighth year of loan repayments from groundwater users for purchase of the water rights at Pristine Springs near the city of Twin Falls (original \$10 million General Fund appropriation in S1511 of 2008). The original \$10 million, ten-year, 4% loan was refinanced in January 2012 in the amount of \$7.5 million for 15 years at 4.876%. The Aquifer Planning and Management Fund has a \$1.26 million base appropriation. This appropriation is requested to move cash into the fund. [One-time cash transfer]

Agency Request	0.00	0	716,000	0	716,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>716,000</i>	<i>0</i>	<i>716,000</i>

Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Process Stock Water Claims					Water Management
<p>The department requests \$300,000 from the General Fund to solicit and process deferred stock water right claims. Of that amount, \$150,000 is for the salary and benefits of two full-time senior water right agents for claims taking, and processing the claims. Each agent could process about 500 claims per year. The department also requests the appropriation of \$15,000 for ongoing operating expenditures for the two positions, one to be located in the western region and one in the southern region. Furthermore, IDWR requests an appropriation of \$15,000 in one-time operating expenditures to pay for the initial notice of claims taking. In addition, the department proposes to publish notice of the claims at an estimated cost of about \$100 per claim. If 10,000 claims are filed over the next ten years, the total cost of publication could be \$1.0 million. IDWR requests an ongoing annual appropriation of \$100,000 to pay each year's costs of publishing legal notices. Finally, IDWR requests \$20,000 in one-time capital outlay to acquire the necessary office furniture, computers, and other related equipment for the two additional positions.</p> <p>Under procedures established by the Snake River Basin Adjudication District Court, water users were allowed to defer adjudication of de minimis stock water rights. The SRBA District Court issued an order establishing a procedure for how these deferred water rights could be decreed in the future. Some livestock owners capitulated and many of the claims for stock water were decreed to the federal government and not to the owners of the cattle grazing on federal lands. Other livestock owners elected to defer adjudication of their livestock water rights. In 2007, the Idaho Supreme Court ruled in the Joyce case that, for stock water rights perfected by beneficial use, the owner of the cattle grazing on the federal land is entitled to the water right. Holders of grazing permits on federal lands now want to pursue their deferred de minimis stock water rights. [\$35,000 one-time]</p>					
Agency Request	2.00	300,000	0	0	300,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Water Data Collection					Planning and Technical Services
<p>The department requests \$300,000 ongoing for water data collection. Data is necessary to assess the adequacy of water supplies, characterize groundwater and surface water resources, evaluate ground water quality programs, and implement conjunctive administration. Funding will address data collection for projects that the department has identified as critical to water users and the public: 1) Operation and maintenance of the Snake River gaging station below Swan Falls Dam for evaluating compliance with the minimum stream flow requirements of the 1984 Swan Falls agreement. 2) A new gaging station below Priest Lake Outlet to optimize compliance with minimum lake requirements and the board's minimum streamflow water right. 3) Additional monitoring and investigation of groundwater in the Treasure Valley for uranium and arsenic levels that may be above the established drinking water standards. 4) Ongoing maintenance and operations of gaging stations in the Wood River Valley to provide data for the Wood River aquifer model. 5) A new gaging station on Big Canyon Creek to serve as a flood and debris warning system for the town of Peck. The gage was identified as a priority after the August 2015 Fisher Fire. [Ongoing]</p>					
Agency Request	0.00	300,000	0	0	300,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Water Bank Staff					Planning and Technical Services
<p>The department requests \$77,100 ongoing and \$4,500 one-time to address the increasing workload of the Water Supply Bank (WSB) program. The WSB operates as a water right brokerage entity for leases into the bank and rentals out of the bank. The number of applications processed annually increased from 241 in 2012 to 577 in 2015. The number of applications is expected to continue to grow as parties to the Surface Water Coalition Settlement turn to the rental pool to satisfy their obligations. Staff from other parts of the agency are assigned to fill-in during the peak winter months. An additional senior water resource agent would double the full-time staff committed to this program. [\$4,500 one-time for office furniture and computer equipment]</p>					
Agency Request	1.00	81,600	0	0	81,600
<i>The Governor adds \$1,100. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.</i>					
Governor's Recommendation	1.00	82,700	0	0	82,700

Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. GIS Analyst Fund Shift					Planning and Technical Services
<p>The department requests a shift of \$24,000 from federal funds to the General Fund to support one-third of an existing geographic information systems (GIS) analyst. The department employs spatial platforms to identify, describe, and display elements of water rights. Technical staff is necessary to store the data and to integrate it into business practices. Critical duties include map development, the support of the Surface Water Coalition - Idaho Ground Water Association settlement agreement, development of web-based mapping, and development of data service applications used by the water community. Federal funding is no longer available for these services. [Ongoing]</p>					
Agency Request	0.00	24,000	0	(24,000)	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Remote Access Server Solution					Management and Support Services
<p>The department requests \$72,100 one-time to install remote access software at the state office and \$5,000 for ongoing maintenance for a total of \$77,100. After activation, regional computer work stations will connect to reconfigured dedicated servers in the state office. Speed will increase because communication between applications will occur over the Local Area Network instead of the Wide Area Network. [\$5,000 ongoing]</p>					
Agency Request	0.00	77,100	0	0	77,100
Governor's Recommendation	0.00	77,100	0	0	77,100
7. Stream Channel Program Specialist					Water Management
<p>The department requests \$74,600 ongoing and \$4,500 one-time from the General Fund for a stream channel program specialist. The number of stream channel alteration applications has increased about 50% each year since FY 2011 and has returned to FY 2009 levels. Meanwhile, staffing fell from 5.50 in FY 2009 to 2.35 positions today, resulting in a significant reduction in state stream channel protection effort. The position will be located at the state office in Boise and provide in-field assistance and field compliance inspections in the Western and Southern regions. [\$4,500 one-time for computer equipment and office furniture]</p>					
Agency Request	1.00	79,100	0	0	79,100
<i>The Governor adds \$1,100. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i>					
Governor's Recommendation	1.00	80,200	0	0	80,200
8. Technical Hydrogeologist - Modeler					Planning and Technical Services
<p>The department requests \$87,600 ongoing and \$4,600 one-time for a total of \$92,200 for a technical hydrogeologist to be located at the state office in Boise. The department currently has three modelers to develop, maintain and apply groundwater flow models statewide. The position will be responsible for applying groundwater flow models in support of the managed recharge program of the Eastern Snake Plain Aquifer, and for developing aquifer water budgets for evaluation of ground water management areas and critical ground water areas. The position will also participate in the development of a groundwater flow model for the Treasure Valley and the enhancement of the newly developed Wood River Valley groundwater flow model. [\$4,600 one-time for office furniture and computer equipment]</p>					
Agency Request	1.00	92,200	0	0	92,200
<i>The Governor adds \$1,500. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i>					
Governor's Recommendation	1.00	93,700	0	0	93,700
9. State Office Wi-Fi Infrastructure					Management and Support Services
<p>The department requests \$23,600 one-time to install a wireless network at the Idaho Water Center and \$1,000 for ongoing maintenance for a total of \$24,600. Lack of Wi-Fi availability limits the use of mobile applications in the building. [\$1,000 ongoing]</p>					
Agency Request	0.00	24,600	0	0	24,600
Governor's Recommendation	0.00	24,600	0	0	24,600

Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. Upgrade Western Region Bandwidth			Water Management		
<p>The department requests \$10,000 ongoing and \$3,000 one-time to upgrade the bandwidth at the western regional office. The request is to triple the bandwidth from three megabytes per second to ten megabytes per second. At the same time, the cost will more than double from \$358/month to \$800/month. This change will increase capacity and improve speeds to those provided at the eastern and southern regions. The Internet service provider will build fiber connectivity to the building for \$3,000. [\$3,000 one-time]</p>					
Agency Request	0.00	13,000	0	0	13,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
11. Software Application Development			Management and Support Services		
<p>The department requests \$159,800 one-time to hire contractors to augment the current programming staff to re-code existing workflow applications that have bugs or require simple enhancements to improve application accuracy and functionality. The department continues to lose programmers to the private sector, other state agencies, and retirement. The department lacks the resources to maintain the current applications while developing the platform to transfer the applications to the current technology. The dollar amount is the equivalent of a software engineer at \$75/hour for 2,080 hours plus \$3,800 for software licensing. [One-time]</p>					
Agency Request	0.00	159,800	0	0	159,800
Governor's Recommendation	0.00	159,800	0	0	159,800
12. State Office Phone System Upgrade			Management and Support Services		
<p>The department requests \$69,300 one-time and \$19,100 ongoing to upgrade the phone system in the state office. The department currently relies on an aging analog phone that is prone to periodic failures. The budget request is for a digital voice over internet protocol (VoIP) system. VoIP systems support multi-server configurations, phone to computer integration, and increased functionality including four-person conferencing, call forwarding, and instant messaging. Funding to replace phones at the regional offices will be requested in FY 2019. [\$19,100 for ongoing maintenance]</p>					
Agency Request	0.00	88,400	0	0	88,400
Governor's Recommendation	0.00	88,400	0	0	88,400
13. Network Monitoring System			Management and Support Services		
<p>The department requests \$9,500 one-time and \$1,400 ongoing to implement a network monitoring system. The system monitors network performance, analyzes network traffic, and monitors web performance. Automated notifications will allow staff to take pro-active actions to correct excessive consumption of bandwidth, address slow response times, and respond to other performance issues. [\$1,400 for ongoing maintenance]</p>					
Agency Request	0.00	10,900	0	0	10,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Cybersecurity Insurance					
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	900	0	0	900
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	900	0	0	900

Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Cash Transfers

Planning and Technical Services

Reflects the cash transfers as requested. If approved, the transfer language below will be included in the appropriation bill.

DEDICATED FUND 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, 2017, or as soon thereafter as practicable, for the period July 1, 2017, through June 30, 2018.

GENERAL FUND CASH TRANSFER. Of the amount appropriated to the Department of Water Resources in Section 1 of this act for 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, 2017, or as soon thereafter as practicable, for the period July 1, 2017, through June 30, 2018.

Agency Request	0.00	0	(716,000)	0	(716,000)
Governor's Recommendation	0.00	0	(716,000)	0	(716,000)

FY 2018 Total					
Agency Request	160.00	19,298,900	4,962,200	2,267,100	26,528,200
Governor's Recommendation	158.00	18,700,800	5,004,300	2,307,000	26,012,100

Agency Request					
Change from Original App	5.00	768,500	(2,503,400)	(11,200)	(1,746,100)
% Change from Original App	3.2%	4.1%	(33.5%)	(0.5%)	(6.2%)
Governor's Recommendation					
Change from Original App	3.00	170,400	(2,461,300)	28,700	(2,262,200)
% Change from Original App	1.9%	0.9%	(33.0%)	1.3%	(8.0%)

Idaho Legislative Budget Book

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Economic Development

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Idaho Legislative Budget Book

Department of Agriculture

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Department of Agriculture

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Agriculture, Dept of	38,780,000	32,234,200	40,428,500	42,443,300	41,796,600
Soil and Water Conservation	2,941,400	2,844,800	3,158,500	3,410,700	3,125,900
Total:	41,721,400	35,079,000	43,587,000	45,854,000	44,922,500
BY FUND CATEGORY					
General	10,889,900	10,888,900	11,175,800	11,894,400	11,490,900
Dedicated	25,064,000	20,442,700	26,496,500	26,663,100	26,046,000
Federal	5,767,500	3,747,400	5,914,700	7,296,500	7,385,600
Total:	41,721,400	35,079,000	43,587,000	45,854,000	44,922,500
Percent Change:		(15.9%)	24.3%	5.2%	3.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	23,807,200	20,021,300	25,291,600	25,994,800	25,798,300
Operating Expenditures	11,056,800	8,035,300	10,927,300	11,082,200	10,847,200
Capital Outlay	909,800	803,000	1,120,500	1,019,400	1,019,400
Trustee/Benefit	5,947,600	6,219,400	6,247,600	6,757,600	6,257,600
Lump Sum	0	0	0	1,000,000	1,000,000
Total:	41,721,400	35,079,000	43,587,000	45,854,000	44,922,500
Full-Time Positions (FTP)	214.80	214.80	217.75	222.75	222.75

Department Description

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.

Department of Agriculture

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	2,631,400	2,330,400	2,697,300	3,000,200	2,996,400
Animal Industries	5,538,100	4,096,600	5,981,700	5,998,600	6,051,000
Agricultural Resources	3,669,600	2,822,000	3,696,800	3,759,900	3,768,400
Plant Industries	10,505,600	9,388,000	11,212,300	12,825,800	12,173,600
Agricultural Inspections	12,154,800	10,869,300	12,503,500	12,431,800	12,463,900
Market Development	3,568,700	2,221,900	3,610,600	3,630,100	3,615,800
Animal Damage Control	543,100	382,000	547,100	547,100	547,100
Sheep and Goat Health Board	168,700	124,000	179,200	249,800	180,400
Total:	38,780,000	32,234,200	40,428,500	42,443,300	41,796,600
BY FUND CATEGORY					
General	8,299,800	8,299,800	8,489,300	8,872,600	8,756,000
Dedicated	24,712,700	20,187,000	26,024,500	26,291,400	25,672,500
Federal	5,767,500	3,747,400	5,914,700	7,279,300	7,368,100
Total:	38,780,000	32,234,200	40,428,500	42,443,300	41,796,600
Percent Change:		(16.9%)	25.4%	5.0%	3.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	22,532,200	18,781,900	23,924,100	24,618,200	24,406,500
Operating Expenditures	10,691,300	7,763,200	10,544,300	10,691,900	10,456,900
Capital Outlay	862,100	722,900	1,065,700	928,800	928,800
Trustee/Benefit	4,694,400	4,966,200	4,894,400	5,204,400	5,004,400
Lump Sum	0	0	0	1,000,000	1,000,000
Total:	38,780,000	32,234,200	40,428,500	42,443,300	41,796,600
Full-Time Positions (FTP)	197.05	197.05	200.00	205.00	205.00

Division Description

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. 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.

Department of Agriculture

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	200.00	8,489,300	40,428,500	200.00	8,489,300	40,428,500
1. Methyl Bromide Project	0.00	526,900	526,900	0.00	199,000	549,000
2. Animal Tracking Software	0.00	500,000	500,000	0.00	500,000	500,000
Pest Control Deficiency Warrants	0.00	342,600	342,600	0.00	342,600	342,600
Cash Transfers & Adjustments	0.00	(342,600)	(342,600)	0.00	(342,600)	(342,600)
FY 2017 Total Appropriation	200.00	9,516,200	41,455,400	200.00	9,188,300	41,477,500
Removal of One-Time Expenditures	(1.00)	(1,274,100)	(3,366,300)	(1.00)	(946,200)	(3,388,400)
FY 2018 Base	199.00	8,242,100	38,089,100	199.00	8,242,100	38,089,100
Benefit Costs	0.00	75,700	395,100	0.00	53,100	278,200
Replacement Items	0.00	0	917,800	0.00	0	917,800
Statewide Cost Allocation	0.00	(8,400)	(16,300)	0.00	(8,400)	(16,300)
Change in Employee Compensation	0.00	40,600	177,100	0.00	115,800	484,800
FY 2018 Program Maintenance	199.00	8,350,000	39,562,800	199.00	8,402,600	39,753,600
1. Purchasing Agent	1.00	39,400	81,600	1.00	38,300	79,600
2. Methyl Bromide Project	0.00	160,000	160,000	0.00	160,000	160,000
3. IT Network Security Analyst	1.00	71,200	111,300	1.00	55,400	87,700
4. IT Programmer	1.00	0	111,300	1.00	0	87,700
5. Rangeland Management Specialist	1.00	97,200	97,200	1.00	99,200	99,200
6. Organic Food Inspector	1.00	0	79,300	1.00	0	80,700
7. Fair Labor Compensation	0.00	16,800	16,800	0.00	0	0
8. Idaho Preferred Program	0.00	67,500	5,200	0.00	0	0
9. Watercraft Inspection Stations	0.00	0	1,700,000	0.00	0	1,000,000
10. Food Safety Modernization Phase 1	1.00	0	446,700	1.00	0	447,000
11. Sheep & Goat Health Board Support	0.00	70,000	70,000	0.00	0	0
Cybersecurity Insurance	0.00	500	1,100	0.00	500	1,100
FY 2018 Total	205.00	8,872,600	42,443,300	205.00	8,756,000	41,796,600
Change from Original Appropriation	5.00	383,300	2,014,800	5.00	266,700	1,368,100
% Change from Original Appropriation		4.5%	5.0%		3.1%	3.4%

Department of Agriculture

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	200.00	8,489,300	26,024,500	5,914,700	40,428,500

1. Methyl Bromide Project

Plant Industries

The department requests \$526,900 from the General Fund to continue the methyl bromide project. JFAC approved a \$250,000 supplemental for FY 2016. Activities are in response to the identification of fields and commodities that exhibit elevated levels of inorganic bromide, a residue of methyl bromide. Methyl bromide was used as a fumigant to treat fields infested with potato cyst nematode (PCN), a pest of potatoes identified in 26 fields in Bonneville and Bingham counties. PCN is a quarantined pest, the presence of which has impacted export market access for fresh potatoes from Idaho. The PCN eradication program is a cooperative program of USDA-APHIS and ISDA. Project costs include \$8,000 for temporary salaries; \$27,700 for crop sampling; \$269,200 for hay and straw transportation and disposal; \$75,000 for an Idaho National Laboratory burn study; \$57,000 for grower contracts; and \$90,000 for continuation of the research project initiated by Boise State University and the University of Idaho. [One-time but an additional request for \$160,000 is included in FY 2018]

Agency Request	0.00	526,900	0	0	526,900
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The Governor recommends \$2,000 in personnel costs, \$161,800 in operating expenditures, and \$35,200 in trustee & benefit payments for a total of \$199,000 from the General Fund and \$350,000 in operating expenditures from federal funds, for a total of \$549,000. Federal funding has been secured for disposal. A research grant, included in the Farm Bill, in the amount of \$195,000 was awarded directly to the University of Idaho and Boise State University. State General Fund moneys will be used for commodity sampling, grower contracts, and an INL study to determine the feasibility of incinerating contaminated hay. [One-time]

Governor's Recommendation	0.00	199,000	0	350,000	549,000
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2. Animal Tracking Software

Animal Industries

The department requests \$500,000 from the General Fund for the development of a software program that will facilitate the electronic tracking of animal identification numbers and other data pertaining to livestock movements into and out-of the state. This software will also be able to pass information electronically to the Brand Board for its use, as well as capture relevant data from the Brand Board software. A supplemental is requested because the Division of Purchasing will not allow the distribution of the Request for Proposal (RFP) until a funding source has been approved. No further action can be taken at this time until the funding is secured. The RFP process is about four months which will put the actual award at the end of FY 2017 and the implementation of the software in FY 2018. Because of the timing and process, the department is requesting a two-year appropriation or carryover authority into FY 2018. [One-time]

Agency Request	0.00	500,000	0	0	500,000
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Governor's Recommendation	0.00	500,000	0	0	500,000
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Pest Control Deficiency Warrants

Plant Industries

Funding is requested to reimburse actual expenditures incurred in FY 2016 for exotic or invasive species monitoring and control including potato cyst nematode, Japanese Beetle, and other exotic pests. 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 the placement of quarantines and import restrictions by other states and countries. Although some funding is provided in the base budget for water milfoil 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. Grasshopper and Mormon Cricket control continue to be covered by a federal grant. FY 2016 costs included \$26,300 for exotic pest monitoring, \$1,100 for potato cyst nematode monitoring, and \$315,200 for Japanese Beetle treatment. [One-time]

Agency Request	0.00	342,600	0	0	342,600
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Governor's Recommendation	0.00	342,600	0	0	342,600
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Cash Transfers & Adjustments

Transfer General Fund cash to the Pest Deficiency Warrant Fund where actual costs were incurred.

Agency Request	0.00	(342,600)	0	0	(342,600)
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Governor's Recommendation	0.00	(342,600)	0	0	(342,600)
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Department of Agriculture

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Total Appropriation					
Agency Request	200.00	9,516,200	26,024,500	5,914,700	41,455,400
<i>Governor's Recommendation</i>	<i>200.00</i>	<i>9,188,300</i>	<i>26,024,500</i>	<i>6,264,700</i>	<i>41,477,500</i>

Removal of One-Time Expenditures

Removes \$439,100 one-time funding provided for the 27th payroll and \$4,900 for the one-time CEC related to the 27th payroll. Removes \$700,000 for the Invasive Species Boat Inspection Program. Removes replacement funding provided for FY 2017 including \$34,100 for the Administration Program; \$220,000 for the Animal Industries Program; \$78,000 for the Agricultural Resources Program; \$325,800 for the Plant Industries Program; \$368,900 for the Agricultural Inspections Program; \$2,400 for the Market Development Program, and \$2,600 for the Sheep and Goat Health Board. Removes one-time line item funding in the amount of \$60,000 for brucellosis laboratory equipment, \$9,800 for other one-time equipment, and \$93,800 and 1.00 FTP for the organic food program. Also, removes \$500,000 requested one-time for animal tracking software and \$526,900 requested one-time for the methyl bromide investigation program as FY 2017 supplementals.

Agency Request	(1.00)	(1,274,100)	(1,978,400)	(113,800)	(3,366,300)
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Removes \$22,100 additional funding recommended as one-time supplemental for the methyl bromide project.

<i>Governor's Recommendation</i>	<i>(1.00)</i>	<i>(946,200)</i>	<i>(1,978,400)</i>	<i>(463,800)</i>	<i>(3,388,400)</i>
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FY 2018 Base					
Agency Request	199.00	8,242,100	24,046,100	5,800,900	38,089,100
<i>Governor's Recommendation</i>	<i>199.00</i>	<i>8,242,100</i>	<i>24,046,100</i>	<i>5,800,900</i>	<i>38,089,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	75,700	309,200	10,200	395,100
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>53,100</i>	<i>217,800</i>	<i>7,300</i>	<i>278,200</i>
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Replacement Items

Replacement items include \$251,500 for computer equipment; \$415,300 for autos and light trucks; \$1,500 for furniture; and \$249,500 for laboratory and field equipment by program and fund as follows:

ADMINISTRATION PROGRAM: From the Administration and Accounting Services Fund: \$166,600.

ANIMAL INDUSTRIES PROGRAM: From the Livestock Disease Control Fund: \$127,100. From the Dairy Fund: \$92,400. The total replacement item request for this program is \$219,500.

AGRICULTURAL RESOURCES PROGRAM: From the Pesticides Fund: \$54,400.

PLANT INDUSTRIES PROGRAM: From the Agricultural Inspection Fund: \$34,000. From the Feed and Fertilizer Fund: \$126,600. From the Laboratory Services Fund: \$108,000. From federal funds: \$67,900. The total request is \$336,500 for this program.

AGRICULTURAL INSPECTIONS: From the Weights and Measures Fund: \$107,800. From the Organic Food Fund: \$14,600. From the Fresh Fruit and Vegetable Inspection Fund: \$15,200. The total request for the Agricultural Inspections Program is \$137,600 excluding \$6,400 for the continuously appropriated indemnity funds.

MARKET DEVELOPMENT: From the Agricultural Inspection Fund: \$3,200.

Agency Request	0.00	0	849,900	67,900	917,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>849,900</i>	<i>67,900</i>	<i>917,800</i>

Department of Agriculture

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$23,900, risk management fees will increase by \$9,400, State Controller fees will decrease by \$1,400, and State Treasurer fees will decrease by \$400, for a net reduction of \$16,300.					
Agency Request	0.00	(8,400)	(7,900)	0	(16,300)
Governor's Recommendation	0.00	(8,400)	(7,900)	0	(16,300)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	40,600	120,600	15,900	177,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	115,800	324,000	45,000	484,800
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FY 2018 Program Maintenance					
Agency Request	199.00	8,350,000	25,317,900	5,894,900	39,562,800
Governor's Recommendation	199.00	8,402,600	25,429,900	5,921,100	39,753,600

1. Purchasing Agent

Administration

The department requests \$73,600 in personnel costs, \$5,000 in operating expenditures, and \$3,000 in capital outlay, for a total of \$81,600 for a purchasing agent, at 85% of pay grade L, split 50% from the General Fund and 50% from the Administration and Accounting Services Fund (4% internal charge for services to all dedicated programs and indirect costs from federal grants). The purchasing duties are currently shared by the financial manager and the program specialist. Increasing demand has been placed on purchasing over the past few years. The department states that the normal duties assigned to these two positions have been strained to the point of not being able to complete assigned tasks in a timely manner. This request is to have a full-time purchasing agent who meets the purchasing law requirements for professional training and certification in order to implement contracts and obtain delegated agency status from the Department of Administration. [Includes \$3,000 one-time for a computer, desk, and chair]

Agency Request	1.00	39,400	42,200	0	81,600
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The Governor removes \$2,000. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.

Governor's Recommendation	1.00	38,300	41,300	0	79,600
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2. Methyl Bromide Project

Plant Industries

The department requests \$160,000 from the General Fund to continue methyl bromide research. The request includes \$50,000 for sampling and testing of commodities produced on fields previously treated with methyl bromide and \$110,000 for analysis and research. Research is important to understand crop uptake of inorganic bromide, as well as to develop new treatments for ground affected by methyl bromide residues. The project is facilitated jointly between Boise State University and the University of Idaho. The USDA-APHIS has committed over \$1.92 million and the EPA has committed \$100,000 for future efforts. [One-time]

Agency Request	0.00	160,000	0	0	160,000
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The Governor recommends \$160,000 for commodity sampling and disposal. Federal Farm Bill funding has been secured by Boise State University and the University of Idaho for the ongoing research. However, no federal agency will pay for commodity sampling, which is necessary to ensure the safe use of commodities grown on methyl bromide affected fields. [One-time]

Governor's Recommendation	0.00	160,000	0	0	160,000
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Department of Agriculture

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. IT Network Security Analyst					Administration
<p>The department requests a full-time IT network security analyst, at 113% of policy in pay grade M, funded 66% from the General Fund and 34% from the Administration and Accounting Services Fund (4% internal charge for services to all dedicated programs and indirect costs from federal grants). This position would be responsible for the security and system functionality of the agency. Currently the agency uses the time of several of the IT positions to fill this need; however, none of the current staff are specifically trained to set up and maintain the current system and the necessary security. The department states that new IT initiatives, that have been put in place for the state to become more secure, have placed a burden on this agency. [\$4,000 one-time]</p>					
Agency Request	1.00	71,200	40,100	0	111,300
<p><i>The Governor removes \$23,600. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.</i></p>					
Governor's Recommendation	1.00	55,400	32,300	0	87,700
4. IT Programmer					Agricultural Resources
<p>The department requests one programmer position, at 113% of pay grade M, to keep up with programming demands within the agency. This position will initially be funded from the Agricultural Fees - Pesticide Fund. The Agricultural Resources Division currently has immediate demands for program updates and re-writes. The request includes \$4,500 for operating costs. Any future projects that are needed outside of this program will be responsible to support this additional position. [\$4,000 one-time for computer and office equipment]</p>					
Agency Request	1.00	0	111,300	0	111,300
<p><i>The Governor removes \$23,600. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.</i></p>					
Governor's Recommendation	1.00	0	87,700	0	87,700
5. Rangeland Management Specialist					Animal Industries
<p>The department requests funding to meet increasing demand for range monitoring services on public grazing lands. The request is in the amount of \$97,200 from the General Fund, of which, \$77,200 is for the personnel costs of a rangeland management specialist, at 80% of paygrade M, and \$20,000 is for operating expenditures for office supplies, training, in-state travel, and contracts with counties and soil and water conservation districts for photo-monitoring services. The agency currently employs one program manager, two range program specialists, and one technical records specialist funded from the General Fund. [Ongoing]</p>					
Agency Request	1.00	97,200	0	0	97,200
<p><i>The Governor adds \$2,000. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.</i></p>					
Governor's Recommendation	1.00	99,200	0	0	99,200
6. Organic Food Inspector					Agricultural Inspections
<p>The department requests \$63,500 in personnel costs, 80% of paygrade K, for a program inspector and \$15,800 in operating expenditures for a total of \$79,300 from the Agricultural Fees - Organic Food Products Fund. This position, located in Twin Falls, was approved to the agency last session with one-time General Fund support. Now fees, based on the previous year's gross sales, are anticipated to support the position on an ongoing basis. The program expects growth over the next several years as dairies enter the organic market and as all producers meet the 36-month transition requirements. [Ongoing]</p>					
Agency Request	1.00	0	79,300	0	79,300
<p><i>The Governor adds \$1,400. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.</i></p>					
Governor's Recommendation	1.00	0	80,700	0	80,700

Department of Agriculture

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Fair Labor Compensation

Market Development

The department requests \$16,800 from the General Fund to increase the salaries of four marketing employees. Changes to the Fair Labor Standards Act (FLSA) will require the accrual of time and one-half for employees making less than \$22.83 per hour (\$47,476/year). The agency has determined that, with the exception of marketing, the implementation could be internally managed through overtime management and assigning overtime to certain employees. Marketing events are usually at night or on weekends and are often out-of-state or out-of the country. Current salaries range from \$20.87 to \$21.29 per hour. The implementation of FLSA would cost more to leave the staff at their current rates, and pay overtime at the higher rate, than to give them increases to the minimum rate based upon the new amount in the FLSA rule. The marketing staff is over 95 percent funded from the General Fund and other fund sources are not available. Based upon their overtime amounts accrued over the past two years, the burden on the General Fund would be 75 percent more than the burden of giving these four positions the increases to the new rate. The employees would then continue to earn compensatory time at the hour-for-hour rate. [Ongoing]

Agency Request	0.00	16,800	0	0	16,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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8. Idaho Preferred Program

Market Development

The department requests to shift \$62,300 from federal funds to the General Fund and the addition of \$5,200 in General Funds for the Idaho Preferred Program. The Idaho Preferred Program was initially staffed by one trade specialist in the ISDA Market Development Division. In order to continue to expand the program, a second staff person was hired in 2007 with funding from a 2006 USDA Specialty Crop Grant. The addition of the staff person contributed to the expansion of retail, food service and Farm-to-School programs and contributed to the growth in Idaho Preferred membership from just over 100 members in 2006 to over 300 members today. In the early 2000s, the USDA Specialty Crop grant specified that projects funded by the grant should benefit specialty crop products that include fruits, vegetables, nursery, herbs, nuts and wine. Projects that included non-specialty crops, such as meat, dairy and grains, could only be funded for the portion of qualifying products. Over time, the Specialty Crop Grant was tightened to restrict projects to those that solely enhance the competitiveness of specialty crops and not allow "blended" activities. This wording severely restricts the scope of work that the grant funded staff may do. Specifically, it precludes this staff person from working on projects that promote Idaho's top commodities including dairy, beef and grain products. This request would shift personnel costs to the General Fund. [Ongoing]

Agency Request	0.00	67,500	0	(62,300)	5,200
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Department of Agriculture

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. Watercraft Inspection Stations

Plant Industries

The department request is in two parts. First, ISDA has implemented an expanded level of service for the invasive species watercraft inspection stations as directed by the Legislature. The expansion has resulted in an increased presence throughout the state and has also increased the hours that each station remains open. This expansion has resulted in larger contracts for stations run by local districts and also increased costs for temporary staff to run the stations managed by the agency. Additional costs for signs, rentals, and necessary supplies have resulted in spending levels above the appropriation provided to the agency. The Legislature provided \$700,000 in additional one-time dedicated appropriation from the Invasive Species Fund for FY 2017. This request would make the one-time appropriation ongoing. [Ongoing]

Second, the Water Resources Reform and Development Act (WRRDA) of 2014 is the authorizing legislation for Army Corps of Engineers water development projects across the nation. The 2015 appropriation for WRRDA provided \$4,000,000 in new funding for watercraft inspection stations to be split by four states in the Columbia River Basin (WA, OR, ID, MT). The new funding is intended to enhance or build watercraft inspection efforts within the basin. While the working details are not finalized, it is anticipated that these new funds will be available for use in FY 2018. Preliminary indications are that funds will be available for capital purchases, site establishment and improvement, and one-time station operations. Because the grant requirements are not yet known, the request is lump-sum to allow the department the ability to pay personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. [One-time]

Agency Request	0.00	0	700,000	1,000,000	1,700,000
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The Governor recommends lump sum federal fund appropriation to enhance or build watercraft inspection stations; but he does not recommend additional dedicated fund appropriation from the Invasive Species Fund because the current fund balance cannot support increased expenditures. [One-time]

Governor's Recommendation	0.00	0	0	1,000,000	1,000,000
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10. Food Safety Modernization Phase 1

Plant Industries

The department requests \$446,700 in federal moneys provided by the Food and Drug Administration, to implement the first phase of the Food Safety Modernization Rule. The department's strategy for planning and establishing Idaho's Produce Safety Program will encourage the safe production of fresh fruits and vegetables and increase knowledge of and compliance with the U.S. Food and Drug Administration's (FDA) Produce Safety Rule (21 CFR Part 112). The request includes \$78,900 to hire a food safety program manager at 83% of pay grade M; \$82,000 for temporary employees; \$40,000 for travel; \$30,000 for training; \$15,800 for outreach; and \$200,000 for trustee & benefit payments for agreements with the University of Idaho. This project will evaluate Idaho's unique produce safety landscape, prioritize commodities regulated by the rule, and develop programs to address Idaho's specific and unique needs for regulatory compliance and training. This is the first year for the planning phase of a five-year project. [Ongoing]

Agency Request	1.00	0	0	446,700	446,700
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The Governor adds \$300. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payline.

Governor's Recommendation	1.00	0	0	447,000	447,000
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Department of Agriculture

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
11. Sheep & Goat Health Board Support					Sheep and Goat Health Board
<p>This request seeks \$70,000 one-time from the General Fund to cover a shortfall in the Sheep & Goat Health Board's dedicated fund. The board's dedicated fund, as authorized in Section 25-131, Idaho Code, is from an annual assessment not to exceed 12 cents per pound of wool on sheep and an assessment on goats on a per head basis at a rate that is comparable to the assessment on wool. The current assessment is eight cents which is apportioned at three cents for animal health (fund 0332-03), three cents for predator control (included in the Animal Damage Control Program in fund 0332-03), and two cents for wolf control (fund 0053-01). Revenues have declined due to a shrinking industry. The board has taken steps to reduce ongoing costs for the animal health program through the continued vacancy of the inspector position and reducing operating expenditures. The current balance is impacting the ADC Board because the Sheep and Goat Board is using the ADC allocation to cover the shortfall, which, therefore, cannot be distributed to the districts for animal damage control. Last year, the Sheep & Goat Health Board spent \$59,300 on assessments of \$39,800, driving the balance of the subaccount to negative \$70,000. [One-time]</p>					
Agency Request	0.00	70,000	0	0	70,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Cybersecurity Insurance					Admin, Ag Resources, Ag Inspections
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	500	600	0	1,100
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	500	600	0	1,100
FY 2018 Total					
Agency Request	205.00	8,872,600	26,291,400	7,279,300	42,443,300
Governor's Recommendation	205.00	8,756,000	25,672,500	7,368,100	41,796,600
Agency Request					
Change from Original App	5.00	383,300	266,900	1,364,600	2,014,800
% Change from Original App	2.5%	4.5%	1.0%	23.1%	5.0%
Governor's Recommendation					
Change from Original App	5.00	266,700	(352,000)	1,453,400	1,368,100
% Change from Original App	2.5%	3.1%	(1.4%)	24.6%	3.4%

Soil and Water Conservation Commission

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	2,590,100	2,589,100	2,686,500	3,021,800	2,734,900
Dedicated	351,300	255,700	472,000	371,700	373,500
Federal	0	0	0	17,200	17,500
Total:	2,941,400	2,844,800	3,158,500	3,410,700	3,125,900
Percent Change:		(3.3%)	11.0%	8.0%	(1.0%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,275,000	1,239,400	1,367,500	1,376,600	1,391,800
Operating Expenditures	365,500	272,100	383,000	390,300	390,300
Capital Outlay	47,700	80,100	54,800	90,600	90,600
Trustee/Benefit	1,253,200	1,253,200	1,353,200	1,553,200	1,253,200
Total:	2,941,400	2,844,800	3,158,500	3,410,700	3,125,900
Full-Time Positions (FTP)	17.75	17.75	17.75	17.75	17.75

Division Description

The Legislature transferred the Soil and Water Conservation Commission from the Department of Lands to the Department of Agriculture effective July 1, 1997. The commission's five members are appointed to staggered five-year terms by the Governor to assist the 50 Soil and Water Conservation Districts (SWCDs), in accordance with Section 22-2718, Idaho Code.

Mission: to facilitate coordinated non-regulatory, voluntary, and locally-led conservation by federal, state, and local governments including Idaho's conservation districts and other partners; in order to conserve, sustain, improve, and enhance soil, water, air, plant and animal resources.

The responsibilities of the commission are to:

1. Provide technical assistance to owners and operators of private lands for the planning, implementation and evaluation of agricultural Best Management Practices (BMPs).
2. Support local districts in the wise use and enhancement of soil, water, and related resources. Assist districts in the coordination of public outreach activities and offer technical and financial resources.
3. Offer assistance to districts in carrying out their powers and programs—allocate state funds to districts to assist with conservation projects.
4. Inform district supervisors of actions and priorities of other districts to facilitate a sharing of information and to promote cooperation.
5. Develop the agricultural component of Total Maximum Daily Load (TMDL) water quality watershed implementation plans in consultation with districts and watershed advisory groups.
6. Provide technical and administrative assistance to districts and watershed advisory groups for TMDL planning and implementation.
7. Coordinate the periodic review and update of the Idaho Agricultural Pollution Plan (Ag Plan) in consultation with the Ag Plan advisory committee. Implement the Ag Plan for private and state agricultural lands.
8. Administer the Resource Conservation and Rangeland Development Program providing low interest conservation loans.
9. Administer, jointly with the Idaho State Department of Agriculture (ISDA), the Agricultural Water Quality Cost-Share Program for Idaho. Secure the cooperation and assistance of federal and state agencies.
10. Lead state efforts on the Conservation Reserve Enhancement Program (CREP); which offers federal financial incentives to landowners to reduce ground water consumption by taking farm ground out of production.
11. Assist the Idaho Department of Environmental Quality in administering a nonpoint source water quality loan under the State Revolving Fund Program.
12. Promote implementation of water quality projects across the state to maintain and enhance ground water quality.
13. Promote the Idaho OnePlan effort as the primary computer-based conservation planning process for all natural resource concerns.

Soil and Water Conservation Commission

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	17.75	2,686,500	3,158,500	17.75	2,686,500	3,158,500
Removal of One-Time Expenditures	0.00	(91,500)	(196,600)	0.00	(91,500)	(196,600)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	17.75	2,595,000	2,961,900	17.75	2,595,000	2,961,900
Benefit Costs	0.00	20,200	22,800	0.00	14,000	15,800
Replacement Items	0.00	90,600	90,600	0.00	90,600	90,600
Statewide Cost Allocation	0.00	6,300	7,200	0.00	6,300	7,200
Change in Employee Compensation	0.00	9,600	10,900	0.00	28,900	32,800
FY 2018 Program Maintenance	17.75	2,721,700	3,093,400	17.75	2,734,800	3,108,300
1. Wildfire Mitigation Private/Muni Lands	0.00	300,000	300,000	0.00	0	0
2. Cost Share Liaison Position	0.00	0	17,200	0.00	0	17,500
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	17.75	3,021,800	3,410,700	17.75	2,734,900	3,125,900
Change from Original Appropriation	0.00	335,300	252,200	0.00	48,400	(32,600)
% Change from Original Appropriation		12.5%	8.0%		1.8%	(1.0%)

Soil and Water Conservation Commission

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	17.75	2,686,500	472,000	0	3,158,500

Removal of One-Time Expenditures

Removes one-time funding as follows: \$41,800 for the 27th payroll and related CEC; \$54,800 to replace two vehicles; and \$100,000 for the North Central Wildfire Restoration Group.

Agency Request	0.00	(91,500)	(105,100)	0	(196,600)
<i>Governor's Recommendation</i>	0.00	(91,500)	(105,100)	0	(196,600)

Base Adjustments

Adjusts .03 FTPs from the Resource Conservation and Development Fund to the General Fund to match the allocation as established in the employee information system. This adjusts the FTP total from 2.12 to 2.09 for the RCRDP Fund.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2018 Base					
Agency Request	17.75	2,595,000	366,900	0	2,961,900
<i>Governor's Recommendation</i>	17.75	2,595,000	366,900	0	2,961,900

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	20,200	2,600	0	22,800
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	14,000	1,800	0	15,800

Replacement Items

Replacement items include \$90,600 for three 1/2 ton light duty pickups at \$30,200 each. These three pickups will replace a 2005 with 109,332 miles, a 2005 with 104,383 miles, and a 2006 with 103,833 miles.

Agency Request	0.00	90,600	0	0	90,600
<i>Governor's Recommendation</i>	0.00	90,600	0	0	90,600

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$4,300, risk management fees will increase by \$3,400, State Controller fees will decrease by \$400, and State Treasurer fees will decrease by \$100, for a net increase of \$7,200.

Agency Request	0.00	6,300	900	0	7,200
<i>Governor's Recommendation</i>	0.00	6,300	900	0	7,200

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	9,600	1,300	0	10,900
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	0.00	28,900	3,900	0	32,800

FY 2018 Program Maintenance					
Agency Request	17.75	2,721,700	371,700	0	3,093,400
<i>Governor's Recommendation</i>	17.75	2,734,800	373,500	0	3,108,300

Soil and Water Conservation Commission

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Wildfire Mitigation Private/Muni Lands

This \$300,000 ongoing request follows the successful implementation of FY 2017's Clearwater Wildfire Restoration Pilot Program which received a one-time \$100,000 appropriation. For the pilot, \$100,000 was passed through to the lead agency, Nez Perce Soil & Water Conservation District (SWCD), to work with Clearwater, Idaho, Latah, and Lewis SWCDs and a wide variety of federal, state, and local governments to assess fire recovery needs and develop a recovery plan on private and municipal lands within the 2015 Clearwater Fire Recovery Zone. The pilot was seen as a model that could be used elsewhere in the state following wildfire events that involve multiple agencies and stakeholders. This proposal would allocate \$50,000 to a lead district in each of six divisions statewide. If a major catastrophic fire event were to occur within a division, the \$50,000 would be used to develop a collaborative assessment and plan for fire recovery efforts on private and municipal lands within the fire recovery zone. If a division were to have no qualifying fire events prior to December 31st, the funding could be used in any division, between January 2nd and June 30th of that same fiscal year, for thinning and other fuels management activities instead. An annual report on the outcomes by division would be submitted to the commission within 90 days after the close of the fiscal year for inclusion in the commission's annual legislative reports. [Ongoing]

Agency Request	0.00	300,000	0	0	300,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Cost Share Liaison Position

The agency requests \$11,400 for salary and \$5,800 for benefits for a total of \$17,200 from the Federal Grant Fund. When the technical records specialist position became vacant, the commission changed its scope to include liaison responsibilities. This position was fully funded by the Legislature but was filled at 3/4 time in order for the commission to cover any unanticipated employee separations. The position serves the commission, districts, and the National Resource Conservation Service with record keeping, planning, interpreting state rules and policies, and by strengthening the local, state, and federal partnership through capacity building. The Natural Resources Conservation Service is committed to supporting one-fourth of the personnel costs of this technical records specialist position. The commission will use existing resources to purchase a vehicle for this position that was previously relegated to office duties. [Ongoing]

Agency Request	0.00	0	0	17,200	17,200
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The Governor's Recommendation includes \$300 more for personnel costs.

Governor's Recommendation	0.00	0	0	17,500	17,500
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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Governor's Recommendation	0.00	100	0	0	100
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FY 2018 Total					
Agency Request	17.75	3,021,800	371,700	17,200	3,410,700
Governor's Recommendation	17.75	2,734,900	373,500	17,500	3,125,900

Agency Request

Change from Original App	0.00	335,300	(100,300)	17,200	252,200
% Change from Original App	0.0%	12.5%	(21.3%)		8.0%

Governor's Recommendation

Change from Original App	0.00	48,400	(98,500)	17,500	(32,600)
% Change from Original App	0.0%	1.8%	(20.9%)		(1.0%)

Department of Commerce

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	5,568,700	5,564,400	5,713,800	6,749,400	5,730,500
Dedicated	14,176,000	10,460,200	14,254,000	17,765,500	17,784,800
Federal	16,365,200	7,194,700	16,264,900	16,259,300	16,264,300
Total:	36,109,900	23,219,300	36,232,700	40,774,200	39,779,600
Percent Change:		(35.7%)	56.0%	12.5%	9.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,571,000	3,086,600	3,693,400	3,695,500	3,750,900
Operating Expenditures	6,918,000	6,430,500	6,927,900	8,846,800	8,846,800
Capital Outlay	39,100	50,100	0	20,200	20,200
Trustee/Benefit	25,581,800	13,652,100	25,611,400	28,211,700	27,161,700
Total:	36,109,900	23,219,300	36,232,700	40,774,200	39,779,600
Full-Time Positions (FTP)	46.00	46.00	43.00	43.00	43.00

Department Description

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.

The divisions and functional groups within the department include the Marketing and Innovation Division and the Business Development and Operations Division. The Business Development and Operations Division is composed of Community Development, Business Retention & Expansion, Business Attraction, International Business Development, and Operations related functions. Community Development provides financial and technical assistance to Idaho's cities and counties for construction and rehabilitation of public facilities necessary to support economic diversification, job creation, business expansion, and a sense of community. Business Retention & Expansion provides ongoing communication and outreach to existing Idaho business to support growth and expansion opportunities. Business Attraction coordinates with local economic development professionals throughout Idaho on demand-driven business expansion opportunities that are initiated through companies and/or site selectors reaching out to the state to explore potential expansion of relocation opportunities. International Business Development supports Idaho businesses' efforts to export goods and services, develop new markets, increase foreign awareness and acceptance of Idaho's products and services, and promote foreign direct investment opportunities. Operations related functions support the department through day-to-day fiscal, payroll and HR functions. The team also provides grant management and reporting across the various grant programs throughout the department.

The Marketing & Innovation Division is composed of Tourism Development, Idaho Global Entrepreneurial Mission (IGEM), and Communications. Tourism Development works to expand Idaho's tourism and recreation industry by marketing the state and travel opportunities to both domestic and international business and leisure travelers, awards grants to local communities to promote tourism, develops, supports and promotes tourism events and attractions throughout Idaho. The IGEM Program leverages private-industry guidance and the talent and expertise of Idaho's research universities to commercialize innovation and viable technologies that will strengthen Idaho's economy. Communications efforts provide support to the entire department through strategic outreach to media, government partners, and other key stakeholders that are focused on showcasing the success stories of Idaho businesses and highlighting Idaho's business-friendly environment to companies outside the state.

Department of Commerce

Analyst: Bybee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	43.00	5,713,800	36,232,700	43.00	5,713,800	36,232,700
Removal of One-Time Expenditures	0.00	(75,900)	(144,100)	0.00	(75,900)	(144,100)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	43.00	5,637,900	36,088,600	43.00	5,637,900	36,088,600
Benefit Costs	0.00	34,200	53,200	0.00	24,300	37,800
Replacement Items	0.00	15,100	20,200	0.00	15,100	20,200
Statewide Cost Allocation	0.00	(8,400)	(12,200)	0.00	(8,400)	(12,200)
Change in Employee Compensation	0.00	20,500	30,400	0.00	61,500	91,200
FY 2018 Program Maintenance	43.00	5,699,300	36,180,200	43.00	5,730,400	36,225,600
1. Additional Tourism Grants	0.00	0	3,510,900	0.00	0	3,510,900
2. Opportunity Fund Cash Infusion	0.00	3,000,000	3,000,000	0.00	3,000,000	3,000,000
3. Additional IGEM Grants	0.00	1,000,000	1,000,000	0.00	0	0
4. Rural Community Block Grants	0.00	50,000	50,000	0.00	0	0
5. Loan Pay Back	0.00	0	50,000	0.00	0	40,000
6. Benefit Costs for Federal Employees	0.00	0	33,000	0.00	0	43,000
Cybersecurity Insurance	0.00	100	100	0.00	100	100
Cash Transfers	0.00	(3,000,000)	(3,050,000)	0.00	(3,000,000)	(3,040,000)
FY 2018 Total	43.00	6,749,400	40,774,200	43.00	5,730,500	39,779,600
Change from Original Appropriation	0.00	1,035,600	4,541,500	0.00	16,700	3,546,900
% Change from Original Appropriation		18.1%	12.5%		0.3%	9.8%

Department of Commerce

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	43.00	5,713,800	14,254,000	16,264,900	36,232,700

Removal of One-Time Expenditures

Removes one-time personnel costs of \$75,900 from the General Fund, \$24,800 from the Tourism and Promotion Fund, and \$13,800 from federal funds associated with the 27th pay-period. Also removes \$29,600 one-time from the Idaho Global Entrepreneurial Mission Fund for IGEM grants.

Agency Request	0.00	(75,900)	(54,400)	(13,800)	(144,100)
<i>Governor's Recommendation</i>	0.00	(75,900)	(54,400)	(13,800)	(144,100)

Base Adjustments

Requests to transfer 0.40 FTP from the Federal Grant Fund to the General Fund to better align FTP with current duties. No personnel costs are associated with this transfer. This position works on Community Development Block Grants and other state grant programs like GEM and Rural Community Block Block Grants.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2018 Base					
Agency Request	43.00	5,637,900	14,199,600	16,251,100	36,088,600
<i>Governor's Recommendation</i>	43.00	5,637,900	14,199,600	16,251,100	36,088,600

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	34,200	13,300	5,700	53,200
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	24,300	9,400	4,100	37,800

Replacement Items

Request includes funding for one passenger van.

Agency Request	0.00	15,100	5,100	0	20,200
<i>Governor's Recommendation</i>	0.00	15,100	5,100	0	20,200

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will decrease by \$400, State Controller fees will decrease by \$1,500, Attorney General fees will decrease by \$10,200, and State Treasurer fees will decrease by \$100, for a net reduction of \$12,200.

Agency Request	0.00	(8,400)	(3,000)	(800)	(12,200)
<i>Governor's Recommendation</i>	0.00	(8,400)	(3,000)	(800)	(12,200)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	20,500	6,600	3,300	30,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	0.00	61,500	19,800	9,900	91,200

FY 2018 Program Maintenance					
Agency Request	43.00	5,699,300	14,221,600	16,259,300	36,180,200
<i>Governor's Recommendation</i>	43.00	5,730,400	14,230,900	16,264,300	36,225,600

Department of Commerce

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Additional Tourism Grants					
<p>This request is for additional ongoing appropriation to expand marketing and promotion of the state from the Tourism and Promotion Fund, of which \$1,931,000 is in operating expenditures and \$1,579,900 is in trustee & benefit payments. The request in operating expenditures is to support enhanced statewide promotion of tourism. Commerce will contract with various agencies and markets to promote tourism. The trustee & benefits portion will be passed through to local communities to support tourism as required by statute. Revenues for the Tourism and Promotion Fund are split according to Section 67-4710, Idaho Code, 45% for local tourism grants, 45% for statewide tourism efforts, and 10% to support administrative costs. If this enhancement is funded, the ongoing appropriation will exceed ongoing revenues until FY 2021 assuming 10.6% annual revenue growth.</p>					
Agency Request	0.00	0	3,510,900	0	3,510,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,510,900</i>	<i>0</i>	<i>3,510,900</i>
2. Opportunity Fund Cash Infusion					
<p>This request is for \$3,000,000 one-time in trustee & benefit payments from the General Fund and to transfer that amount to the Idaho Opportunity Fund. The Idaho Opportunity Fund currently has an ongoing appropriation of \$3 million and does not require any additional appropriation. The Idaho Opportunity Fund was originally created in the 2006 session of the Idaho Legislature and was called the Business and Jobs Development Fund. In 2013, the Legislature codified this fund in Section 67-4334, Idaho Code and defined its uses. These funds are made available at the discretion of the director to offset public costs associated with the recruitment of companies to Idaho. As promulgated by rule, these moneys have been used for public infrastructure projects for cities and counties. At the end of FY 2016, there was a free fund cash balance in this fund of \$3,929,100. There were General Fund appropriations that were transferred in FY 2014 of \$3,000,000 and in FY 2016 of \$1,750,000.</p>					
Agency Request	0.00	3,000,000	0	0	3,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,000,000</i>	<i>0</i>	<i>0</i>	<i>3,000,000</i>
3. Additional IGEM Grants					
<p>This request is for \$1,000,000 ongoing from the General Fund in trustee & benefit payments for additional Idaho Global Entrepreneurial Mission (IGEM) grants. In FY 2013, the Legislature created a mechanism to provide awards to Idaho research universities to promote university-industry partnerships geared toward commercialization of a product or service. Currently, there is a \$950,000 base General Fund appropriation for this function. This request provides additional capacity to the IGEM Program.</p>					
Agency Request	0.00	1,000,000	0	0	1,000,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
4. Rural Community Block Grants					
<p>This request is for \$50,000 one-time from the General Fund in trustee & benefit payments for additional Rural Community Block Grants (RCBG). In 2002, the state established the Rural Initiative Program which contained the RCBG, Economic Development Professional, and GEM Grant Programs. The RCBG Program provides public infrastructure and utility projects that mirror the federal Community Development Block Grant (CDBG) Program.</p>					
<p>Historically, funding was used to support over 60 RCBGs, awarded to improve public infrastructure and utilities for businesses such as Empire Airlines, DOT Foods, Riley Creek Lumber, Grupo Modelo, and Seneca Foods. Since the recession, however, rural communities have struggled to fund the infrastructure necessary to support local economic development projects. Rural communities are increasingly requesting RCBG funds for projects that include road extensions, sewer/water expansions, broadband capacity, or assistance with power. This request for additional funds is driven by the increased demand for these grants and the deepening need to support economic growth in rural Idaho. The clearest expression of demand versus available funds came at the end of FY 2015 when the Economic Advisory Council was faced with three grant requests for over \$600,000 and the available funds totalled \$140,000.</p>					
Agency Request	0.00	50,000	0	0	50,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Department of Commerce

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. Loan Pay Back

A review of the agency's appropriation found the agency was spending money from the Indirect Cost Recovery Fund without an appropriation. As an accounting practice, the department would charge the federal grant an appropriate rate for accrued leave (vacation, sick leave, etc.) and place that cash in the Indirect Cost Recovery Fund for future leave payouts. Records show this accounting practice dates back to the 1990s. Once the leave was incurred, the agency would utilize a continuous appropriation for payments. This is incorrect and there should have been an appropriation for this fund. Additionally, the review found a \$50,000 loan was issued from the Indirect Cost Recovery Fund to start the Idaho Procurement Technical Assistance Center (PTAC). When a loan is established for a dedicated fund or federal grant, the General Fund serves as collateral. The review found the General Fund was not paid back. This request is to transfer \$50,000 from the Indirect Cost Recovery Fund to the General Fund to pay back a loan that was issued in the 90s. There is a subsequent line item that will provide appropriation to spend the rest of the cash in the fund. In the future, the agency will draw down federal funds only when the leave is incurred which will leave this fund unnecessary for the future.

Agency Request	0.00	0	50,000	0	50,000
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The Governor recommends transferring \$40,000 from the Indirect Cost Recovery Fund back to the original fund sources. Of the \$40,000, \$31,800 is to the General Fund and \$8,200 is to the Tourism and Promotion Fund.

Governor's Recommendation	0.00	0	40,000	0	40,000
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6. Benefit Costs for Federal Employees

This request is for \$33,000 ongoing in personnel costs from the Indirect Cost Recovery Fund. Historically, the agency has used the Indirect Cost Recovery Fund to fund future vacation and leave pay-outs from federal grants. In the future, the department will charge the grant directly for vacation and sick leave. If approved, once this cash is expended, the department will request a base adjustment to reduce the appropriation from this fund.

Agency Request	0.00	0	33,000	0	33,000
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The Governor recommends an additional \$10,000 from the Indirect Cost Recovery Fund be used for leave payouts. The cost allocation for the loan leaves an additional \$10,000 available.

Governor's Recommendation	0.00	0	43,000	0	43,000
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	100	0	0	100
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Department of Commerce

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Cash Transfers

Requested cash transfer if line items 2 and 6 are approved:

CASH TRANSFER: There is hereby appropriated to the Department of Commerce and the State Controller shall transfer \$3,000,000 from the General Fund to the Idaho Opportunity Fund, on or after July 1, 2017, or as soon thereafter as is practicable.

CASH TRANSFER: The State Controller shall transfer \$50,000 from the Indirect Cost Recovery Fund to the General Fund, on or after July 1, 2017, or as soon thereafter as practicable.

Agency Request	0.00	(3,000,000)	(50,000)	0	(3,050,000)
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The Governor recommends three cash transfers, the first is for the \$3,000,000 for the Idaho Opportunity Fund. The second and third are related to the loan pay back line item: The State Controller shall transfer \$31,800 from the Indirect Cost Recovery Fund to the General Fund, on or after July 1, 2017, or as soon thereafter as practicable. The State Controller shall transfer \$8,200 from the Indirect Cost Recovery Fund to the Tourism and Promotion Fund, on or after July 1, 2017, or as soon thereafter as practicable.

Governor's Recommendation	0.00	(3,000,000)	(40,000)	0	(3,040,000)
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FY 2018 Total					
Agency Request	43.00	6,749,400	17,765,500	16,259,300	40,774,200
Governor's Recommendation	43.00	5,730,500	17,784,800	16,264,300	39,779,600

Agency Request

Change from Original App	0.00	1,035,600	3,511,500	(5,600)	4,541,500
% Change from Original App	0.0%	18.1%	24.6%	0.0%	12.5%

Governor's Recommendation

Change from Original App	0.00	16,700	3,530,800	(600)	3,546,900
% Change from Original App	0.0%	0.3%	24.8%	0.0%	9.8%

Department of Finance

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	7,750,000	7,255,200	8,170,300	8,346,900	8,431,800
Percent Change:		(6.4%)	12.6%	2.2%	3.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	5,956,500	5,481,500	6,373,700	6,517,100	6,602,000
Operating Expenditures	1,732,100	1,689,600	1,723,100	1,746,000	1,746,000
Capital Outlay	61,400	84,100	73,500	83,800	83,800
Total:	7,750,000	7,255,200	8,170,300	8,346,900	8,431,800
Full-Time Positions (FTP)	64.00	64.00	64.00	67.00	67.00

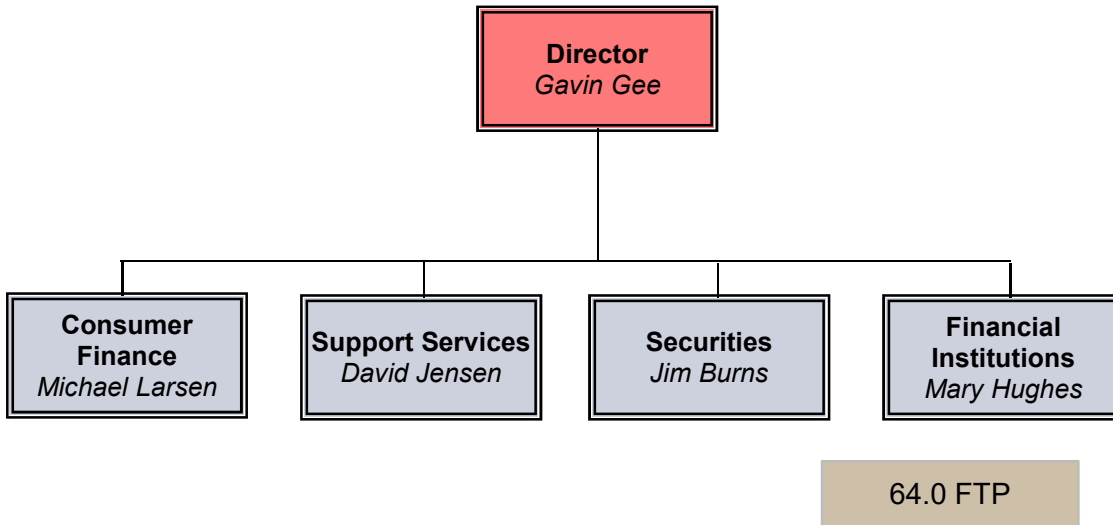
Department Description

Originally created by the State Legislature in 1905, the Department of Finance is a regulatory agency charged with the supervision and oversight of state-chartered financial institutions, regulated lenders, securities issuers, broker-dealers and stockbrokers, residential mortgage brokers and lenders, investment advisers and sales personnel, collection agencies, endowed care cemeteries, and others.

The mission of the department is to aggressively promote access to vigorous, healthy and comprehensive financial services for Idaho citizens. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities, and credit transactions. Through administration of laws enacted by the Idaho Legislature, legitimate financial transactions are encouraged, while fraud, unsafe practices, and unlawful conduct are detected and appropriate enforcement action is taken. The department administers and enforces 23 regulatory statutes and is funded entirely by fees levied by law on the industries subject to its supervision.

[Statutory Authority: Section 67-2701 et seq., Idaho Code]

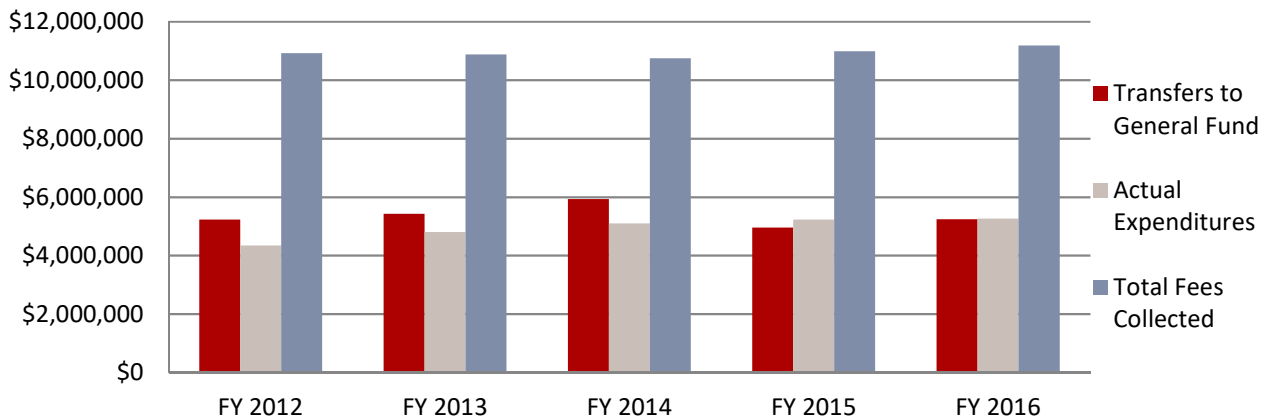
Organizational Chart and General Fund Transfers



GENERAL FUND TRANSFERS

At the beginning of each fiscal year, those moneys in the Finance Administration Account which exceed the current year's appropriation ... by twenty-five percent (25%) or more, shall be transferred to the General Fund at the beginning of the following fiscal year. [Statutory Authority: Section 67-2702(f), Idaho Code]

Transfers to General Fund - Fiscal Year of Transfer



Department of Finance

Analyst: Bybee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	64.00	0	8,170,300	64.00	0	8,170,300
Removal of One-Time Expenditures	0.00	0	(339,700)	0.00	0	(339,700)
FY 2018 Base	64.00	0	7,830,600	64.00	0	7,830,600
Benefit Costs	0.00	0	77,700	0.00	0	54,600
Inflationary Adjustments	0.00	0	25,200	0.00	0	25,200
Replacement Items	0.00	0	148,100	0.00	0	148,100
Statewide Cost Allocation	0.00	0	(15,100)	0.00	0	(15,100)
Change in Employee Compensation	0.00	0	53,400	0.00	0	157,500
FY 2018 Program Maintenance	64.00	0	8,119,900	64.00	0	8,200,900
1. IT Programmer	1.00	0	66,700	1.00	0	67,800
2. New Financial Examiner / Investigator	1.00	0	82,300	1.00	0	83,800
3. Public Information Officer	1.00	0	74,100	1.00	0	75,400
Cybersecurity Insurance	0.00	0	3,900	0.00	0	3,900
FY 2018 Total	67.00	0	8,346,900	67.00	0	8,431,800
Change from Original Appropriation	3.00	0	176,600	3.00	0	261,500
% Change from Original Appropriation			2.2%			3.2%

Department of Finance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	64.00	0	8,170,300	0	8,170,300
Removal of One-Time Expenditures					
Removes \$196,400 in personnel costs for the 27th pay period, \$69,800 for software licenses and copier leases, and \$73,500 in capital outlay for three servers.					
Agency Request	0.00	0	(339,700)	0	(339,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(339,700)</i>	<i>0</i>	<i>(339,700)</i>
FY 2018 Base					
Agency Request	64.00	0	7,830,600	0	7,830,600
<i>Governor's Recommendation</i>	<i>64.00</i>	<i>0</i>	<i>7,830,600</i>	<i>0</i>	<i>7,830,600</i>
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	0	77,700	0	77,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>54,600</i>	<i>0</i>	<i>54,600</i>
Inflationary Adjustments					
Includes a 7.2% increase for space leased at the MK/WGI Plaza and the lease expires in 2021.					
Agency Request	0.00	0	25,200	0	25,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>25,200</i>	<i>0</i>	<i>25,200</i>
Replacement Items					
Replacement items include software subscriptions, network switches, and network printers.					
Agency Request	0.00	0	148,100	0	148,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>148,100</i>	<i>0</i>	<i>148,100</i>
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$300, State Controller fees will decrease by \$400, Attorney General fees will decrease by \$14,800, and State Treasurer fees will decrease by \$200, for a net reduction of \$15,100.					
Agency Request	0.00	0	(15,100)	0	(15,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(15,100)</i>	<i>0</i>	<i>(15,100)</i>
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	53,400	0	53,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>157,500</i>	<i>0</i>	<i>157,500</i>
FY 2018 Program Maintenance					
Agency Request	64.00	0	8,119,900	0	8,119,900
<i>Governor's Recommendation</i>	<i>64.00</i>	<i>0</i>	<i>8,200,900</i>	<i>0</i>	<i>8,200,900</i>

Department of Finance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. IT Programmer					
This request includes 1.00 FTP, \$62,900 in ongoing personnel costs, \$2,000 in ongoing operating expenditures, and \$1,800 in one-time capital outlay for an IT programmer analyst position. This position will develop new and support existing licensing and database systems. The request includes \$41,000 in salary and \$21,900 for benefits, \$2,000 for training, and \$1,800 for computer equipment and office furniture. This position request is for 80% of policy of pay grade K and will be classified.					
Agency Request	1.00	0	66,700	0	66,700
<i>The Governor adds \$900. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i>					
Governor's Recommendation	1.00	0	67,800	0	67,800
2. New Financial Examiner / Investigator					
This request includes 1.00 FTP, \$76,500 in ongoing personnel costs, \$4,000 in ongoing operating expenditures, and \$1,800 in one-time capital outlay for a financial examiner/investigator. This position will be working in the consumer finance bureau in the new licensing and annual license renewal processes for non-depository licensees. The Legislature last approved a new examiner/investigator position for FY 2012. Since that time, the total number of licensees have increased 54.8% from 3,867 to 5,986 at the beginning of FY 2017. The funding request includes \$52,300 for salary (like other examiner positions, this salary request is on the high end after the position has achieved examiner 3 status), \$24,200 for benefits, \$4,000 for training and travel, and \$1,800 for office equipment.					
Agency Request	1.00	0	82,300	0	82,300
<i>The Governor adds \$1,500. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i>					
Governor's Recommendation	1.00	0	83,800	0	83,800
3. Public Information Officer					
This request includes 1.00 FTP, \$69,300 in ongoing personnel costs, \$3,000 in ongoing operating expenditures, and \$1,800 in one-time capital outlay for a new public information officer. Currently, media communication and educational outreach is shared by department staff creating additional pressures on staff time and taking away from daily duties. The goal for the new position is to take over outreach duties and coordinate educational efforts. The request includes \$46,300 for salary, \$23,000 for benefits, \$3,000 for travel and training, and \$1,800 for office equipment. The position request is for 80% of policy at pay grade L and is a classified position.					
Agency Request	1.00	0	74,100	0	74,100
<i>The Governor adds \$1,300. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i>					
Governor's Recommendation	1.00	0	75,400	0	75,400
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	3,900	0	3,900
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	0	3,900	0	3,900
FY 2018 Total					
Agency Request	67.00	0	8,346,900	0	8,346,900
Governor's Recommendation	67.00	0	8,431,800	0	8,431,800

Department of Finance

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	3.00	0	176,600	0	176,600
% Change from Original App	4.7%		2.2%		2.2%
<i>Governor's Recommendation</i>					
Change from Original App	3.00	0	261,500	0	261,500
% Change from Original App	4.7%		3.2%		3.2%

Industrial Commission

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Compensation	5,955,600	5,461,300	6,224,000	6,316,800	6,355,200
Rehabilitation	3,974,300	3,755,600	4,161,000	4,207,500	4,244,600
Crime Victims Compensation	3,829,100	3,243,400	3,885,900	3,894,000	3,902,300
Adjudication	2,287,200	2,060,900	2,430,500	2,409,500	2,436,100
Total:	16,046,200	14,521,200	16,701,400	16,827,800	16,938,200
BY FUND CATEGORY					
Dedicated	15,246,200	13,721,200	15,901,400	16,027,800	16,138,200
Federal	800,000	800,000	800,000	800,000	800,000
Total:	16,046,200	14,521,200	16,701,400	16,827,800	16,938,200
Percent Change:		(9.5%)	15.0%	0.8%	1.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,154,600	8,879,000	9,807,700	9,765,000	9,875,400
Operating Expenditures	2,553,600	2,098,500	2,490,200	2,593,000	2,593,000
Capital Outlay	196,800	184,100	262,300	328,600	328,600
Trustee/Benefit	4,141,200	3,359,600	4,141,200	4,141,200	4,141,200
Total:	16,046,200	14,521,200	16,701,400	16,827,800	16,938,200
Full-Time Positions (FTP)	138.25	138.25	138.25	138.25	138.25

Department Description

The Industrial Commission was established in 1918 to ensure the Idaho's Workers' Compensation Law is impartially and efficiently administered. The commission encourages safe working environments, prompt and accurate benefit payments, timely dispute resolution, and quality vocational rehabilitation services.

The COMPENSATION PROGRAM includes employer compliance, benefits administration, and management services. Responsibilities of the Compensation Program are to evaluate insurance carriers, request workers' compensation policies, evaluate employers petitioning to become self-insured, monitor employer compliance, ensure that workers receive payments of benefits, and resolve issues between claimants and sureties on non-litigate claims. This program also funds the Logging Safety and Industrial Safety Programs at the Division of Building Safety.

The REHABILITATION PROGRAM was created in 1978 to assist in reducing the period of temporary disability resulting from an industrial injury and to aid in restoring the injured worker (to as close as possible) to his or her pre-injury employment status and wage. Consultants serve injured workers from 11 field offices across the state.

The CRIME VICTIMS COMPENSATION PROGRAM was established in 1986 to provide financial assistance to innocent victims of crime. Benefits are paid for costs such as medical and mental health care, examinations, funeral expenses for victims, and lost wages for victims who are unable to work as a result of a crime, up to a maximum of \$25,000 per victim, per crime. Property damages are not eligible. Funding comes from fines and penalties assessed on criminal convictions and a federal grant. Certain restitution and prison payment programs are also directed to the fund.

The ADJUDICATION PROGRAM includes three commissioners appointed by the Governor whose staff hear and adjudicate appeals or disputes between injured workers and employers, provide judicial review of unemployment appeals from the Department of Labor, and render decisions on medical fee disputes. The commission also provides a mediation process that is available at any stage of the claim to assist parties in reaching a successful resolution of a dispute.

Industrial Commission

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	138.25	0	16,701,400	138.25	0	16,701,400
Removal of One-Time Expenditures	0.00	0	(548,200)	0.00	0	(548,200)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	138.25	0	16,153,200	138.25	0	16,153,200
Benefit Costs	0.00	0	168,400	0.00	0	118,700
Replacement Items	0.00	0	328,600	0.00	0	328,600
Statewide Cost Allocation	0.00	0	(42,600)	0.00	0	(42,600)
Change in Employee Compensation	0.00	0	74,800	0.00	0	224,400
FY 2018 Program Maintenance	138.25	0	16,682,400	138.25	0	16,782,300
1. Medical Fee Schedule Study	0.00	0	125,000	0.00	0	125,000
2. CEC for Commissioners	0.00	0	0	0.00	0	10,500
Cybersecurity Insurance	0.00	0	20,400	0.00	0	20,400
FY 2018 Total	138.25	0	16,827,800	138.25	0	16,938,200
Change from Original Appropriation	0.00	0	126,400	0.00	0	236,800
% Change from Original Appropriation			0.8%			1.4%

Industrial Commission

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	138.25	0	15,901,400	800,000	16,701,400

Removal of One-Time Expenditures

Agency Request	0.00	0	(548,200)	0	(548,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(548,200)</i>	<i>0</i>	<i>(548,200)</i>

Base Adjustments

Compensation, Rehabilitation

The Industrial Commission requests a transfer of \$25,300 in operating expenditures in the Industrial Administration Fund from the Compensation Program to the Rehabilitation Program.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	138.25	0	15,353,200	800,000	16,153,200
<i>Governor's Recommendation</i>	<i>138.25</i>	<i>0</i>	<i>15,353,200</i>	<i>800,000</i>	<i>16,153,200</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	168,400	0	168,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>118,700</i>	<i>0</i>	<i>118,700</i>

Replacement Items

COMPENSATION: two vehicles (\$56,200), one primary network switch (\$18,000), 36 training tables (\$10,800), one cable tester (\$6,000), one video conference controller (\$6,000), two laser printers (\$4,400), nine digital recorders (\$3,200), two servers (\$5,200), two desktop computers with dual monitors (\$2,600), two network switches (\$3,600), five bookcases (\$2,000), four guest chairs (\$1,600), two executive chairs (\$1,400), and one video conference monitor (\$400) for a total of \$121,400.

REHABILITATION: two video conference controllers for the field offices (\$30,000), two vehicles (\$52,000), one primary network switch (\$16,000), 24 digital recorders (\$8,400), five desktop computers with dual monitors (\$6,500), one cable tester (\$5,400), one video conference controller (\$5,300), 12 guest chairs (\$4,800), two high-end laptop computers (\$3,200), two desks (\$2,800), two servers (\$4,600), two projectors (\$2,200), two switches (\$3,200), four executive chairs (\$2,000), two video conference monitors (\$2,000), one conference table (\$800), one camcorder (\$700), two lamp tables (\$700), one bookcase (\$400), and one video conference monitor (\$400) for a total of \$151,400.

CRIME VICTIMS COMPENSATION: 11 desktop computers with dual monitors (\$14,300), one primary switch (\$4,200), one cable tester (\$1,400), two servers (\$1,300), two switches (\$900), one video conference controller (\$1,400), one video conference monitor (\$100) and one desk (\$2,000) for a total of \$25,600.

ADJUDICATION: six desktop computers with dual monitors (\$7,800), one primary network switch (\$6,800), two laser printers (\$2,000), one cable tester (\$2,300), two servers (\$2,000), two switches (\$1,400), one digital recorder (\$400), one video conference controller (\$2,300), one video conference monitor (\$200), six executive chairs (\$4,200), and two guest chairs (\$800) for a total of \$30,200.

Agency Request	0.00	0	328,600	0	328,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>328,600</i>	<i>0</i>	<i>328,600</i>

Industrial Commission

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$3,900, State Controller fees will decrease by \$3,200, Attorney General fees will decrease by \$42,700, and State Treasurer fees will decrease by \$600, for a net reduction of \$42,600.

Agency Request	0.00	0	(42,600)	0	(42,600)
Governor's Recommendation	0.00	0	(42,600)	0	(42,600)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	74,800	0	74,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	0	224,400	0	224,400
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FY 2018 Program Maintenance

Agency Request	138.25	0	15,882,400	800,000	16,682,400
Governor's Recommendation	138.25	0	15,982,300	800,000	16,782,300

1. Medical Fee Schedule Study

Compensation

The commission requests an ongoing appropriation of \$125,000 in operating expenditures from the Industrial Administration Fund to conduct an annual analysis of the medical fee schedule. The results of the study will be used to adjust the medical fee schedule outlined in Idaho Administrative Code Section 17.02.09. This fee schedule is used to set maximum reimbursement amounts to providers at rates reflecting local market conditions which do not jeopardize access to care.

Agency Request	0.00	0	125,000	0	125,000
Governor's Recommendation	0.00	0	125,000	0	125,000

2. CEC for Commissioners

Adjudication

Agency Request	0.00	0	0	0	0
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The Governor recommends a 3% salary increase for commissioners, increasing their annual salary to \$100,990. Legislation is required to make this change.

Governor's Recommendation	0.00	0	10,500	0	10,500
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	20,400	0	20,400
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	0	20,400	0	20,400
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FY 2018 Total

Agency Request	138.25	0	16,027,800	800,000	16,827,800
Governor's Recommendation	138.25	0	16,138,200	800,000	16,938,200

Agency Request

Change from Original App	0.00	0	126,400	0	126,400
% Change from Original App	0.0%		0.8%	0.0%	0.8%

Governor's Recommendation

Change from Original App	0.00	0	236,800	0	236,800
% Change from Original App	0.0%		1.5%	0.0%	1.4%

Department of Insurance

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Insurance Regulation	7,947,000	6,371,600	8,419,600	8,441,500	8,463,000
State Fire Marshal	1,081,500	922,300	1,137,300	1,188,200	1,197,800
Total:	9,028,500	7,293,900	9,556,900	9,629,700	9,660,800
BY FUND CATEGORY					
Dedicated	8,371,200	6,816,600	8,860,300	8,955,300	8,983,400
Federal	657,300	477,300	696,600	674,400	677,400
Total:	9,028,500	7,293,900	9,556,900	9,629,700	9,660,800
Percent Change:		(19.2%)	31.0%	0.8%	1.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	5,311,700	4,994,200	5,693,200	5,935,800	5,966,900
Operating Expenditures	3,557,400	2,150,800	3,555,800	3,509,100	3,509,100
Capital Outlay	159,400	148,900	307,900	184,800	184,800
Total:	9,028,500	7,293,900	9,556,900	9,629,700	9,660,800
Full-Time Positions (FTP)	73.50	73.50	73.50	76.50	76.50

Department Description

The mission of the Department of Insurance is to equitably, effectively, and efficiently administer the Idaho Insurance Code and the International Fire Code. The department 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 a deputy director. Support services are provided by an administrative group reporting to the director. The responsibilities can be summarized as follows:

Insurance Regulation Division, Company Activities Bureau: This bureau monitors the financial condition of all insurance entities domiciled in the state of Idaho to assure that each complies with Idaho law, and that the financial obligations of the company to its policyholders will be met. The bureau also licenses producers, adjusters and third-party administrators; collects and audits insurance premium tax returns; regulates title agencies; and performs market analyses and conducts examinations of insurers and self-funded plans doing business in Idaho.

Insurance Regulation Division, Consumer Services Bureau: This bureau researches consumer and industry complaints, and provides assistance to consumers and the insurance industry on matters involving insurance contracts and potential violations of the insurance code. Also 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, through a network of over 100 volunteers and a call center staffed to service a toll-free phone line.

Insurance Regulation Division, Product Review Bureau: This bureau reviews filed rates and forms. The bureau meets the effective rate review standards for the individual and small group health insurance markets, retaining state-level regulatory authority. The bureau reviews and certifies that health plans meet the Qualified Health Plan (QHP) standards as required by law.

State Fire Marshal Division: The State Fire Marshal's Office participates in and coordinates an integrated statewide system designed to protect human life from fire and explosions through fire prevention, investigation and public education activities. The program involves fire prevention activities, fire/arson investigations, code enforcement and the operation of various statistical systems, including the Idaho Fire Incident Reporting System. The State Fire Marshal's Office provides assistance to local fire agencies throughout the state.

Department of Insurance

Agency Profile

Analyst: Bybee

PREMIUM TAX DISTRIBUTION

The Department of Insurance is responsible for administering and collecting a tax assessed on all insurance premiums. This tax collected from authorized insurers is in lieu of all other state and local taxes with the exception of real property tax (§41-405, Idaho Code).

Revenue from the premium tax is distributed to the following funds:

Insurance Refund: Used to reimburse insurers for overpayment of taxes, fines, penalties, etc.

PERSI: §59-1394, Idaho Code provides that at least 50% of the gross tax on fire insurance premiums is used to partially fund the firefighter retirement system. 100% of the gross tax on fire insurance is used for this purpose.

High Risk Reinsurance Pool: If premium tax revenue exceeds \$45 million after all other deductions, 25% of the excess goes into the Individual High Risk Reinsurance Pool to pay the costs associated with providing health insurance coverage to high risk individuals regardless of health status or claims experience.

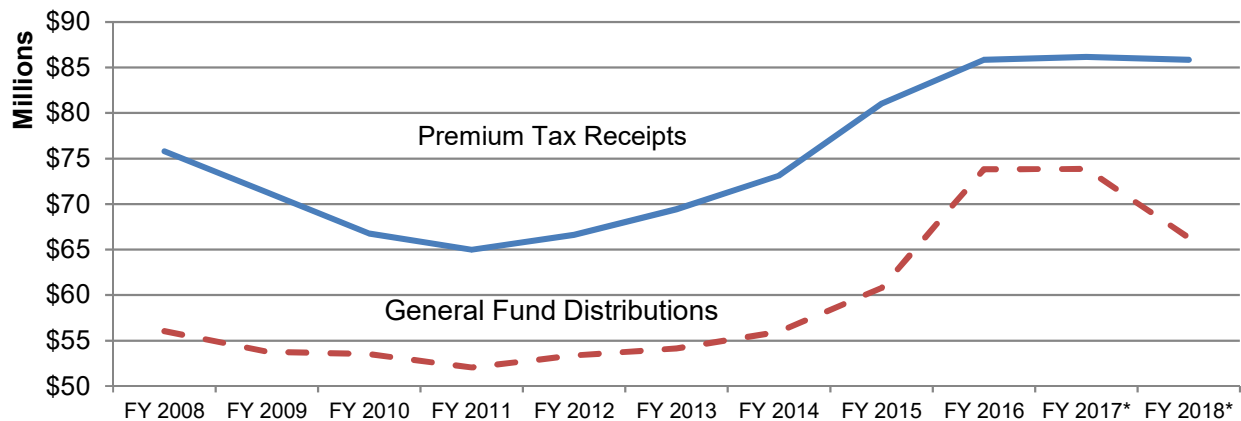
Idaho Health Insurance Access Card: If premium tax revenue exceeds \$55 million, 25% of the excess goes to the Idaho Health Insurance Access Card Fund, with 80% going to CHIP Plan B and the children's access card program, and 20% (not to exceed \$1.2 million) to the small business health insurance pilot program.

LEGISLATION IMPACTING DISTRIBUTIONS: S1014 of 2013 included a clause that struck the distributions for the Chip B, Access Card, and High Risk Reinsurance Pool beginning October 1, 2015. High Risk Reinsurance Pool was re-codified with S1265 of 2016 and takes effect in FY 2018.

General Fund: The balance of the premium tax, fines and penalties are distributed to the General Fund.

DISTRIBUTION OF PREMIUM TAX REVENUES FY 2015 - FY 2018

	FY 2015	FY 2016	FY 2017*	FY 2018*
General Fund	\$60,787,956	\$73,834,268	\$72,668,800	\$66,296,600
Insurance Refund	\$7,750,900	\$8,240,400	\$8,498,500	\$8,583,500
Fireman's PERSI	\$3,568,189	\$3,779,982	\$3,817,800	\$3,856,000
Insurance Insolvency Fund	\$0	\$0	\$0	\$0
High Risk Reinsurance Pool	\$5,717,460	\$5,626	\$0	\$7,098,900
Chip B and Access Card	\$3,217,460	\$5,626	\$0	\$0
Total (Premium Tax Receipts)	\$81,041,965	\$85,865,902	\$84,985,100	\$85,835,000



*Estimate based on projected revenues and expenses.

NOTE: Distributions can exceed actual revenues slightly, depending on the amount of fees collected by the agency. §41-401(3)(e), Idaho Code provides that "at the beginning of each fiscal year, those moneys in the Insurance Administrative Account which exceed the current year's appropriation plus any residual encumbrances made against prior years' appropriations by twenty-five percent (25%) or more shall be transferred to the general [fund]."

Department of Insurance

Analyst: Bybee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	73.50	0	9,556,900	73.50	0	9,556,900
Removal of One-Time Expenditures	0.00	0	(482,700)	0.00	0	(482,700)
FY 2018 Base	73.50	0	9,074,200	73.50	0	9,074,200
Benefit Costs	0.00	0	85,500	0.00	0	58,900
Replacement Items	0.00	0	175,000	0.00	0	175,000
Statewide Cost Allocation	0.00	0	(58,300)	0.00	0	(58,300)
Change in Employee Compensation	0.00	0	46,000	0.00	0	137,100
FY 2018 Program Maintenance	73.50	0	9,322,400	73.50	0	9,386,900
1. Replace Contractors	3.00	0	290,700	3.00	0	257,300
Cybersecurity Insurance	0.00	0	16,600	0.00	0	16,600
FY 2018 Total	76.50	0	9,629,700	76.50	0	9,660,800
Change from Original Appropriation	3.00	0	72,800	3.00	0	103,900
% Change from Original Appropriation			0.8%			1.1%

Department of Insurance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	73.50	0	8,860,300	696,600	9,556,900

Removal of One-Time Expenditures

Removes \$169,800 in one-time personnel costs associated with the 27th pay period and \$307,900 for new equipment and equipment replacement items.

Agency Request	0.00	0	(453,800)	(28,900)	(482,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(453,800)</i>	<i>(28,900)</i>	<i>(482,700)</i>

FY 2018 Base					
Agency Request	73.50	0	8,406,500	667,700	9,074,200
<i>Governor's Recommendation</i>	<i>73.50</i>	<i>0</i>	<i>8,406,500</i>	<i>667,700</i>	<i>9,074,200</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	81,000	4,500	85,500
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>55,800</i>	<i>3,100</i>	<i>58,900</i>
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Replacement Items

Request includes computer, office, and IT equipment, and one vehicle for the State Fire Marshal.

Agency Request	0.00	0	175,000	0	175,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>175,000</i>	<i>0</i>	<i>175,000</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100, State Controller fees will decrease by \$500, and Attorney General fees will decrease by \$57,900 for a net reduction of \$58,300.

Agency Request	0.00	0	(58,300)	0	(58,300)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(58,300)</i>	<i>0</i>	<i>(58,300)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	43,800	2,200	46,000
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>130,500</i>	<i>6,600</i>	<i>137,100</i>
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FY 2018 Program Maintenance					
Agency Request	73.50	0	8,648,000	674,400	9,322,400
<i>Governor's Recommendation</i>	<i>73.50</i>	<i>0</i>	<i>8,709,500</i>	<i>677,400</i>	<i>9,386,900</i>

Department of Insurance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Replace Contractors **Insurance Regulation, State Fire Marshal**

This request includes 3.00 FTP, \$280,900 in ongoing personnel costs, and \$9,800 in one-time capital outlay to partially replace contractors with state employees. Two positions will be insurance examiners who will conduct financial condition examinations of insurance entities domiciled in Idaho currently being completed by contractors at an estimated cost of \$595,600 for FY 2018. These positions are required to meet national accreditation standards whether they are contractors or in-house employees. The request for each financial examiner is \$78,400 in salary and \$30,300 in benefits and will be non-classified positions. The national accreditation requirement cause the current contractors to be paid between \$90 and \$185 per hour, but this cost is anticipated to increase with the pending retirement of the 2 lowest cost contractors. Should the department take on this role, the hourly rate for the state employee is budgeted at \$52.26, which includes benefits. Using in-house examiners will result in immediate savings, but will not completely eliminate the use of contractors for this purpose.

The third position is a building plans examiner that will review sprinkler, construction, and fire alarm plans. This position will replace a contractor that is currently used to review fire sprinkler plans only. This position is budgeted at \$41,000 in salary, which is 80% of policy, and \$22,500 in benefits and classified at pay grade K. The current contractor plans to retire this year and the approximate annual cost of a new contract is estimated to be \$95,000. The capital outlay request includes office equipment and computers for all positions.

Agency Request	3.00	0	290,700	0	290,700
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The Governor removes \$34,300 for the insurance examiners to 80% of policy benchmarked against pay grade O, and adds \$900 for the building plans examiner for 80% of policy on new pay schedule and all positions have been adjusted for the lower health insurance increase.

Governor's Recommendation	3.00	0	257,300	0	257,300
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Cybersecurity Insurance **Insurance Regulation**

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	16,600	0	16,600
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	0	16,600	0	16,600
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FY 2018 Total					
Agency Request	76.50	0	8,955,300	674,400	9,629,700
Governor's Recommendation	76.50	0	8,983,400	677,400	9,660,800

Agency Request					
Change from Original App	3.00	0	95,000	(22,200)	72,800
% Change from Original App	4.1%		1.1%	(3.2%)	0.8%
Governor's Recommendation					
Change from Original App	3.00	0	123,100	(19,200)	103,900
% Change from Original App	4.1%		1.4%	(2.8%)	1.1%

Department of Labor

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Unemployment Insurance Admin	31,005,100	21,386,900	38,205,300	38,171,200	33,073,100
Employment Services	58,403,500	41,159,500	61,384,200	61,311,900	59,347,100
Wage and Hour	560,800	557,300	591,800	639,200	644,300
Career Information Services	773,400	589,600	804,000	881,200	886,900
Human Rights Commission	1,019,900	948,100	1,193,300	1,183,600	1,191,500
Serve Idaho	2,624,300	1,109,800	2,640,600	2,640,600	2,643,400
Total:	94,387,000	65,751,200	104,819,200	104,827,700	97,786,300
BY FUND CATEGORY					
General	320,700	320,200	389,600	338,300	341,200
Dedicated	27,434,900	12,552,800	34,931,000	35,141,000	27,557,800
Federal	66,631,400	52,878,200	69,498,600	69,348,400	69,887,300
Total:	94,387,000	65,751,200	104,819,200	104,827,700	97,786,300
Percent Change:		(30.3%)	59.4%	0.0%	(6.7%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	49,218,900	39,062,100	53,505,500	53,374,200	54,039,800
Operating Expenditures	25,350,100	13,101,300	29,290,700	28,598,000	21,135,000
Capital Outlay	1,083,500	610,200	1,238,500	1,559,000	1,315,000
Trustee/Benefit	18,734,500	12,977,600	20,784,500	21,296,500	21,296,500
Total:	94,387,000	65,751,200	104,819,200	104,827,700	97,786,300
Full-Time Positions (FTP)	700.00	700.00	700.00	700.00	700.00

Department Description

The Idaho Department of Labor's main function is to administer Unemployment Compensation (UC), a social insurance program. It is designed to provide benefits to most individuals out of work, generally through no fault of their own, for periods between jobs. In order to be eligible for benefits, jobless workers must demonstrate workforce attachment, usually measured by amount of wages and/or weeks of work, and must be able and available for work.

The UC program is a federal-state partnership based upon federal law, but administered by state employees under state law. Because of this structure, the program is unique among the country's social insurance programs. The UC program is also unique in that it is almost totally funded by employer taxes, either federal or state. Only three states collect taxes from employees.

Federal law defines certain requirements for the program. The Social Security Administration (SSA) and the Federal Unemployment Tax Act (FUTA) set forth broad coverage provisions, some benefit provisions, the federal tax base and rate, and administrative requirements.

Title III of the SSA provides for payments from the FUTA to the states to meet the necessary costs of administering the UC programs in the states. The major proportion of the cost (97%) of operating their public employment offices is provided for by the Wagner-Peyser Act. Administration of unemployment insurance includes providing taxpayer services, helping out-of-work individuals file claims, processing claims and paying benefits. Benefit payments are continuously appropriated to the department. [Statutory Authority: Section 72-1347, Idaho Code, et seq.]

For purposes of appropriation, 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. Only Unemployment Compensation functions with a continuous appropriation.

Historical Summary

- 1) Unemployment Insurance Administration oversees UI programs for eligible workers through federal and state cooperation, including unemployment compensation for federal employees or ex-service members, disaster unemployment assistance, and assists in the oversight of trade adjustment assistance and alternative trade adjustment assistance, and reemployment trade adjustment assistance programs.
- 2) Employment Services, in partnership with business, labor, education and government, promotes workforce development and economic security for the citizens of Idaho through the labor exchange, job training opportunities, labor market information, and the Workforce Development Council.
- 3) The Wage and Hour section administers Idaho laws regarding the payment of minimum wage and claims for unpaid wages. This program provides redress to citizens for wage and hour law violations, and dispenses information and assistance to employers on wage and hour law provisions.
- 4) The Career Information Services Program provides a comprehensive source of career information about Idaho and the nation. Information and data is gathered and presented to job seekers for the purposes of exploring career opportunities, finding educational programs and schools that offer them, and ultimately finding work.
- 5) The Idaho Human Rights Commission administers the policies outlined in the federal fair employment practice acts banning discrimination based on race, gender, color, religion, national origin, age, and disability. Although Section 67-5903, Idaho Code, creates the nine-member Human Rights Commission in the Office of the Governor - and compensates them \$50 per day, plus necessary expenses - H603 of 2010 amended Section 67-5905, Idaho Code, to provide that the Director of the Department of Labor appoints the administrator and provides support staff from within the Department of Labor.
- 6) Through the Serve Idaho Program, the Governor's Commission on Service and Volunteerism promotes collaborative efforts among public, private, and nonprofit, state and local agencies to advance community service programs and activities throughout the state. It is funded by grants from the Corporation for National and Community Service and through cash and in-kind donations from state and local partners. House Bill 603 of 2010 transferred administrative support from the Executive Office of the Governor to the Department of Labor.

Department of Labor

Analyst: Bybee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	700.00	389,600	104,819,200	700.00	389,600	104,819,200
1. AmeriCorps Career Advisors	0.00	0	80,000	0.00	0	80,000
FY 2017 Total Appropriation	700.00	389,600	104,899,200	700.00	389,600	104,899,200
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	700.00	389,600	104,899,200	700.00	389,600	104,899,200
Removal of One-Time Expenditures	0.00	(58,400)	(2,407,400)	0.00	(58,400)	(2,407,400)
FY 2018 Base	700.00	331,200	102,491,800	700.00	331,200	102,491,800
Benefit Costs	0.00	4,900	660,200	0.00	3,400	466,300
Replacement Items	0.00	0	693,000	0.00	0	649,000
Statewide Cost Allocation	0.00	0	(24,400)	0.00	0	(24,400)
Change in Employee Compensation	0.00	2,200	433,400	0.00	6,600	1,292,900
FY 2018 Program Maintenance	700.00	338,300	104,254,000	700.00	341,200	104,875,600
1. IT Equipment	0.00	0	300,000	0.00	0	100,000
2. Facility Security	0.00	0	79,000	0.00	0	79,000
3. Building Maintenance and Repair	0.00	0	67,500	0.00	0	67,500
4. Increase Wage & Hour Collections	0.00	0	0	0.00	0	0
5. UI Trade Act Benefits	0.00	0	0	0.00	0	0
6. Services for Other State Agencies	0.00	0	125,000	0.00	0	125,000
7. Reduce Base Appropriation	0.00	0	0	0.00	0	(7,463,000)
8. Gov Initiative - Workforce Development	0.00	0	0	0.00	5,000,000	5,000,000
Cybersecurity Insurance	0.00	0	2,200	0.00	0	2,200
Cash Transfers	0.00	0	0	0.00	(5,000,000)	(5,000,000)
FY 2018 Total	700.00	338,300	104,827,700	700.00	341,200	97,786,300
Change from Original Appropriation	0.00	(51,300)	8,500	0.00	(48,400)	(7,032,900)
% Change from Original Appropriation		(13.2%)	0.0%		(12.4%)	(6.7%)

Department of Labor

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	700.00	389,600	34,931,000	69,498,600	104,819,200

1. AmeriCorps Career Advisors

Career Information Services

This request includes \$18,000 ongoing in operating expenditures and \$62,000 ongoing in trustee & benefit payments from the Miscellaneous Revenue Fund for local cash to match a new Corporation for National and Community Service (CNCS) grant. The source of the funding is from local public schools from around the state. Each participating school will remit \$5,250 to the Idaho Department of Labor (IDOL) for the local matching requirement of the CNCS grant, and Career Information System (CIS) will pay the AmeriCorps career advisor(s).

IDOL was awarded \$274,275 from CNCS to create a "Career Advisor Volunteer" program that would place 20 AmeriCorps members in rural, low-income schools. AmeriCorps volunteers will work with students to provide them with training and skills to help them matriculate to a postsecondary institution. IDOL will use Serve Idaho's federal appropriation and the Career Information System's appropriation from the Penalty and Interest Fund and the Miscellaneous Revenue Fund to pay an annual stipend of \$12,350 plus FICA taxes to AmeriCorps career advisor volunteers. The allocation of the stipend plus taxes is 30% Penalty and Interest Fund, 32% Miscellaneous Revenue Fund (generated from local schools), and 38% CNCS grant. The total three year amount is \$718,173 (\$274,275 from CNCS, and \$443,898 from CIS and local sources).

Agency Request	0.00	0	80,000	0	80,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>80,000</i>	<i>0</i>	<i>80,000</i>

FY 2017 Total Appropriation					
Agency Request	700.00	389,600	35,011,000	69,498,600	104,899,200
<i>Governor's Recommendation</i>	<i>700.00</i>	<i>389,600</i>	<i>35,011,000</i>	<i>69,498,600</i>	<i>104,899,200</i>

Noncognizable Funds and Transfers

Wage and Hour

Transfers 1.00 FTP from the General Fund to the Penalties and Interest Fund to better align staff with funding.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	700.00	389,600	35,011,000	69,498,600	104,899,200
<i>Governor's Recommendation</i>	<i>700.00</i>	<i>389,600</i>	<i>35,011,000</i>	<i>69,498,600</i>	<i>104,899,200</i>

Removal of One-Time Expenditures

Removes \$1,341,400 from one-time personnel costs associated with the 27th pay-period, \$264,500 in operating expenditures for building maintenance and repairs, \$751,500 for computer equipment in capital outlay, and \$50,000 in trustee & benefit payments for the Idaho Rural Partnership.

Agency Request	0.00	(58,400)	(1,201,400)	(1,147,600)	(2,407,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(58,400)</i>	<i>(1,201,400)</i>	<i>(1,147,600)</i>	<i>(2,407,400)</i>

FY 2018 Base					
Agency Request	700.00	331,200	33,809,600	68,351,000	102,491,800
<i>Governor's Recommendation</i>	<i>700.00</i>	<i>331,200</i>	<i>33,809,600</i>	<i>68,351,000</i>	<i>102,491,800</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	4,900	74,200	581,100	660,200
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,400</i>	<i>52,400</i>	<i>410,500</i>	<i>466,300</i>

Department of Labor

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
Includes five vehicles at \$22,000 per vehicle and IT equipment.					
Agency Request	0.00	0	693,000	0	693,000
<i>The Governor does not recommend two of the five requested vehicles.</i>					
Governor's Recommendation	0.00	0	649,000	0	649,000
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$900, State Controller fees will decrease by \$10,900, Attorney General fees will decrease by \$9,600, and State Treasurer fees will decrease by \$4,800, for a net reduction of \$24,400.					
Agency Request	0.00	0	(600)	(23,800)	(24,400)
Governor's Recommendation	0.00	0	(600)	(23,800)	(24,400)
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	2,200	72,300	358,900	433,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	6,600	217,900	1,068,400	1,292,900
FY 2018 Program Maintenance					
Agency Request	700.00	338,300	34,648,500	69,267,200	104,254,000
Governor's Recommendation	700.00	341,200	34,728,300	69,806,100	104,875,600
1. IT Equipment			Employment Services		
This request is for \$300,000 in one-time capital outlay from the Penalty and Interest Fund to purchase and replace critical network storage equipment and hardware.					
Agency Request	0.00	0	300,000	0	300,000
<i>The Governor recommends half of the requested network storage, and none of the hardware.</i>					
Governor's Recommendation	0.00	0	100,000	0	100,000
2. Facility Security			Unemployment Insurance Administration		
This request includes \$79,000 in one-time capital outlay from the Federal Grant Fund to purchase additional security equipment for the main branch and local offices around the state. This equipment includes fingerprint readers, and upgrading door locks managed through Velocity which is an integrated software platform that manages access control and security operations in hundreds of different facilities, from single high secure rooms to multi-building multilocation campuses. Control doors, gates, turnstiles, elevators and other building equipment monitor users as they move around a facility, prevent unwanted access, maintain compliance and provide a robust audit trail.					
Agency Request	0.00	0	0	79,000	79,000
Governor's Recommendation	0.00	0	0	79,000	79,000
3. Building Maintenance and Repair			Employment Services		
Request includes \$67,500 in one-time operating expenditures to update and maintain local office buildings and the main branch in Boise. This includes \$26,500 to resurface the parking lots in the Pocatello, Canyon County, Kootenai County, and Lewiston offices, \$14,000 to upgrade light fixtures at the main office, \$5,000 to paint the lobby areas at the main office, \$15,000 for landscaping around the annex building in Boise, and \$7,000 to paint the exterior of the Pocatello office.					
Agency Request	0.00	0	67,500	0	67,500
Governor's Recommendation	0.00	0	67,500	0	67,500

Department of Labor

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Increase Wage & Hour Collections		Wage and Hour, Unemployment Insurance Administration			
This request includes a transfer of \$42,500 in personnel costs and \$7,500 in operating expenditures for a total of \$50,000 from the Unemployment Insurance Administration Program to the Wage and Hour Program. This funding is from the Penalty and Interest Fund and will be used to fully fund a position in the Wage and Hour Program who will be working on collections for valid claims.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. UI Trade Act Benefits		Unemployment Insurance Administration			
This request is to transfer \$500,000 from operating expenditures to trustee & benefit payments on an ongoing basis from the Federal Grant Fund to cover Alternative Trade Adjustment Assistance (ATAA) payments and Reemployment Trade Adjustment Assistance (RTAA) payments, which are programs under the Federal Trade Act. Most unemployment claims are paid from the continuously appropriated trust fund, however the ATAA and RTAA programs pay claims directly from federal grants. These programs are for workers who have lost their jobs as a direct result of trade and their jobs have been moved overseas. These claims have gone up 497% from 2014 to 2016, and the department can no longer cover the payments through its operating expenditures appropriation.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Services for Other State Agencies		Employment Services			
This request includes \$116,500 in one-time personnel costs, and \$8,500 in one-time operating expenditures from the Miscellaneous Revenue Fund to provide services to the Office of the State Board of Education (OSBE), and the Idaho State Board of Nursing. The department will continue to work on the Longitudinal Data System which is housed at OSBE. The Board of Nursing has contracted with the department to conduct market labor research.					
Agency Request	0.00	0	125,000	0	125,000
Governor's Recommendation	0.00	0	125,000	0	125,000
7. Reduce Base Appropriation		Unemployment Insurance Administration			
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction for the Penalty and Interest Fund and the Special Administration Fund to align revenues with expenditures.</i>					
Governor's Recommendation	0.00	0	(7,463,000)	0	(7,463,000)
8. Gov Initiative - Workforce Development		Employment Services			
Agency Request	0.00	0	0	0	0
<i>The Governor recommends transferring \$5,000,000 from the General Fund to the Workforce Development Training Fund for training and retraining opportunities to meet Idaho workforce development needs.</i>					
Governor's Recommendation	0.00	5,000,000	0	0	5,000,000
Cybersecurity Insurance		Employment Services, UI Admin			
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	0	2,200	2,200
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	0	0	2,200	2,200

Department of Labor

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cash Transfers				Employment Services	
Agency Request	0.00	0	0	0	0
<i>Cash Transfer: The State Controller shall transfer \$5,000,000 from the General Fund to the Workforce Development Training Fund, on or after July 1, 2017, or as soon thereafter as practicable.</i>					
Governor's Recommendation	0.00	(5,000,000)	0	0	(5,000,000)
FY 2018 Total					
Agency Request	700.00	338,300	35,141,000	69,348,400	104,827,700
Governor's Recommendation	700.00	341,200	27,557,800	69,887,300	97,786,300
Agency Request					
Change from Original App	0.00	(51,300)	210,000	(150,200)	8,500
% Change from Original App	0.0%	(13.2%)	0.6%	(0.2%)	0.0%
Governor's Recommendation					
Change from Original App	0.00	(48,400)	(7,373,200)	388,700	(7,032,900)
% Change from Original App	0.0%	(12.4%)	(21.1%)	0.6%	(6.7%)

Public Utilities Commission

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	5,866,500	5,212,900	6,002,700	6,286,200	6,248,900
Federal	307,600	236,100	324,300	320,300	324,000
Total:	6,174,100	5,449,000	6,327,000	6,606,500	6,572,900
Percent Change:		(11.7%)	16.1%	4.4%	3.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,312,900	4,025,100	4,586,800	4,649,700	4,616,100
Operating Expenditures	1,773,700	1,360,100	1,686,200	1,880,700	1,880,700
Capital Outlay	87,500	63,800	54,000	76,100	76,100
Total:	6,174,100	5,449,000	6,327,000	6,606,500	6,572,900
Full-Time Positions (FTP)	52.00	52.00	52.00	52.00	52.00

Department Description

The Idaho Public Utilities Commission (PUC) was established by the 12th Session of the Idaho Legislature and was organized on May 8, 1913. 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. The rail section oversees the safe operations of railroads that move freight through Idaho and enforces state and federal regulations safeguarding the transportation of hazardous materials by rail. The pipeline safety section oversees the safe operation of interstate oil and natural gas pipelines in Idaho.

After the Legislature removed the motor carrier function from the commission in 1999, the Administration, Utilities, and Regulated Carriers Programs were combined into one program for budgeting purposes. The commissioners are supported by two policy analysts, legal counsel, the utilities division, and an administration division.

The administration division has management, fiscal, personnel and public affairs, pipeline safety, and railroad safety responsibilities. It provides support services for the agency (Sections 61-301:337, Idaho Code). The PUC is federally preempted from regulating railroad rates, charges, routes, and service; but it can still regulate non-economic railroad operations such as abandonment proceedings, enforcing safety regulations, establishing clearance safety rules, and deciding grade crossing disputes. The Commission has also entered into a joint state-federal program with the Federal Railroad Administration to promote and enforce federal safety regulations relating to the transportation of hazardous materials by rail in Idaho.

The utilities division includes: audit, engineering, telecommunications, technical analysis, and consumer assistance. The audit section advises the commission on auditing, accounting, financing, income tax and security issues. It participates in all rate cases to determine proper income, expenses, rate bases and revenue requirements. The engineering, telecommunications, and technical analysis sections are primarily responsible for economic and engineering analysis of rates, rate design, and cost-of-service and technical evaluations of company proposals. The consumer assistance section is responsible for handling customer complaints and specialized information requests.

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. The pipeline safety program is also partially funded with a federal grant from the US Department of Transportation. 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.

Public Utilities Commission

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	52.00	0	6,327,000	52.00	0	6,327,000
1. Pipeline Safety Overhead	0.00	0	100,000	0.00	0	100,000
FY 2017 Total Appropriation	52.00	0	6,427,000	52.00	0	6,427,000
Removal of One-Time Expenditures	0.00	0	(187,200)	0.00	0	(187,200)
FY 2018 Base	52.00	0	6,239,800	52.00	0	6,239,800
Benefit Costs	0.00	0	60,700	0.00	0	42,200
Inflationary Adjustments	0.00	0	9,500	0.00	0	9,500
Replacement Items	0.00	0	91,500	0.00	0	91,500
Statewide Cost Allocation	0.00	0	73,500	0.00	0	73,500
Change in Employee Compensation	0.00	0	34,600	0.00	0	105,100
FY 2018 Program Maintenance	52.00	0	6,509,600	52.00	0	6,561,600
1. Move Certain Incumbents to Policy	0.00	0	96,600	0.00	0	0
2. Commissioner Salary Increase	0.00	0	0	0.00	0	11,000
Cybersecurity Insurance	0.00	0	300	0.00	0	300
FY 2018 Total	52.00	0	6,606,500	52.00	0	6,572,900
Change from Original Appropriation	0.00	0	279,500	0.00	0	245,900
% Change from Original Appropriation			4.4%			3.9%

Public Utilities Commission

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	52.00	0	6,002,700	324,300	6,327,000

1. Pipeline Safety Overhead

The agency requests \$100,000 additional appropriation in operating expenditures from the Indirect Cost Recovery Fund. The commission's only federal grant, the Pipeline Safety Program, recently expanded allowable indirect costs from a 20% ceiling to the actual negotiated indirect rate. This change was not confirmed to the states until late spring 2016, when the commission received a supplemental reimbursement check for an additional \$93,000 for overhead costs. Proper accounting for overhead expenses ensures that the regulated natural gas companies are not picking up a disproportionate share of the costs of the program. This request doubles the base appropriation to match the new, higher indirect reimbursement amounts moving forward. [Ongoing]

Agency Request	0.00	0	100,000	0	100,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100,000</i>	<i>0</i>	<i>100,000</i>

FY 2017 Total Appropriation					
Agency Request	52.00	0	6,102,700	324,300	6,427,000
<i>Governor's Recommendation</i>	<i>52.00</i>	<i>0</i>	<i>6,102,700</i>	<i>324,300</i>	<i>6,427,000</i>

Removal of One-Time Expenditures

Removes \$129,000 provided one-time for the 27th payroll and associated CEC, and \$58,200 provided for replacement items.

Agency Request	0.00	0	(179,600)	(7,600)	(187,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(179,600)</i>	<i>(7,600)</i>	<i>(187,200)</i>

FY 2018 Base					
Agency Request	52.00	0	5,923,100	316,700	6,239,800
<i>Governor's Recommendation</i>	<i>52.00</i>	<i>0</i>	<i>5,923,100</i>	<i>316,700</i>	<i>6,239,800</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	59,200	1,500	60,700
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>41,200</i>	<i>1,000</i>	<i>42,200</i>
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Inflationary Adjustments

Includes \$9,500 for the annual 3% increase in the building lease agreement with the Idaho Department of Lands. The lease is going from \$315,900 per year to \$325,300 per year including janitorial and maintenance services.

Agency Request	0.00	0	9,500	0	9,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>9,500</i>	<i>0</i>	<i>9,500</i>

Replacement Items

Replacement items include \$44,400 for computer equipment, \$14,600 for software updates, \$5,600 for furniture, and \$26,900 for a sport utility vehicle. [One-time]

Agency Request	0.00	0	91,500	0	91,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>91,500</i>	<i>0</i>	<i>91,500</i>

Public Utilities Commission

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$72,600, risk management fees will increase by \$1,000, and State Controller fees will decrease by \$100 for a net increase of \$73,500.					
Agency Request	0.00	0	73,500	0	73,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>73,500</i>	<i>0</i>	<i>73,500</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	32,500	2,100	34,600
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$1,300 for that purpose.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>98,800</i>	<i>6,300</i>	<i>105,100</i>
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FY 2018 Program Maintenance					
Agency Request	52.00	0	6,189,300	320,300	6,509,600
<i>Governor's Recommendation</i>	<i>52.00</i>	<i>0</i>	<i>6,237,600</i>	<i>324,000</i>	<i>6,561,600</i>

1. Move Certain Incumbents to Policy

The agency requests to move nine existing incumbents, who have successfully worked in the same job class for nine years or more, to the policy midpoint of their respective pay grades. The positions include one administrative assistant, three financial specialists, three compliance investigators, and two utilities analysts. This provides appropriation to implement the state of Idaho's compensation philosophy as outlined in Section 67-53019A, Idaho Code. Specifically, Section 2(d) states, "employees below the state's midpoint market average in a salary range who are meeting expectations in the performance of their jobs shall move through the pay range toward the midpoint market average." The commission states that retaining experienced, quality staff benefits both the individual rate payer and the regulated utilities by minimizing expenses related to turnover, loss of experience, and lack of continuity. Furthermore, when turnover does occur, a compensation system that rewards performance improves the quality of applicants.

The amount by position to raise each to the policy line varies as follows: administrative assistant, in class 16 years, \$0.82 per hour; principal utilities auditor, in class 11 years, \$4.75 per hour; principal utilities auditor, in class 11 years, \$3.51 per hour; principal utilities auditor, in class 17 years, \$4.81 per hour; utilities compliance investigator, in class 10 years, \$5.04 per hour; utilities compliance investigator, in class 15 years, \$4.30 per hour; utilities compliance investigator, in class 9 years, \$4.79 per hour; utilities analyst, in class 19 years, \$4.55 per hour; and utilities analyst, in class 12 years, \$6.07 per hour. [Ongoing]

Agency Request	0.00	0	96,600	0	96,600
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Not recommended by the Governor.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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2. Commissioner Salary Increase

Agency Request	0.00	0	0	0	0
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The Governor recommends a 3% salary increase for each of the three commissioners. This increases the annual salary by \$3,022 from \$100,733 to \$103,755. The recommendation includes \$9,100 for salaries and \$1,900 for benefits. [Requires legislation]

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>11,000</i>	<i>0</i>	<i>11,000</i>
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Public Utilities Commission

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	300	0	300
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	0	300	0	300
FY 2018 Total					
Agency Request	52.00	0	6,286,200	320,300	6,606,500
Governor's Recommendation	52.00	0	6,248,900	324,000	6,572,900
Agency Request					
Change from Original App	0.00	0	283,500	(4,000)	279,500
% Change from Original App	0.0%		4.7%	(1.2%)	4.4%
Governor's Recommendation					
Change from Original App	0.00	0	246,200	(300)	245,900
% Change from Original App	0.0%		4.1%	(0.1%)	3.9%

Idaho Legislative Budget Book

Self-Governing Agencies

2017 Legislative Session

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Self-Governing Agencies

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Building Safety, Division of	11,686,600	10,689,900	12,977,600	14,142,000	13,983,400
Hispanic Affairs, Commission on	268,000	249,400	283,400	284,700	286,600
Historical Society	5,892,900	4,465,900	14,253,000	8,177,100	8,066,100
Libraries, Commission for	5,261,100	4,847,400	5,705,300	5,848,400	5,752,900
Lottery, State	5,696,000	5,067,700	5,902,600	6,178,200	6,189,500
Medical Boards	5,635,100	5,258,300	6,309,900	6,670,900	6,699,700
Public Defense Commission	304,300	206,100	5,796,900	5,851,000	5,827,700
Regulatory Boards	6,831,100	6,318,600	7,583,800	8,133,800	8,182,000
State Appellate Public Defender	2,476,300	2,248,000	2,661,600	2,887,400	2,889,200
Veterans Services, Division of	32,168,700	30,691,600	35,500,200	35,006,300	44,609,800
Total:	76,220,100	70,042,900	96,974,300	93,179,800	102,486,900
BY FUND CATEGORY					
General	10,226,300	9,902,200	16,673,300	18,623,600	18,240,900
Dedicated	47,664,200	43,474,000	60,180,700	54,389,100	55,044,900
Federal	18,329,600	16,666,700	20,120,300	20,167,100	29,201,100
Total:	76,220,100	70,042,900	96,974,300	93,179,800	102,486,900
Percent Change:		(8.1%)	38.4%	(3.9%)	5.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	47,556,000	44,432,200	52,707,900	55,085,300	55,020,400
Operating Expenditures	26,051,400	23,041,000	33,842,100	29,737,000	39,114,100
Capital Outlay	1,567,700	1,711,300	4,297,800	2,354,900	2,349,800
Trustee/Benefit	1,045,000	858,400	6,126,500	6,002,600	6,002,600
Total:	76,220,100	70,042,900	96,974,300	93,179,800	102,486,900
Full-Time Positions (FTP)	721.12	721.12	743.70	778.70	773.70

Department Description

The Department of Self-Governing Agencies includes: Division of Building Safety, Idaho Commission on Hispanic Affairs, Historical Society, Commission for Libraries, State Lottery, Medical Boards, Public Defense Commission, Regulatory Boards, State Appellate Public Defender and Division of Veterans Services.

Division of Building Safety

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	0	0	270,000	261,800	273,100
Dedicated	11,601,300	10,667,300	12,620,000	13,792,300	13,621,700
Federal	85,300	22,600	87,600	87,900	88,600
Total:	11,686,600	10,689,900	12,977,600	14,142,000	13,983,400
Percent Change:		(8.5%)	21.4%	9.0%	7.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,132,300	8,110,200	10,189,200	11,099,400	10,891,900
Operating Expenditures	2,283,700	2,163,900	2,054,800	2,161,600	2,211,600
Capital Outlay	270,600	415,800	733,600	881,000	879,900
Total:	11,686,600	10,689,900	12,977,600	14,142,000	13,983,400
Full-Time Positions (FTP)	121.00	121.00	131.00	142.00	141.00

Division Description

The Division of Building Safety administers five bureaus and houses seven boards. Funding for the Building, Electrical, Plumbing, Public Works Contractor Licensing, and Heating, Ventilation and Air Conditioning (HVAC) bureaus is provided through fees for licenses, permits, plan reviews, and apprentice/trainee registrations. Other programs operated by the division include the Industrial and Logging Safety Programs, funded by transfers from the Idaho Industrial Commission; the Energy Code Program, funded through grant moneys from the U.S. Department of Energy and the Northwest Energy Efficiency Alliance; the Office of School Safety and Security, funded by the General Fund and the Public School Educational Support Program in the form of a pass through of Cigarette, Tobacco and Lottery Income Taxes; and Underground Facilities Damage Prevention, funded by a fee assessed on underground facility owners.

The Building Bureau administers regulatory programs involving the construction and safety of state facilities, schools, prefabricated modular structures, and mobile or manufactured homes. The bureau also monitors the rehabilitation of older mobile homes and licenses the manufactured home industry. Plan reviews and inspections are performed to determine compliance with adopted building, accessibility, mechanical, fuel/gas, energy conservation, and U.S. Department of Housing & Urban Development construction safety codes or standards. The Electrical Bureau licenses all electricians and contractors, registers apprentices, issues permits, reviews plans, and inspects electrical installations to ensure code compliance. The Plumbing Bureau licenses plumbers and contractors, registers apprentices, issues permits, conducts inspections, and reviews plans. The Heating, Ventilation & Air Conditioning Bureau establishes qualifications and issues certificates of competency for HVAC installers. The bureau also conducts inspections of HVAC systems. The Public Works Contractor Licensing Bureau licenses contractors and construction managers performing public works construction.

The Industrial Safety Program conducts inspections of state facilities and school districts to ensure safe working conditions. It also manages the statewide Elevator Safety Program which is funded through certification and inspection fees. The Logging Safety Program seeks to reduce the frequency and severity of accidents in the logging industry by conducting first aid classes and on-the-job safety meetings for loggers, providing safety training for management, and inspecting logging operations.

The Idaho Office of School Safety and Security performs security assessments on a triannual basis at all public schools in the state of Idaho. The office offers recommendations to enhance security of educational institutions along with technical information and training to school personnel.

The Underground Facilities Damage Prevention Program promotes a system of self-regulation and education that addresses the prevention of damage to underground facilities.

Division of Building Safety

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	131.00	270,000	12,977,600	131.00	270,000	12,977,600
1. Damage Prevention Board	0.00	0	0	0.00	0	50,000
FY 2017 Total Appropriation	131.00	270,000	12,977,600	131.00	270,000	13,027,600
Removal of One-Time Expenditures	0.00	(89,800)	(1,006,400)	0.00	(89,800)	(1,006,400)
FY 2018 Base	131.00	180,200	11,971,200	131.00	180,200	12,021,200
Benefit Costs	0.00	2,800	160,100	0.00	4,300	113,300
Inflationary Adjustments	0.00	0	19,100	0.00	0	19,100
Replacement Items	0.00	0	446,900	0.00	0	446,900
Statewide Cost Allocation	0.00	0	9,300	0.00	0	9,300
Change in Employee Compensation	0.00	1,600	82,200	0.00	11,400	269,100
FY 2018 Program Maintenance	131.00	184,600	12,688,800	131.00	195,900	12,878,900
1. Safety Inspector FTPs	8.00	0	648,400	7.00	0	598,200
2. Administrative Staff FTPs	3.00	0	175,900	3.00	0	170,700
3. Office of School Safety Funding	0.00	77,200	77,200	0.00	77,200	77,200
4. Inspector Salary Market Adjustment	0.00	0	293,300	0.00	0	0
5. Uninterrupted Power Supply Units	0.00	0	20,000	0.00	0	20,000
6. CISCO Networking Switch	0.00	0	45,000	0.00	0	45,000
7. Board Room Video Conferencing	0.00	0	52,200	0.00	0	52,200
8. Online License Renewal Software	0.00	0	30,000	0.00	0	30,000
9. TRAKIT9 Software Update	0.00	0	100,000	0.00	0	100,000
10. SQL Server Software Update	0.00	0	10,000	0.00	0	10,000
Cybersecurity Insurance	0.00	0	1,200	0.00	0	1,200
FY 2018 Total	142.00	261,800	14,142,000	141.00	273,100	13,983,400
Change from Original Appropriation	11.00	(8,200)	1,164,400	10.00	3,100	1,005,800
% Change from Original Appropriation		(3.0%)	9.0%		1.1%	7.8%

Division of Building Safety

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	131.00	270,000	12,620,000	87,600	12,977,600

1. Damage Prevention Board

Agency Request	0.00	0	0	0	0
<i>The Governor recommends funding for the Damage Prevention Board in operating expenditures in support of H454 which passed last legislative session without a corresponding appropriation.</i>					
Governor's Recommendation	0.00	0	50,000	0	50,000

FY 2017 Total Appropriation	131.00	270,000	12,620,000	87,600	12,977,600
Governor's Recommendation	131.00	270,000	12,670,000	87,600	13,027,600

Removal of One-Time Expenditures

Agency Request	0.00	(89,800)	(916,000)	(600)	(1,006,400)
Governor's Recommendation	0.00	(89,800)	(916,000)	(600)	(1,006,400)

FY 2018 Base	131.00	180,200	11,704,000	87,000	11,971,200
Governor's Recommendation	131.00	180,200	11,754,000	87,000	12,021,200

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	2,800	157,000	300	160,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status. Also recommended is a fund shift of \$2,300 to the General Fund that cannot be covered by the Office of School Safety and Security Fund.</i>					
Governor's Recommendation	0.00	4,300	108,800	200	113,300

Inflationary Adjustments

The division requests an ongoing appropriation of \$19,100 in operational expenditures to fund contractual rent increases at the Meridian and Coeur d'Alene locations. This represents a 2.82% increase from \$677,200 to \$696,300 total for facility rent payments.

Agency Request	0.00	0	18,900	200	19,100
Governor's Recommendation	0.00	0	18,900	200	19,100

Replacement Items

The agency requests a one-time appropriation of \$446,900 in capital outlay from the State Regulatory Fund to replace 17 vehicles that have exceeded their service life based upon miles driven, 18 desktop computers that are more than four years old, 25 laptop computers that are more than three years old, and 28 computer monitors that are more than five years old.

Agency Request	0.00	0	446,900	0	446,900
Governor's Recommendation	0.00	0	446,900	0	446,900

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$2,700, State Controller fees will decrease by \$1,900, Attorney General fees will increase by \$8,700, and State Treasurer fees will decrease by \$200, for a net increase of \$9,300.

Agency Request	0.00	0	9,300	0	9,300
Governor's Recommendation	0.00	0	9,300	0	9,300

Division of Building Safety

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	1,600	80,200	400	82,200
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. Also recommended is a fund shift of \$6,600 to the General Fund that cannot be covered by the Office of School Safety and Security Fund.

Governor's Recommendation	0.00	11,400	256,500	1,200	269,100
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FY 2018 Program Maintenance					
Agency Request	131.00	184,600	12,416,300	87,900	12,688,800
Governor's Recommendation	131.00	195,900	12,594,400	88,600	12,878,900

1. Safety Inspector FTPs

The agency is requesting eight additional building safety inspector FTPs due to significant increases in demand for inspections. The appropriation request is for \$474,200 for personnel costs and \$174,200 in one-time capital outlay, from the State Regulatory Fund, to provide seven vehicles, seven laptops, and one desktop computer, for a total request of \$648,400. In addition, jurisdictions that have either previously provided their own services, or contracted with other entities to provide services, continue to request the services of the division. The additional positions would be funded by increased revenue from permit fees due to increased inspections. The division saw an increase of 30.7% in the number of inspections completed and licenses or permits issued from 2015 to 2016.

Agency Request	8.00	0	648,400	0	648,400
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The Governor is recommending 7.00 FTP and to use their existing appropriation for the part-time eastern Idaho inspector position.

Governor's Recommendation	7.00	0	598,200	0	598,200
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2. Administrative Staff FTPs

The agency is requesting funding for 3.00 FTP, \$173,200 in personnel costs and \$2,700 in capital outlay for a total appropriation of \$175,900 from the State Regulatory Fund. These additional administrative positions will be filled due to a significant increase in demand for services provided by the division. The request includes authorization for one IT support technician, one administrative support person, both pay grade I and one customer service representative, pay grade G. All three will have full-time status and will be benefited with an anticipated hire date of July 1st, 2017.

Agency Request	3.00	0	175,900	0	175,900
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Salary decreased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	3.00	0	170,700	0	170,700
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3. Office of School Safety Funding

The agency is requesting a General Fund appropriation of \$77,200 for operational expenditures related to the Office of School Safety and Security. This request includes funding for transportation costs, computer and IT services, administrative costs, repair and maintenance services, and employee development costs and are all ongoing. All Idaho schools are on a three-year cycle for safety and security inspection.

Agency Request	0.00	77,200	0	0	77,200
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Governor's Recommendation	0.00	77,200	0	0	77,200
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Division of Building Safety

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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4. Inspector Salary Market Adjustment

The agency requests an ongoing appropriation of \$293,300 in personnel costs from the State Regulatory Fund to increase pay rates for inspectors and bring them closer to the average market pay. Skilled tradesmen include, but are not limited to, journeyman electricians, plumbers, HVAC technicians, and plan reviewers. Recently, the division lost two inspectors to Boise City where they were hired as entry-level electrical inspectors for \$21.00 per hour. The agency pays new electrical inspectors \$18.31 per hour, contributing to staff attrition. This funding would increase the starting wages for new inspectors and adjust current inspector salaries to avoid compression issues within the classification. The agency currently has 74 inspector field staff employed.

Agency Request	0.00	0	293,300	0	293,300
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Not recommended by the Governor. In evaluating requests for targeted pay increases, the Governor has adopted a standard that the agency must be facing an issue significantly worse than others. The voluntary turnover rate for these positions is below the statewide average. Recruitment and retention of high-quality state employees are a concern for the Governor, and he recommends a 3% CEC to address this issue statewide.

Governor's Recommendation	0.00	0	0	0	0
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5. Uninterrupted Power Supply Units

The agency is requesting \$20,000 for capital outlay from the State Regulatory Fund to replace two uninterrupted power supply (UPS) units that are out of warranty and reaching the end of their use period. The units protect servers from a power surge and provide temporary power in the event of a power failure or interruption. [One-time]

Agency Request	0.00	0	20,000	0	20,000
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Governor's Recommendation	0.00	0	20,000	0	20,000
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6. CISCO Networking Switch

The agency is requesting \$45,000 for capital outlay from the State Regulatory Fund to replace one Cisco 6509 networking switch that is currently at the end of its lifespan. The unit is the core switch that facilitates the network routing of data from the server to the end user. Without this switch, data would not be routed to users who wish to access the database. [One-time]

Agency Request	0.00	0	45,000	0	45,000
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Governor's Recommendation	0.00	0	45,000	0	45,000
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7. Board Room Video Conferencing

The agency requests \$52,200 from the State Regulatory Fund to upgrade and replace the current board room video conferencing technology. Video conferencing enables board members to remotely form a quorum, and provides a means for the general public and division staff members to participate in board meeting regardless of vast geographic distances. In addition, it serves to reduce both board and employee travel costs associated with meeting attendance. The technology of the current system is more than six years old, small for the size of the board room, close to end of life, and is in need of updating. The new technology would consist of video conferencing hardware, associated software, monitors, microphones, cabling services, installation, programming, and support services. The current hardware will be used for video conferences with fewer participants or less sensitive needs. [One-time]

Agency Request	0.00	0	52,200	0	52,200
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Governor's Recommendation	0.00	0	52,200	0	52,200
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8. Online License Renewal Software

The agency requests \$30,000 for capital outlay from the State Regulatory Fund to renew a software license for the system that provides online license renewals. Currently the eTRAKiT system does not possess the capabilities needed to offer such a service. The upgrade will reduce travel time for the consumer, make information more available to the licensee, and result in less human error associated with data entry by division staff. [One-time]

Agency Request	0.00	0	30,000	0	30,000
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Governor's Recommendation	0.00	0	30,000	0	30,000
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Division of Building Safety

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. TRAKiT9 Software Update

The agency requests \$100,000 for capital outlay from the State Regulatory Fund to upgrade the TRAKiT software used by the agency. The current software designed to facilitate permitting, licensing, and educational requirements is more than eight years old and in need of upgrading to the new version. An upgrade is available that provides a web interface, reporting, batch trust, and education tabs that are beyond the capabilities of the current system. The upgrade would require the conversion of current report structures, batch trust, and the education tab. In addition to the upgrade, the software developer would provide three days of on-site training and a business process review. [One-time]

Agency Request	0.00	0	100,000	0	100,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100,000</i>	<i>0</i>	<i>100,000</i>

10. SQL Server Software Update

The division requests \$10,000 for capital outlay from the State Regulatory Fund to purchase SQL Server software updates. The division currently operates its main database under the 2012 version of SQL Server. The upgrade is needed to continue an uninterrupted flow of data to all databases maintained by the division. The upgrade would also allow the division to add a second SQL server to its environment and reduce the workload on the current server which supports 17 databases. Staying current with the latest software ensures that the division's databases that store critical systems data have the latest enhancements and security features. [One-time]

Agency Request	0.00	0	10,000	0	10,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>10,000</i>	<i>0</i>	<i>10,000</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	1,200	0	1,200
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,200</i>	<i>0</i>	<i>1,200</i>
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FY 2018 Total

Agency Request	142.00	261,800	13,792,300	87,900	14,142,000
<i>Governor's Recommendation</i>	<i>141.00</i>	<i>273,100</i>	<i>13,621,700</i>	<i>88,600</i>	<i>13,983,400</i>

Agency Request

Change from Original App	11.00	(8,200)	1,172,300	300	1,164,400
% Change from Original App	8.4%	(3.0%)	9.3%	0.3%	9.0%

Governor's Recommendation

Change from Original App	10.00	3,100	1,001,700	1,000	1,005,800
% Change from Original App	7.6%	1.1%	7.9%	1.1%	7.8%

Commission on Hispanic Affairs

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	124,000	122,600	134,300	135,200	136,400
Dedicated	102,100	97,700	106,100	106,600	107,200
Federal	41,900	29,100	43,000	42,900	43,000
Total:	268,000	249,400	283,400	284,700	286,600
Percent Change:		(6.9%)	13.6%	0.5%	1.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	172,100	167,600	184,800	184,600	186,500
Operating Expenditures	91,100	78,100	98,600	100,100	100,100
Capital Outlay	4,800	3,700	0	0	0
Total:	268,000	249,400	283,400	284,700	286,600
Full-Time Positions (FTP)	3.00	3.00	3.00	3.00	3.00

Division Description

The Idaho Commission on Hispanic Affairs (ICHA) 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 Community Resource Development Specialist acts as a liaison between the commission, school districts, and the community, and seeks to develop culturally relevant programs for schools, families, and communities. This position also provides technical assistance and other resources to public schools and the State Board of Education to target substance abuse among Hispanic youth. The commission is staffed additionally by an executive director and an administrative assistant who help promote growth for the Hispanic community.

Commission on Hispanic Affairs

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	3.00	134,300	283,400	3.00	134,300	283,400
Removal of One-Time Expenditures	0.00	(3,300)	(5,400)	0.00	(3,300)	(5,400)
FY 2018 Base	3.00	131,000	278,000	3.00	131,000	278,000
Benefit Costs	0.00	2,000	3,700	0.00	1,400	2,600
Inflationary Adjustments	0.00	600	600	0.00	600	600
Statewide Cost Allocation	0.00	600	800	0.00	600	800
Change in Employee Compensation	0.00	900	1,500	0.00	2,700	4,500
FY 2018 Program Maintenance	3.00	135,100	284,600	3.00	136,300	286,500
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	3.00	135,200	284,700	3.00	136,400	286,600
Change from Original Appropriation	0.00	900	1,300	0.00	2,100	3,200
% Change from Original Appropriation		0.7%	0.5%		1.6%	1.1%

Commission on Hispanic Affairs

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	3.00	134,300	106,100	43,000	283,400

Removal of One-Time Expenditures

Agency Request	0.00	(3,300)	(1,600)	(500)	(5,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(3,300)</i>	<i>(1,600)</i>	<i>(500)</i>	<i>(5,400)</i>

FY 2018 Base	3.00	131,000	104,500	42,500	278,000
<i>Agency Request</i>	<i>3.00</i>	<i>131,000</i>	<i>104,500</i>	<i>42,500</i>	<i>278,000</i>
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>131,000</i>	<i>104,500</i>	<i>42,500</i>	<i>278,000</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	2,000	1,400	300	3,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,400</i>	<i>1,000</i>	<i>200</i>	<i>2,600</i>

Inflationary Adjustments

The commission requests \$600 from the General Fund to pay for operating expenditures due to lease contract inflation for its office space. This constitutes a 6.45% increase in lease costs from \$9,300 to \$9,900.

Agency Request	0.00	600	0	0	600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>600</i>	<i>0</i>	<i>0</i>	<i>600</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100, State Controller fees will increase by \$100, and Attorney General fees will increase by \$600, for a net increase of \$800.

Agency Request	0.00	600	200	0	800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>600</i>	<i>200</i>	<i>0</i>	<i>800</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	900	500	100	1,500
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,700</i>	<i>1,500</i>	<i>300</i>	<i>4,500</i>

FY 2018 Program Maintenance	3.00	135,100	106,600	42,900	284,600
<i>Agency Request</i>	<i>3.00</i>	<i>135,100</i>	<i>106,600</i>	<i>42,900</i>	<i>284,600</i>
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>136,300</i>	<i>107,200</i>	<i>43,000</i>	<i>286,500</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>100</i>

Commission on Hispanic Affairs

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Total					
Agency Request	3.00	135,200	106,600	42,900	284,700
<i>Governor's Recommendation</i>	3.00	136,400	107,200	43,000	286,600
Agency Request					
Change from Original App	0.00	900	500	(100)	1,300
% Change from Original App	0.0%	0.7%	0.5%	(0.2%)	0.5%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	0.00	2,100	1,100	0	3,200
<i>% Change from Original App</i>	0.0%	1.6%	1.0%	0.0%	1.1%

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	2,775,900	2,775,900	2,776,800	4,086,100	3,962,300
Dedicated	1,701,800	839,400	9,912,000	1,728,700	1,730,300
Federal	1,415,200	850,600	1,564,200	2,362,300	2,373,500
Total:	5,892,900	4,465,900	14,253,000	8,177,100	8,066,100
Percent Change:		(24.2%)	219.2%	(42.6%)	(43.4%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,443,700	2,737,600	3,573,000	4,007,300	3,900,300
Operating Expenditures	2,176,500	1,467,900	10,302,200	3,739,000	3,739,000
Capital Outlay	111,100	132,100	216,200	269,200	265,200
Trustee/Benefit	161,600	128,300	161,600	161,600	161,600
Total:	5,892,900	4,465,900	14,253,000	8,177,100	8,066,100
Full-Time Positions (FTP)	49.02	49.02	49.00	58.00	55.00

Division Description

The Idaho State Historical Society is a system of cultural and historic resources composed of the Idaho State Historical Museum, Idaho State Archives, State Historic Preservation Office, and Historic Sites Program. The agency was established by statute in 1907 and is organized within the Department of Self-Governing Agencies. The agency's core functions, as stated by Section 67-41, Idaho Code, are that the agency's trustees shall:

- 1) Identify, preserve, and protect sites, monuments, and points of interest in Idaho of historic merit (§67-4114).
- 2) Protect archaeological and vertebrate paleontological sites and resources on public land (§67-4119).
- 3) Govern the agency and administer the powers and duties required to preserve and protect any historical record of the history and culture of Idaho (§67-4123).
- 4) Encourage and promote interest in the State of Idaho (§67-4126 [2]) and collect, preserve, and exhibit artifacts and information illustrative of Idaho history, culture, and society (§67-4126 [3]).
- 5) Facilitate the use of records for official reference and historical research (§67-4126 [6]).
- 6) Be responsible for records management services for state government and accept archival material from governments (§67-4126 [7]).
- 7) Serve as the Geographic Names Board of the state (§67-4126 [14]).
- 8) Carry out the preservation and protection of the state's historic, archaeological, architectural, and cultural heritage resources (§67-4601 to 4619).
- 9) Provide for the transfer of certain public records to the collection of the agency (§67-4126).
- 10) Provide for the creation of an Idaho Archaeological Survey (§33-3902).
- 11) Be responsible for consultation, determination of appropriate actions, and providing for re-interment of human remains that have been disturbed (§27-501 to 504).
- 12) Administer the National Historic Preservation Act that assigns responsibility to the state historic preservation officer for administration of the national historic preservation program at the state level (Act 54 U.S.C. §300101).

Idaho State Historical Society

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	49.00	2,776,800	14,253,000	49.00	2,776,800	14,253,000
1. Museum Exhibit Design	0.00	0	0	0.00	1,000,000	1,000,000
FY 2017 Total Appropriation	49.00	2,776,800	14,253,000	49.00	3,776,800	15,253,000
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	49.00	2,776,800	14,253,000	49.00	3,776,800	15,253,000
Removal of One-Time Expenditures	0.00	(54,800)	(8,391,400)	0.00	(1,054,800)	(9,391,400)
FY 2018 Base	49.00	2,722,000	5,861,600	49.00	2,722,000	5,861,600
Benefit Costs	0.00	30,900	58,800	0.00	21,600	41,200
Inflationary Adjustments	0.00	0	3,100	0.00	0	3,100
Replacement Items	0.00	61,500	61,500	0.00	57,500	57,500
Statewide Cost Allocation	0.00	1,200	1,200	0.00	1,200	1,200
Change in Employee Compensation	0.00	14,400	28,400	0.00	42,000	86,500
FY 2018 Program Maintenance	49.00	2,830,000	6,014,600	49.00	2,844,300	6,051,100
1. Costs to Reopen Expanded Museum	8.00	1,220,700	1,277,100	5.00	1,082,600	1,139,000
2. Record Center Personnel	1.00	0	50,000	1.00	0	40,600
3. Grant Funds for Museum Exhibitions	0.00	0	800,000	0.00	0	800,000
Cybersecurity Insurance	0.00	35,400	35,400	0.00	35,400	35,400
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	58.00	4,086,100	8,177,100	55.00	3,962,300	8,066,100
Change from Original Appropriation	9.00	1,309,300	(6,075,900)	6.00	1,185,500	(6,186,900)
% Change from Original Appropriation		47.2%	(42.6%)		42.7%	(43.4%)

Idaho State Historical Society

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	49.00	2,776,800	9,912,000	1,564,200	14,253,000

1. Museum Exhibit Design

Agency Request	0.00	0	0	0	0
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The Governor recommends one-time General Fund with reappropriation authority for state history museum exhibit design and fabrication. Award dates for anticipated grants were unexpectedly pushed back, and the agency needs to have cash available before signing a purchase order for an upcoming construction deadline. General Fund would be used for the needed cash flow and will be reverted as soon as raised funds are secured.

Governor's Recommendation	0.00	1,000,000	0	0	1,000,000
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FY 2017 Total Appropriation					
Agency Request	49.00	2,776,800	9,912,000	1,564,200	14,253,000
Governor's Recommendation	49.00	3,776,800	9,912,000	1,564,200	15,253,000

Noncognizable Funds and Transfers

The agency requests to shift 1.10 FTP off of federal funds and add 1.00 FTP to the Miscellaneous Revenue Fund and 0.10 FTP to the General Fund. The request nets to zero.

Agency Request	0.00	0	0	0	0
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Governor's Recommendation	0.00	0	0	0	0
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FY 2017 Estimated Expenditures					
Agency Request	49.00	2,776,800	9,912,000	1,564,200	14,253,000
Governor's Recommendation	49.00	3,776,800	9,912,000	1,564,200	15,253,000

Removal of One-Time Expenditures

Includes removal of funding for the 27th payroll, replacement items, and funding for new exhibits at the Historical Museum. S1407 of the 2016 session authorized \$4 million from the Economic Recovery & Reserve Fund and \$4 million from the Miscellaneous Revenue Fund for this purpose. The funds were appropriated to spend in FY 2017 and FY 2018.

Agency Request	0.00	(54,800)	(8,314,000)	(22,600)	(8,391,400)
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Removes an additional \$1,000,000 for the supplemental appropriation for museum exhibit design recommended by the Governor.

Governor's Recommendation	0.00	(1,054,800)	(8,314,000)	(22,600)	(9,391,400)
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FY 2018 Base					
Agency Request	49.00	2,722,000	1,598,000	1,541,600	5,861,600
Governor's Recommendation	49.00	2,722,000	1,598,000	1,541,600	5,861,600

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	30,900	14,900	13,000	58,800
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	21,600	10,500	9,100	41,200
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Inflationary Adjustments

The agency requests \$3,100 from the Records Management Service Fund to pay for contract inflation on the storage lease for the State Records Center.

Agency Request	0.00	0	3,100	0	3,100
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Governor's Recommendation	0.00	0	3,100	0	3,100
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Idaho State Historical Society

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
The agency requests \$3,300 to replace three laptop computers, \$11,300 for 15 desktop computers, \$2,000 for ten monitors, and \$29,900 for a SUV-4WD vehicle to replace two older vehicles (1997 and 2001). Finally, the agency requests \$15,000 for a new security reception desk at the Idaho History Center in Boise.					
Agency Request	0.00	61,500	0	0	61,500
<i>The Governor recommends all the replacement items, except he only recommends \$11,000 for a security reception desk.</i>					
Governor's Recommendation	0.00	57,500	0	0	57,500
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will decrease by \$100, State Controller fees will decrease by \$1,200, Attorney General fees will increase by \$2,700, and State Treasurer fees will decrease by \$200, for a net increase of \$1,200.					
Agency Request	0.00	1,200	0	0	1,200
Governor's Recommendation	0.00	1,200	0	0	1,200
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	14,400	6,300	7,700	28,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. He also recommends the pay structure for state employees be moved by 3% and includes \$5,500 for that purpose.</i>					
Governor's Recommendation	0.00	42,000	21,700	22,800	86,500
FY 2018 Program Maintenance					
Agency Request	49.00	2,830,000	1,622,300	1,562,300	6,014,600
Governor's Recommendation	49.00	2,844,300	1,633,300	1,573,500	6,051,100

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Costs to Reopen Expanded Museum

The agency requests \$1,277,100 to operate and manage the remodeled and expanded historical museum which is scheduled to be turned over to the agency in October 2017 and reopened to the public in March 2018. In addition to funding for the remodel and to develop exhibits, as part of the planning process, the Legislature also approved \$75,000 in FY 2016 to hire a consultant to create a business plan for the museum. The business plan was formulated by Lord Cultural Resources based on contextual, comparable and market analyses, site tours, workshops and interviews, and the national experience of the consultants working with successful regional and state museums. The business plan development process took place between April and August 2016 with the primary goal of maximizing the impact and value of the museum for Idaho. The recommendations of the business plan are reflected in this request. To maximize the attendance and revenue potential of the museum, the agency seeks upfront state funding to drive admissions, programming, membership, store sales, and rental revenues. Within a few years, the museum will generate enough revenue to reduce the Historical Society's reliance upon the General Fund through proactive marketing, the appeal of special touring exhibitions, expanded educational programming, use of rentable space for business and private events, and tourist visits.

Specifically, the request includes 8.00 FTP and \$393,100 in personnel costs for the following staff:

- BUSINESS ENTERPRISE MANAGER: To oversee the front-end operations of the museum including retail, facility use rentals on evening and weekends, and to ensure high levels of customer service delivery. Start 8/1/2017.
- CURATOR: To ensure that collections on exhibition are rotated on a scheduled basis, that special exhibitions can be offered more frequently to enhance attendance and revenue, and that public access to the state-owned collections are enhanced. Start 4/1/2018.
- CUSTOMER SERVICE REPRESENTATIVES: 1.00 FTP, plus four part-time group positions, to provide a continuous staffing presence seven days a week to cover general admissions and retail sales in the gift shop. The museum will see the greatest visitation during weekend and evening hours. Start 10/1/2017.
- RENTAL AND EVENT STAFFING: 1.00 FTP for a customer service representative to manage and book facility rentals and events, assisted by four part-time group customer service representative positions. These positions will ensure the program has appropriate on-site staffing to deliver customer services for rentals and events. Start 10/1/2017.
- MARKETING COMMUNICATIONS SPECIALIST: To enhance information and awareness of the new museum and other agency services, particularly those that are fee based and also can contribute to long term revenue enhancement. Start 8/1/2017.
- MEMBERSHIP AND VOLUNTEER COORDINATOR: To leverage membership revenues and cost avoidance opportunities through volunteer coordination. Start 8/1/2017.
- EDUCATION SPECIALIST: To develop robust educational programs, including pre-school through adult education. The position will also conduct statewide programming via technology-based access. The agency believes that making the museum accessible through outreach is vital. Start 4/1/2018.
- MAINTENANCE CRAFTSMAN, SR.: To ensure that the museum campus is maintained daily. Start 1/1/2018.

The agency is requesting \$676,300 for operating expenditures, of which \$619,900 is from the General Fund and \$56,400 is from the Miscellaneous Revenue Fund. Of the total request, \$211,000 is one-time from the General Fund and the remainder is ongoing. The request is broken down by the following categories:

- WEB DESIGN AND POS MEMBERSHIP SOFTWARE: \$15,000 to purchase point-of-sale software with annual ongoing license costing \$9,000, \$70,000 one-time for web design, and \$20,000 one-time for design and printing of promotional materials, all from the General Fund.
- UTILITIES, LEASE, AND MAINTENANCE: \$166,100 for utilities and repair and maintenance services for 46,500 sq. ft. of space prorated beginning in October 2017, and \$37,500 for additional janitorial costs, all from the General Fund.
- COGS FOR STORE MERCHANDISE: \$56,000 one-time from the General Fund for costs of goods sold in the museum gift shop.
- PHONES, DATA LINES, PRINTING, OFFICE SUPPLIES: \$68,300 from the General Fund for administrative supplies, communications costs, and professional service contracts.
- MUSEUM MARKETING AND PROMOTION: \$47,900 from the General Fund and \$23,600 from the

Idaho State Historical Society

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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- Miscellaneous Revenue Fund for marketing and promotional materials.
- COLLECTIONS CARE: \$16,300 from the General Fund for contractual collections care.
- EDUCATION/PUBLIC PROGRAMMING: \$24,800 from the General Fund and \$24,800 from the Miscellaneous Revenue Fund for contracts, printing, and supplies.
- EXHIBIT MAINTENANCE: \$39,000 from the General Fund and \$8,000 from the Miscellaneous Revenue Fund for a technology contract, special contracts and supplies.
- TEXTILE EXHIBIT DIGITIZATION: \$50,000 one-time from the General Fund for phase two of the textile exhibit.

The capital outlay portion for \$207,700 from the General Fund is to replace furniture necessary for general use and for the rental space that will enhance revenue. Furniture will also be purchased for use in the educational programs, for public spaces, and to replace outdated office furniture. Funding is requested for museum store shelving, fixtures, and security cameras.

Agency Request	8.00	1,220,700	56,400	0	1,277,100
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Of the total requested, the Governor does not recommend funding for the curator, educational specialist, or the maintenance craftsman, sr. The Governor recommends 5.00 FTP and ongoing General Funds for one business/enterprise manager, two customer service representatives, one marketing communications coordinator, and one membership/volunteer coordinator for the state history museum. In addition, all of the requested one-time General Fund for capital outlay, one-time General Fund for operating expenditures, and ongoing dedicated fund appropriation for operating expenditures are recommended.

Governor's Recommendation	5.00	1,082,600	56,400	0	1,139,000
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2. Record Center Personnel

The agency requests 1.00 FTP and \$50,000 from the Records Management Service Fund to reclassify two existing positions and create a new one at the Record Center. The Record Center has a statutory obligation to provide record management services, which includes a dedicated, daily service to state agencies. State agencies rely on secure and efficient access of their inventory in order to carry out critical records responsibilities, such as responding to public information requests and ensuring transparency in government. The Record Center has a statewide impact on the day-to-day operations of state agencies. Given the insufficient staffing levels of this program, upper-level State Archives staff is often reallocated to the Record Center to maintain the continuity of operations. A disruption in this records service negatively impacts the business needs of other state agencies. The Record Center is a cost recovery program and appropriated through dedicated funding. The current personnel budget for the center is \$115,600.

Specifically, the positions include a records management supervisor, a technical records specialist, and a records technician. All three positions would be full-time and benefited.

Agency Request	1.00	0	50,000	0	50,000
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	40,600	0	40,600
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3. Grant Funds for Museum Exhibitions

The agency requests \$800,000 from the Federal Grant Fund for an appropriation to spend grants they have applied for as part of their exhibit fundraising efforts. The agency has submitted a grant request to the National Endowment for the Humanities for \$400,000 and another for \$400,000 from the Institute for Museum & Library Services and expects to hear about the grant awards during FY 2018.

Agency Request	0.00	0	0	800,000	800,000
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Governor's Recommendation	0.00	0	0	800,000	800,000
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Idaho State Historical Society

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	35,400	0	0	35,400
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	35,400	0	0	35,400

Budget Law Exceptions

ANALYST COMMENT: S1407 of the 2016 legislative session authorized \$4 million from the Economic Recovery & Reserve Fund and \$4 million from the Miscellaneous Revenue Fund to pay for the fabrication and installation of new exhibitions at the remodeled and expanded Idaho State Historical Museum. The one-time funding was appropriated for FY 2017 and FY 2018. This two-year appropriation required legislative approval. The museum renovation is expected to reopen to the public in March 2018.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

FY 2018 Total					
Agency Request	58.00	4,086,100	1,728,700	2,362,300	8,177,100
Governor's Recommendation	55.00	3,962,300	1,730,300	2,373,500	8,066,100
Agency Request					
Change from Original App	9.00	1,309,300	(8,183,300)	798,100	(6,075,900)
% Change from Original App	18.4%	47.2%	(82.6%)	51.0%	(42.6%)
Governor's Recommendation					
Change from Original App	6.00	1,185,500	(8,181,700)	809,300	(6,186,900)
% Change from Original App	12.2%	42.7%	(82.5%)	51.7%	(43.4%)

Idaho Commission for Libraries

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	3,583,400	3,580,500	4,002,300	4,313,500	4,025,300
Dedicated	70,000	32,600	70,000	70,000	70,000
Federal	1,607,700	1,234,300	1,633,000	1,464,900	1,657,600
Total:	5,261,100	4,847,400	5,705,300	5,848,400	5,752,900
Percent Change:		(7.9%)	17.7%	2.5%	0.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,435,300	2,307,000	2,616,300	2,672,500	2,631,000
Operating Expenditures	2,485,000	2,251,700	2,495,800	2,614,900	2,560,900
Capital Outlay	70,800	40,200	143,200	111,000	111,000
Trustee/Benefit	270,000	248,500	450,000	450,000	450,000
Total:	5,261,100	4,847,400	5,705,300	5,848,400	5,752,900
Full-Time Positions (FTP)	37.50	37.50	37.50	38.50	37.50

Division Description

The Idaho Commission for Libraries (ICfL) assists in statewide library development, and provides continuing education and consultant services to the library community. Idaho's library community consists of 144 public library buildings that are open year-round, evenings, and weekends, as well as school and academic libraries. ICfL also coordinates various statewide programs, administers grants, advocates for library services, and facilitates planning for library development. Their statutory authority is found in §33-2501, Idaho Code.

The Idaho Commission for Libraries is governed by the Board of Library Commissioners and organized within the Department of Self-Governing Agencies. Prior to July 1, 2009, the commission was organized within the State Board of Education. The state librarian is appointed by the Board of Library Commissioners and serves as the commission's chief executive officer. The state librarian is charged with implementing the board's policies and rules, and with managing the operations of the commission. The commission has office locations in Boise, Moscow, and Idaho Falls.

Fund sources for the commission include:

1. General Fund (0001)

2. Library Services Improvement Fund (0304): This fund receives and disburses moneys through appropriations and donations as described in Section 33-2506, Idaho Code. The balances in this fund are invested by the State Treasurer and earned interest is returned to the fund. Private grant and foundation funds may also be deposited. This fund is continuously appropriated and is therefore not calculated in their total appropriation for budgeting purposes.

3. Federal Grant (0348): Federal grant moneys include the Library Services & Technology Act (LSTA) as authorized by the Museum and Library Services Act (20 USC §9101 et seq.). The grant is administered by the Institute of Museums and Library Services. Additional moneys are received from the National Endowment for the Humanities General Programs, as well as other federal grant sources.

4. Miscellaneous Revenue (0349): Miscellaneous revenue includes patron donations, as well as grant and foundation funds. Revenues received may be matched with federal grants.

Idaho Commission for Libraries

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	37.50	4,002,300	5,705,300	37.50	4,002,300	5,705,300
Removal of One-Time Expenditures	0.00	(174,500)	(192,500)	0.00	(174,500)	(192,500)
FY 2018 Base	37.50	3,827,800	5,512,800	37.50	3,827,800	5,512,800
Benefit Costs	0.00	31,700	45,100	0.00	22,400	31,900
Inflationary Adjustments	0.00	27,900	27,900	0.00	27,900	27,900
Replacement Items	0.00	77,000	96,000	0.00	73,000	92,000
Statewide Cost Allocation	0.00	26,100	26,100	0.00	26,100	26,100
Change in Employee Compensation	0.00	16,000	20,700	0.00	48,000	62,100
FY 2018 Program Maintenance	37.50	4,006,500	5,728,600	37.50	4,025,200	5,752,800
1. Move Talking Book Service to Gen Fund	0.00	187,200	0	0.00	0	0
2. Maker and STEAM Program Expansion	1.00	119,700	119,700	0.00	0	0
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	38.50	4,313,500	5,848,400	37.50	4,025,300	5,752,900
Change from Original Appropriation	1.00	311,200	143,100	0.00	23,000	47,600
% Change from Original Appropriation		7.8%	2.5%		0.6%	0.8%

Idaho Commission for Libraries

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	37.50	4,002,300	70,000	1,633,000	5,705,300
Removal of One-Time Expenditures					
Agency Request	0.00	(174,500)	0	(18,000)	(192,500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(174,500)</i>	<i>0</i>	<i>(18,000)</i>	<i>(192,500)</i>
FY 2018 Base					
Agency Request	37.50	3,827,800	70,000	1,615,000	5,512,800
<i>Governor's Recommendation</i>	<i>37.50</i>	<i>3,827,800</i>	<i>70,000</i>	<i>1,615,000</i>	<i>5,512,800</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	31,700	0	13,400	45,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>22,400</i>	<i>0</i>	<i>9,500</i>	<i>31,900</i>

Inflationary Adjustments

The commission requests \$3,400 from the General Fund for general inflation costs of agency operating expenditures. They also request \$24,500 from the General Fund for contract inflation costs for their Libraries Linking Idaho databases that provide online resources for all Idaho communities. Four databases are slated for increases in FY 2018: Ebsco Host (main database) \$19,900, Ebsco Novelist Plus \$800, Worldbook \$3,200, and Chilton Library \$600.

Agency Request	0.00	27,900	0	0	27,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>27,900</i>	<i>0</i>	<i>0</i>	<i>27,900</i>

Replacement Items

The commission requests the following replacement items:

1) \$26,000 from the General Fund for a vehicle for the commission's northern field office in Moscow. The current vehicle is projected to exceed 110,000 miles in FY 2018. It was originally purchased in 2007 and typically travels 12,000 to 20,000 miles per year. According to the general replacement schedule listed in the Budget Development Manual, it is time to replace this vehicle.

2) \$36,000 from the General Fund and \$19,000 from federal funds for servers. The commission's network infrastructure consists of aging servers that were purchased in 2005. These servers have limited capacity and effectiveness. If funded, this request would replace a total of four servers and the commission plans to surplus the old, outdated servers.

3) \$11,000 from the General Fund for computer hardware based on a recurring schedule, supported by the commission's annual information technology plan. Over the next three fiscal years they anticipate upgrading their oldest systems, but in FY 2018, nine desktop computers and three laptop computers are due for replacement.

4) \$4,000 from the General Fund to upgrade the IT functions at the commission's two field offices, in Idaho Falls and Moscow. These offices each support one field consultant, which are then, in turn, supported by the Boise office. The funds would purchase a more secure wireless connection that would provide greater capability, speed, and security.

Agency Request	0.00	77,000	0	19,000	96,000
<i>The Governor recommends all replacement items except the \$4,000 for the field office information technology equipment.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>73,000</i>	<i>0</i>	<i>19,000</i>	<i>92,000</i>

Idaho Commission for Libraries

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$1,400, State Controller fees will decrease by \$500, Attorney General fees will decrease by \$100, and State Treasurer fees will decrease by \$100, for a net increase of \$700. In addition the Dept. of Administration is also planning to increase the cost of facility services by \$25,400 in FY 2018.					
Agency Request	0.00	26,100	0	0	26,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>26,100</i>	<i>0</i>	<i>0</i>	<i>26,100</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	16,000	0	4,700	20,700
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>48,000</i>	<i>0</i>	<i>14,100</i>	<i>62,100</i>

FY 2018 Program Maintenance					
Agency Request	37.50	4,006,500	70,000	1,652,100	5,728,600
<i>Governor's Recommendation</i>	<i>37.50</i>	<i>4,025,200</i>	<i>70,000</i>	<i>1,657,600</i>	<i>5,752,800</i>

1. Move Talking Book Service to Gen Fund

The commission requests moving its Talking Book Service (TBS) to the General Fund from the Federal Grant Fund (Library Services & Technology Act or LSTA funds). The request includes 4.00 FTP and \$187,200 in personnel costs. Prior to FY 2010, the Talking Book Service was paid from the General Fund. The Talking Book Service provides materials to 3,500 Idaho adults and children who are unable to read standard print due to a visual disability, blindness, or the inability to hold a book or turn its pages. The commission provides access to materials in audio and braille formats, and actively promotes the service to eligible clientele groups including veterans, care facility residents, and students with sight impairments. The commission's per capita circulation of digital audio books is 13% higher than the national average.

Since FY 2012, the commission's General Fund appropriation has grown due to increases in salary and benefit costs, but their annual LSTA allotment did not increase to cover the salary and benefit costs of the federally funded employees. Their 2016 LSTA allotment is 5.18% less than that in 2010 and has resulted in a decrease in the amount of LSTA funds available to support programs including Read to Me, Make It at the Library, statewide library staff training on the Libraries Linking Idaho databases and emerging technologies, new online resources in support of early literacy, STEAM (STEM+Art) education, digital literacy, and workforce development. If LSTA is level funded for FY 2018, the commission estimates that personnel costs will then consume 50% of their total LSTA allotment. The commission states that moving to the General Fund will restore the original funding source for the program and will also enable the commission to redirect LSTA funds to building the capacity of Idaho libraries through staff development, pilot projects, and statewide resources that support the state's goals of reading proficiency, college and career readiness, and strengthening the talent pipeline. According to the commission, the TBS in each state are designed to be a partnership between the Library of Congress' National Library Service (NLS) and each state. A 2015 NLS site visit report urged the commission to "work to obtain funding that is not LSTA based."

This is the first year of a two-year request. The commission's intent is to request an ongoing transfer of 2.00 FTP, plus personnel costs and operating expenditures for those positions in the amount of approximately \$180,000 in FY 2019.

Agency Request	0.00	187,200	0	(187,200)	0
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Idaho Commission for Libraries

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Maker and STEAM Program Expansion

This is a request to strengthen the state's capacity to support the Maker Program and STEAM (STEM+Art) efforts, as well as expand emerging technology-based programming in Idaho libraries. It includes 1.00 FTP and \$69,700 in personnel costs to hire someone to coordinate, evaluate, and advance existing programs. They also request an increase of \$50,000 in ongoing operating expenditures to support implementation of the programs in small and rural public and school libraries throughout the state. The maker movement is a growing global community of inventors, designers, engineers, artists, programmers, hackers, tinkerers, craftsmen, and do-it-yourselfers who share a quality that leads to learning and innovation. Maker, STEAM, and emerging technology programs in libraries advance local digital inclusion and encourage problem-solving, innovation and collaboration for all age groups through hands-on learning. The commission incorporated STEAM-related programming in Read to Me in 2008, instituted both Teens & Technology and emerging technology-based programming in 2010, and launched Make It at the Library in 2013. The demand for maker, STEAM, and emerging technology-based programming in libraries has skyrocketed the past several years.

The FTP will be responsible for developing and improving these programs that are currently spread among six staff members. The growth in demand has led to decreased time on their other program responsibilities. The FTP will further develop design-thinking components and creation of a tiered maker program to give libraries more options to meet their community needs. The position will also take the lead in collaborating with the STEM Action Center and the After School Network where goals coincide, and in working with academic librarians to develop a statewide library maker network to connect novice maker library staff with those who are more experienced. Currently, two school libraries and 27 public libraries participate in the Maker and STEAM Programs, only eight of which serve communities of fewer than 5,000 citizens. The increase in operating funds will enable personnel to travel to Idaho's many small and rural public and school libraries to provide training to their staff. By moving to a regional, more cost-effective training model in FY 2017 with help from the STEM Action Center, the commission believes it can direct a larger portion of the new funding to maker tools and resources for the new participating libraries spread throughout the state.

Agency Request	1.00	119,700	0	0	119,700
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	100	0	0	100
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FY 2018 Total					
Agency Request	38.50	4,313,500	70,000	1,464,900	5,848,400
Governor's Recommendation	37.50	4,025,300	70,000	1,657,600	5,752,900

Agency Request

Change from Original App	1.00	311,200	0	(168,100)	143,100
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% Change from Original App	2.7%	7.8%	0.0%	(10.3%)	2.5%
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Governor's Recommendation

Change from Original App	0.00	23,000	0	24,600	47,600
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% Change from Original App	0.0%	0.6%	0.0%	1.5%	0.8%
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State Lottery

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	5,696,000	5,067,700	5,902,600	6,178,200	6,189,500
Percent Change:		(11.0%)	16.5%	4.7%	4.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,965,100	2,804,400	3,180,600	3,329,100	3,340,400
Operating Expenditures	2,648,200	2,184,400	2,635,400	2,729,000	2,729,000
Capital Outlay	82,700	78,900	86,600	120,100	120,100
Total:	5,696,000	5,067,700	5,902,600	6,178,200	6,189,500
Full-Time Positions (FTP)	45.00	45.00	45.00	45.00	45.00

Division Description

Voters approved the creation of a state lottery in November 1988, and the Idaho Lottery was established in 1989. The mission of the Idaho Lottery is to maximize net income and the resulting annual dividend payment for Idaho public buildings and schools. The Lottery's net income has therefore historically been split equally between the Permanent Building Fund and the School District Building Fund.

In 2009, H275 provided that, beginning on July 1, 2009, so long as transfers to the Permanent Building Fund and the School District Building Fund reach FY 2008 levels or \$17,000,000 for each fund, transfers of net income to the Permanent Building Fund and School District Building Fund shall decrease to three-eighths each, and the remaining one-fourth of net lottery income shall transfer to the Bond Levy Equalization Fund. H478 of 2014 extended the sunset of the original legislation to July 1, 2019 (the legislation was originally set to expire September 30, 2014). After FY 2019, the lottery will again provide half of net income to the Permanent Building Fund and half of net income to the School District Building Fund.

Since its inception in 1989, the lottery has distributed over \$700 million in dividends to the Permanent Building Fund and School District Building Fund. The Idaho Lottery Commission is a five-member board appointed by the Governor. Appointees serve five-year terms. The commission adopts rules for the agency, approves contracts, and monitors Idaho Lottery operations.

State Lottery Agency Profile

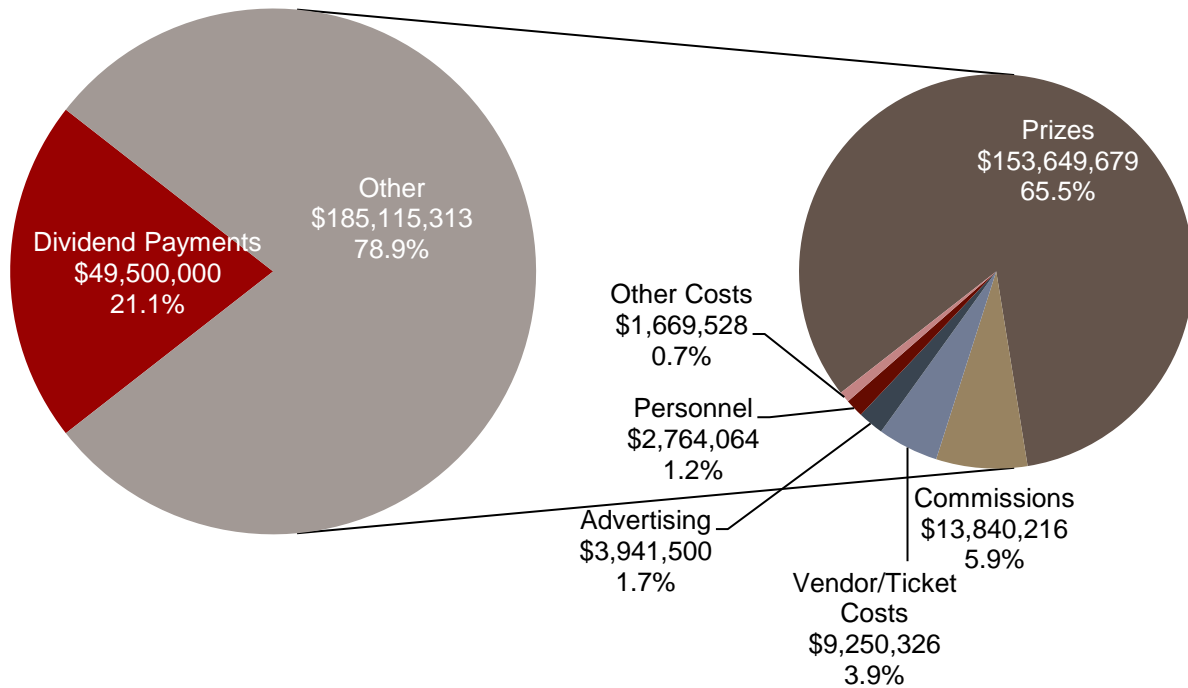
Analyst: Sepich

REVENUE DISTRIBUTION

Statutory Requirements §67-7430 et.seq., Idaho Code:

1. Prize payout shall be no less than 45% of lottery revenues.
2. Administrative costs shall not exceed 15% of lottery revenue during any fiscal year.
3. Advertising and promotional costs shall not exceed 3.5% of lottery revenue during any fiscal year.

FY 2016 Revenue Collections \$234,615,313



REVENUE DISTRIBUTION FY 2014 - FY 2016

	FY 2014	FY 2015	FY 2016
Dividend Payments	\$49,000,000	\$45,000,000	\$49,500,000
Prizes	\$133,232,103	\$136,769,278	\$153,649,679
Commissions	\$12,140,237	\$12,480,217	\$13,840,216
Vendor/Ticket Costs	\$8,707,206	\$8,545,922	\$9,250,326
Advertising	\$3,665,687	\$3,646,882	\$3,941,500
Personnel	\$2,678,945	\$2,475,390	\$2,764,064
Other Costs	\$1,720,310	\$1,527,156	\$1,669,528
Total	\$211,144,488	\$210,444,845	\$234,615,313

State Lottery Agency Profile

Analyst: Sepich

DIVIDEND PAYMENTS

Statutory Requirements §67-7434, Idaho Code: (effective until July 1, 2019)

1. Lottery dividends shall be split three ways.
 - a. Three-eighths (3/8) shall be transferred to the Permanent Building Fund.
 - b. Three-eighths (3/8) shall be transferred to the School District Building Fund.
 - c. One-fourth (1/4) shall be transferred to the Bond Levy Equalization Fund.

2. The lottery shall ensure that distributions made to the permanent building fund and the school district building account shall not be less than the amount those accounts received for fiscal year 2008 (\$17,000,000 each)
 - a. If total dividends are less than 2008 levels, then the dividend shall be split 50-50 between the permanent building fund and school district building fund.

3. If a full one-fourth (1/4) of the dividend cannot be distributed, the difference shall be deducted from the portion going to bond levy equalization.

Due to timing, revenues are distributed in the fiscal year following the year in which they are collected.

Fiscal Year Distributed	Permanent Building Fund	School Buildings Fund	Bond Levy Equalization	Total Dividend Payment
2007	\$ 16,500,000	\$ 16,500,000		\$ 33,000,000
2008	\$ 17,000,000	\$ 17,000,000		\$ 34,000,000
2009	\$ 17,000,000	\$ 17,000,000	\$ 750,000	\$ 34,750,000
2010	\$ 17,000,000	\$ 17,000,000	\$ 1,000,000	\$ 35,000,000
2011	\$ 17,000,000	\$ 17,000,000	\$ 2,500,000	\$ 36,500,000
2012	\$ 17,000,000	\$ 17,000,000	\$ 3,000,000	\$ 37,000,000
2013	\$ 17,000,000	\$ 17,000,000	\$ 7,500,000	\$ 41,500,000
2014	\$ 18,075,000	\$ 18,075,000	\$ 12,050,000	\$ 48,200,000
2015	\$ 18,375,000	\$ 18,375,000	\$ 12,250,000	\$ 49,000,000
2016	\$ 17,000,000	\$ 17,000,000	\$ 11,000,000	\$ 45,000,000
2017	\$ 18,562,500	\$ 18,562,500	\$ 12,375,000	\$ 49,500,000
2018*	\$ 18,075,000	\$ 18,075,000	\$ 12,050,000	\$ 48,200,000

*Amount shown is a forecast based on historical growth in Lottery dividend payments.

State Lottery

Comparative Summary

Analyst: Sepich

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	45.00	0	5,902,600	45.00	0	5,902,600
Removal of One-Time Expenditures	0.00	0	(129,500)	0.00	0	(129,500)
FY 2018 Base	45.00	0	5,773,100	45.00	0	5,773,100
Benefit Costs	0.00	0	52,400	0.00	0	36,900
Replacement Items	0.00	0	66,700	0.00	0	66,700
Statewide Cost Allocation	0.00	0	15,500	0.00	0	15,500
Change in Employee Compensation	0.00	0	25,600	0.00	0	75,900
FY 2018 Program Maintenance	45.00	0	5,933,300	45.00	0	5,968,100
1. POST Certified Detective	0.00	0	98,600	0.00	0	78,800
2. Marketing Project Manager	0.00	0	68,200	0.00	0	64,500
3. Training for New Gaming System	0.00	0	30,000	0.00	0	30,000
4. Headquarters Internet Extension	0.00	0	47,500	0.00	0	47,500
Cybersecurity Insurance	0.00	0	600	0.00	0	600
FY 2018 Total	45.00	0	6,178,200	45.00	0	6,189,500
Change from Original Appropriation	0.00	0	275,600	0.00	0	286,900
% Change from Original Appropriation			4.7%			4.9%

State Lottery

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	45.00	0	5,902,600	0	5,902,600

Removal of One-Time Expenditures

Agency Request	0.00	0	(129,500)	0	(129,500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(129,500)</i>	<i>0</i>	<i>(129,500)</i>

FY 2018 Base	45.00	0	5,773,100	0	5,773,100
<i>Governor's Recommendation</i>	<i>45.00</i>	<i>0</i>	<i>5,773,100</i>	<i>0</i>	<i>5,773,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	52,400	0	52,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>36,900</i>	<i>0</i>	<i>36,900</i>

Replacement Items

The agency is requesting a one-time appropriation of \$66,700 from the State Lottery Fund for replacement hardware including servers and desktop workstations.

Agency Request	0.00	0	66,700	0	66,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>66,700</i>	<i>0</i>	<i>66,700</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$700, State Controller fees will decrease by \$700, Attorney General fees will increase by \$16,100, and State Treasurer fees will decrease by \$600, for a net increase of \$15,500.

Agency Request	0.00	0	15,500	0	15,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>15,500</i>	<i>0</i>	<i>15,500</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	25,600	0	25,600
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>75,900</i>	<i>0</i>	<i>75,900</i>

FY 2018 Program Maintenance	45.00	0	5,933,300	0	5,933,300
<i>Governor's Recommendation</i>	<i>45.00</i>	<i>0</i>	<i>5,968,100</i>	<i>0</i>	<i>5,968,100</i>

1. POST Certified Detective

The agency requests an ongoing appropriation of \$98,600 in personnel costs from the State Lottery Fund to hire a POST-certified detective. This detective will combat a nearly 250% increase in criminal cases related to fraudulent activities by the public and retailers. The anticipated hire date for this detective is February 2017 and an existing unfilled, part-time office specialist position will be converted for this position.

Agency Request	0.00	0	98,600	0	98,600
<i>Salary decreased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>78,800</i>	<i>0</i>	<i>78,800</i>

State Lottery

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Marketing Project Manager

The agency requests an ongoing appropriation of \$68,200 in personnel costs from the State Lottery Fund to hire an in-house marketing and strategic oversight manager to replace work outsourced to a local marketing agency. An existing but unfilled part-time shipping & receiving materials clerk position will be retired when this position is added. The agency currently pays nearly \$200,000 for contracted services that would be taken over by the new marketing project manager.

Agency Request	0.00	0	68,200	0	68,200
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Salary decreased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	0.00	0	64,500	0	64,500
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3. Training for New Gaming System

The agency requests a one-time appropriation of \$30,000 in operating expenditures from the State Lottery Fund to fund training for both employees and retailers on the lottery's new gaming system. The agency has just completed an RFP process for a new gaming system, and will need to train employees and the 1,200 retailers across the state in preparation of new equipment. As the current gaming system is ten years old, significant changes in how the system operates are expected.

Agency Request	0.00	0	30,000	0	30,000
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Governor's Recommendation	0.00	0	30,000	0	30,000
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4. Headquarters Internet Extension

The agency requests a one-time appropriation of \$47,500 in operating expenditures to extend internet connectivity to newly constructed office spaces at the state lottery headquarters. The agency recently renegotiated a lease extension and the building owner agreed to improvements through the Division of Public Works. This request will facilitate running CAT5 cable for internet connectivity to newly constructed office space.

Agency Request	0.00	0	47,500	0	47,500
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Governor's Recommendation	0.00	0	47,500	0	47,500
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	600	0	600
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	0	600	0	600
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FY 2018 Total

Agency Request	45.00	0	6,178,200	0	6,178,200
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Governor's Recommendation	45.00	0	6,189,500	0	6,189,500
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Agency Request

Change from Original App	0.00	0	275,600	0	275,600
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% Change from Original App	0.0%		4.7%		4.7%
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Governor's Recommendation

Change from Original App	0.00	0	286,900	0	286,900
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% Change from Original App	0.0%		4.9%		4.9%
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Medical Boards

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Board of Dentistry	626,700	545,000	611,400	570,300	573,400
Board of Medicine	1,704,100	1,595,200	1,856,500	2,227,800	2,229,800
Board of Nursing	1,372,900	1,346,100	1,521,100	1,535,500	1,544,900
Board of Pharmacy	1,636,100	1,524,500	2,020,300	2,036,500	2,049,200
Board of Veterinary Medicine	295,300	247,500	300,600	300,800	302,400
Total:	5,635,100	5,258,300	6,309,900	6,670,900	6,699,700
BY FUND CATEGORY					
Dedicated	5,635,100	5,258,300	6,309,900	6,670,900	6,699,700
Percent Change:		(6.7%)	20.0%	5.7%	6.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,146,000	2,976,700	3,577,800	3,569,400	3,598,200
Operating Expenditures	2,401,600	2,174,900	2,415,200	3,046,900	3,046,900
Capital Outlay	87,500	106,700	316,900	54,600	54,600
Total:	5,635,100	5,258,300	6,309,900	6,670,900	6,699,700
Full-Time Positions (FTP)	46.10	46.10	48.20	48.20	48.20

Division Description

The Division of Medical Boards includes five boards that regulate various medically-related professions in Idaho. Brief descriptions of each of the medical boards are as follows:

The Board of Dentistry assures the public health, safety and welfare in the state of Idaho by providing for the licensure and regulation of dentists and dental hygienists. Revenues are generated from licensing, regulatory fees, photocopying, and fines.

The Board of Medicine assures the health, safety and welfare of the public by providing for the licensure and regulation of physicians and other healthcare providers. Revenues are generated from licensing and registration fees, printed materials, and rosters.

The Board of Nursing regulates nursing practice and education for the purpose of safeguarding the public health, safety, and welfare. Revenues are generated from licensing, exam fees, endorsements, and renewal and reinstatement fees.

The Board of Pharmacy promotes, preserves, and protects the health, safety, and welfare of the public through the effective control and regulation of the practice of pharmacy. Revenues are generated from licensing, registrations, exam fees, fines, and practitioner lists.

The Board of Veterinary Medicine administers and enforces state laws regarding licensure of persons providing veterinary medical services and upholds the quality of those services in Idaho. Revenues are generated from licensing, exam fees, certifications, and fines.

Medical Boards

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	48.20	0	6,309,900	48.20	0	6,309,900
1. DHW Contract Supplemental	0.00	0	60,000	0.00	0	60,000
FY 2017 Total Appropriation	48.20	0	6,369,900	48.20	0	6,369,900
Removal of One-Time Expenditures	0.00	0	(623,200)	0.00	0	(623,200)
FY 2018 Base	48.20	0	5,746,700	48.20	0	5,746,700
Benefit Costs	0.00	0	59,000	0.00	0	42,200
Inflationary Adjustments	0.00	0	6,400	0.00	0	6,400
Replacement Items	0.00	0	47,600	0.00	0	47,600
Statewide Cost Allocation	0.00	0	(18,600)	0.00	0	(18,600)
Annualizations	0.00	0	16,400	0.00	0	16,400
Change in Employee Compensation	0.00	0	28,500	0.00	0	84,600
FY 2018 Program Maintenance	48.20	0	5,886,000	48.20	0	5,925,300
1. Database Upgrade- BOM	0.00	0	390,000	0.00	0	390,000
2. Memory for Computers- BOM	0.00	0	1,900	0.00	0	1,900
3. Medical Licensure Compact- BOM	0.00	0	34,600	0.00	0	34,600
4. Physician Recovery Network- BOM	0.00	0	8,300	0.00	0	8,300
5. Contract to Provide IT Staff- BOM	0.00	0	34,000	0.00	0	34,000
6. Salary Increase for Attorney- BOM	0.00	0	10,500	0.00	0	0
7. Workforce Development Initiatives- BON	0.00	0	40,000	0.00	0	40,000
8. Board Staff PCs- BON	0.00	0	5,700	0.00	0	5,700
9. Disciplinary Hearing Fees- BOP	0.00	0	31,500	0.00	0	31,500
10. Credit Card Fees- Online Renewals- BOP	0.00	0	45,400	0.00	0	45,400
11. Prescription Monitoring Contract- BOP	0.00	0	180,000	0.00	0	180,000
Cybersecurity Insurance	0.00	0	3,000	0.00	0	3,000
FY 2018 Total	48.20	0	6,670,900	48.20	0	6,699,700
Change from Original Appropriation	0.00	0	361,000	0.00	0	389,800
% Change from Original Appropriation			5.7%			6.2%

Medical Boards

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	48.20	0	6,309,900	0	6,309,900

1. DHW Contract Supplemental

Board of Pharmacy

The Board of Pharmacy is requesting a one-time supplemental appropriation of \$60,000 in operating expenditures from the State Regulatory Fund for the Prescription Monitoring Program. This is to begin work on the contract for services with the Department of Health and Welfare to curb rising opioid abuse in the state. DHW will pass through funds that will help educate pharmacists and provide tools such as Gateway and NarxCheck. This request will allow the board to begin implementation of the program in FY 2017.

Agency Request	0.00	0	60,000	0	60,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>60,000</i>	<i>0</i>	<i>60,000</i>

FY 2017 Total Appropriation					
Agency Request	48.20	0	6,369,900	0	6,369,900
<i>Governor's Recommendation</i>	<i>48.20</i>	<i>0</i>	<i>6,369,900</i>	<i>0</i>	<i>6,369,900</i>

Removal of One-Time Expenditures

Agency Request	0.00	0	(623,200)	0	(623,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(623,200)</i>	<i>0</i>	<i>(623,200)</i>

FY 2018 Base					
Agency Request	48.20	0	5,746,700	0	5,746,700
<i>Governor's Recommendation</i>	<i>48.20</i>	<i>0</i>	<i>5,746,700</i>	<i>0</i>	<i>5,746,700</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	59,000	0	59,000
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>42,200</i>	<i>0</i>	<i>42,200</i>

Inflationary Adjustments

The Board of Medicine requests \$4,400 for a 5.3% contractual increase in its office space lease rate; and the Board of Pharmacy requests a contractual increase of \$2,000 for a 3.18% building lease increase from the Miller Family Holdings.

Agency Request	0.00	0	6,400	0	6,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>6,400</i>	<i>0</i>	<i>6,400</i>

Replacement Items

Board of Dentistry: \$8,600 to replace five board member laptops and one staff desktop computer.

Board of Medicine: \$7,500 to replace three desks, three chairs, two computers, and two printers.

Board of Nursing: \$19,500 to replace notebooks or tablets for board members, one conference room table that can support the entire staff during meetings, and a fax machine.

Board of Pharmacy: \$8,400 to replace laptops for the five board members and official minute taker for a total of six laptops.

Board of Veterinary Medicine: \$3,600 to replace two desktop computers and monitors.

Agency Request	0.00	0	47,600	0	47,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>47,600</i>	<i>0</i>	<i>47,600</i>

Medical Boards

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation.

Board of Dentistry: Risk management fees will increase by \$100, State Controller fees will decrease by \$200, and Attorney General fees will decrease by \$1,900, for a net reduction of \$2,000.

Board of Medicine: Risk management fees will increase by \$100, State Controller fees will decrease by \$800, and State Treasurer fees will decrease by \$100, for a net reduction of \$800.

Board of Nursing: Risk management fees will increase by \$100, State Controller fees will decrease by \$200, and Attorney General fees will decrease by \$5,000, for a net reduction of \$5,700.

Board of Pharmacy: State Controller fees will increase by \$800, and Attorney General fees will decrease by \$10,200, for a net reduction of \$9,400.

Board of Vet Medicine: Risk management fees will increase by \$1,900, and Attorney General fees will decrease by \$2,800, for a net reduction of \$900.

Agency Request	0.00	0	(18,600)	0	(18,600)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(18,600)</i>	<i>0</i>	<i>(18,600)</i>

Annualizations

Board of Pharmacy

The Board of Pharmacy is requesting to annualize its appropriation for the office space expansion that was approved in FY 2017. During negotiations, only 50% of the cost for the first year (\$17,000) was required, but for FY 2018, the expense will cost a total of \$33,400, requiring an additional appropriation of \$16,400.

Agency Request	0.00	0	16,400	0	16,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>16,400</i>	<i>0</i>	<i>16,400</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	28,500	0	28,500
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>84,600</i>	<i>0</i>	<i>84,600</i>
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FY 2018 Program Maintenance

Agency Request	48.20	0	5,886,000	0	5,886,000
<i>Governor's Recommendation</i>	<i>48.20</i>	<i>0</i>	<i>5,925,300</i>	<i>0</i>	<i>5,925,300</i>

1. Database Upgrade- BOM

Board of Medicine

The Board of Medicine is requesting a one-time appropriation of \$390,000 in operating expenditures from the State Regulatory Fund to upgrade its internal database. The board's current database stores and manages all board information of licensure, pre-litigation, discipline, and finance. This request would upgrade the database system from an outdated Access platform to a web-based platform, utilizing existing web programs and adding functionality to address increased needs, accessibility and quality.

Agency Request	0.00	0	390,000	0	390,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>390,000</i>	<i>0</i>	<i>390,000</i>

2. Memory for Computers- BOM

Board of Medicine

The Board of Medicine is requesting a one-time appropriation of \$600 in operating expenditures and \$1,300 in capital outlay from the State Regulatory Fund to upgrade memory and hard drives for 14 desktop computers. The request totals \$1,900 that would stave off the need to purchase brand new computers.

Agency Request	0.00	0	1,900	0	1,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,900</i>	<i>0</i>	<i>1,900</i>

Medical Boards

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Medical Licensure Compact- BOM					Board of Medicine
<p>The Board of Medicine is requesting a total appropriation of \$34,600 in operating expenditures from the State Regulatory Fund. This request will consist of an ongoing \$9,600 for two commissioners' travel to four meetings per year and a one-time appropriation of \$25,000 for IT support for connectivity to the Interstate Medical Licensure Compact. As part of the compact, the board is required to integrate with the compact database to make it easier for physicians to obtain licenses in multiple states. This offers an expedited pathway to licensure for qualified physicians who wish to practice in multiple states, increasing access to health care in underserved or rural areas. Travel costs for FY 2016 were paid for through a US Health Resources & Services Administration grant. Participation in the compact is required by Section 54-1842, Idaho Code.</p>					
Agency Request	0.00	0	34,600	0	34,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>34,600</i>	<i>0</i>	<i>34,600</i>
4. Physician Recovery Network- BOM					Board of Medicine
<p>The Board of Medicine is requesting an ongoing appropriation of \$8,300 in operating expenditures from the State Regulatory Fund to facilitate increased costs associated with the Physicians Health Program, which is administered by the Idaho Medical Association - Physician Recovery Network (IMA - PRN). This is a 7% increase in overall funding for the program from \$117,719 to \$125,959 annually. The IMA reports significant increase in expenses from providing medical liability insurance for PRN Committee members and additional staffing expenses.</p>					
Agency Request	0.00	0	8,300	0	8,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>8,300</i>	<i>0</i>	<i>8,300</i>
5. Contract to Provide IT Staff- BOM					Board of Medicine
<p>The Board of Medicine is requesting an ongoing appropriation of \$34,000 in operating expenditures from the State Regulatory Fund to reimburse the Department of Administration for 0.38 FTP at the Office of the Chief Information Officer (OCIO). This IT support for the Board of Medicine through the OCIO will help to ensure guidelines established by the Idaho Technology Authority are followed.</p>					
Agency Request	0.00	0	34,000	0	34,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>34,000</i>	<i>0</i>	<i>34,000</i>
6. Salary Increase for Attorney- BOM					Board of Medicine
<p>The Board of Medicine is requesting an ongoing personnel cost increase of \$10,500 for the salary of its in-house attorney. For FY 2017, the legislature appropriated, as requested, \$104,900 to hire an in-house attorney. The original request was based on market rates at the time. However when the job was posted a year later, the market rate for a qualified candidate had increased. The search was successful, however, the board did not have adequate ongoing personnel costs to sustain the hire at the posted rate; the board has sufficient appropriation to meet the needs for FY 2017 only. This request would raise the personnel costs for the attorney to \$110,695, and give the board a projected \$1,000 personnel cushion for FY 2018.</p>					
Agency Request	0.00	0	10,500	0	10,500
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
7. Workforce Development Initiatives- BON					Board of Nursing
<p>The Board of Nursing is requesting an ongoing appropriation of \$40,000 in operating expenditures from the State Regulatory Fund for workforce planning. This request will add to the current base of \$100,000 to support the required strategic workforce planning pursuant Section 54-1404, Idaho Code. These workforce planning initiatives are used by the Governor's Nursing Workforce Advisory Council to analyze and biennially report nursing workforce trends and indicators.</p>					
Agency Request	0.00	0	40,000	0	40,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>40,000</i>	<i>0</i>	<i>40,000</i>

Medical Boards

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Board Staff PCs- BON					Board of Nursing
The Board of Nursing is requesting a one-time capital outlay appropriation of \$5,700 from the State Regulatory Fund to purchase three new computers or tablets. These machines will help the staff support the Board of Nursing's paperless meetings.					
Agency Request	0.00	0	5,700	0	5,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,700</i>	<i>0</i>	<i>5,700</i>
9. Disciplinary Hearing Fees- BOP					Board of Pharmacy
The Board of Pharmacy is requesting an ongoing appropriation of \$31,500 in operating expenditures from the State Regulatory Fund to cover expenses for licensee disciplinary hearings. In order to avoid bias, the board is moving more hearings to external hearing officers per the Office of Performance Evaluations report, Risk of Bias in Administrative Hearings. Hearings cost an average of \$4,500, and between FY 2015 and FY 2016, nine hearings were held, and the agency is expecting to see ten hearings in FY 2018.					
Agency Request	0.00	0	31,500	0	31,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>31,500</i>	<i>0</i>	<i>31,500</i>
10. Credit Card Fees- Online Renewals- BOP					Board of Pharmacy
The Board of Pharmacy is requesting an appropriation of \$45,400 in ongoing operating expenditures to account for payments to credit card providers. Currently, the fees are absorbed through a reduction in total revenue. A more transparent method for reporting these fees would be to show them as a separate expense and leave the revenue intact. By separating out the expenses and the total revenue received, the agency will have a more automated upload of data to STARS which will reduce employee work and increase accuracy. These fees have been paid for the last six years by reducing revenue.					
Agency Request	0.00	0	45,400	0	45,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>45,400</i>	<i>0</i>	<i>45,400</i>
11. Prescription Monitoring Contract- BOP					Board of Pharmacy
The Board of Pharmacy is requesting one-time operating expenditures in the amount of \$180,000 from the State Regulatory Fund for the Prescription Monitoring Program. This request represents the FY 2018 contract for services with Health and Welfare to curb rising opioid abuse in the state. DHW will pass through funds that will help educate pharmacists and provide tools such as Gateway and NarxCheck. These programs help pharmacies see prior prescriptions to quickly and accurately determine if an individual is engaging in dangerous opiate seeking activity.					
Agency Request	0.00	0	180,000	0	180,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>180,000</i>	<i>0</i>	<i>180,000</i>
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	3,000	0	3,000
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,000</i>	<i>0</i>	<i>3,000</i>
FY 2018 Total					
Agency Request	48.20	0	6,670,900	0	6,670,900
<i>Governor's Recommendation</i>	<i>48.20</i>	<i>0</i>	<i>6,699,700</i>	<i>0</i>	<i>6,699,700</i>
Agency Request					
Change from Original App	0.00	0	361,000	0	361,000
% Change from Original App	0.0%		5.7%		5.7%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>389,800</i>	<i>0</i>	<i>389,800</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>6.2%</i>		<i>6.2%</i>

Public Defense Commission

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	304,300	206,100	5,796,900	5,851,000	5,827,700
Percent Change:		(32.3%)	2,712.7%	0.9%	0.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	124,100	56,700	501,400	538,200	514,900
Operating Expenditures	70,200	130,000	215,600	246,300	246,300
Capital Outlay	0	19,400	13,400	0	0
Trustee/Benefit	110,000	0	5,066,500	5,066,500	5,066,500
Total:	304,300	206,100	5,796,900	5,851,000	5,827,700
Full-Time Positions (FTP)	1.50	1.50	6.00	6.00	6.00

Division Description

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 Idaho 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 Juvenile Justice Commission, as well as an attorney with experience defending indigent persons.

The commission is charged with promulgating administrative rules regarding public defender training and continuing legal education; data reporting; requirements for contracts between counties and private attorneys for the provision of public defense services; procedures for grant applications by which counties can apply for state funds to offset the cost of compliance with indigent defense standards; procedures for administrative review of commission decisions; and procedures for the creation, oversight, implementation, enforcement, and modification of indigent defense standards with which public defenders must comply.

The commission is also charged with making recommendations to the Idaho Legislature regarding funding issues and formulas.

The commission is permitted to hire an executive director; employ persons in addition to the executive director; provide an office, equipment, and facilities for the proper performance of the duties of the commission and/or the duties of the executive director and other personnel; provide training to public defenders; establish procedures by which counties may apply for extraordinary litigation costs; and hire private counsel to represent the commission.

Public Defense Commission

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	6.00	5,796,900	5,796,900	6.00	5,796,900	5,796,900
1. PD Workload Study	0.00	0	0	0.00	0	0
FY 2017 Total Appropriation	6.00	5,796,900	5,796,900	6.00	5,796,900	5,796,900
Removal of One-Time Expenditures	0.00	(17,500)	(17,500)	0.00	(17,500)	(17,500)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	6.00	5,779,400	5,779,400	6.00	5,779,400	5,779,400
Benefit Costs	0.00	7,100	7,100	0.00	5,000	5,000
Statewide Cost Allocation	0.00	30,600	30,600	0.00	30,600	30,600
Change in Employee Compensation	0.00	4,200	4,200	0.00	12,600	12,600
FY 2018 Program Maintenance	6.00	5,821,300	5,821,300	6.00	5,827,600	5,827,600
1. Salary for Director, Deputy & Admin	0.00	29,600	29,600	0.00	0	0
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	6.00	5,851,000	5,851,000	6.00	5,827,700	5,827,700
Change from Original Appropriation	0.00	54,100	54,100	0.00	30,800	30,800
% Change from Original Appropriation		0.9%	0.9%		0.5%	0.5%

Public Defense Commission

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	6.00	5,796,900	0	0	5,796,900

1. PD Workload Study

The commission requests to redirect \$100,000, which was originally appropriated for grants to counties for public defense (trustee & benefit payments), and use it to contract with the Idaho Policy Institute at Boise State University (IPI) to conduct a public defender workload study (operating expenditures). Pursuant to Section 19-850(1)(a)(vi), Idaho Code, the commission is required to promulgate administrative rules that establish procedures for the oversight, implementation, enforcement, and modification of indigent defense standards so that the right to counsel of indigent persons is constitutionally delivered to all eligible persons in the state. Further, pursuant to Section 19-850(1)(a)(vii)(3), Idaho Code, such standards should incorporate workload controls that permit public defenders to provide effective representation. In order to promulgate validated workload standards specifically for Idaho's trial-level public defenders, IPI's research faculty and part-time graduate assistant would conduct workload research throughout the state to determine the amount of time and resources that are dedicated by public defenders for different case types (e.g., felonies, misdemeanors, juvenile cases, etc.). This would be a one-time change for FY 2017 and the amount for grants would be restored for FY 2018.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2017 Total Appropriation					
Agency Request	6.00	5,796,900	0	0	5,796,900
<i>Governor's Recommendation</i>	6.00	5,796,900	0	0	5,796,900

Removal of One-Time Expenditures

Agency Request	0.00	(17,500)	0	0	(17,500)
<i>Governor's Recommendation</i>	0.00	(17,500)	0	0	(17,500)

Base Adjustments

This adjustment restores the current year \$100,000 object transfer requested as a supplemental appropriation.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2018 Base					
Agency Request	6.00	5,779,400	0	0	5,779,400
<i>Governor's Recommendation</i>	6.00	5,779,400	0	0	5,779,400

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	7,100	0	0	7,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	5,000	0	0	5,000

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$200, Attorney General fees will increase by \$30,300, and State Treasurer fees will increase by \$100, for a net increase of \$30,600.

Agency Request	0.00	30,600	0	0	30,600
<i>Governor's Recommendation</i>	0.00	30,600	0	0	30,600

Public Defense Commission

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	4,200	0	0	4,200
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	12,600	0	0	12,600
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FY 2018 Program Maintenance					
Agency Request	6.00	5,821,300	0	0	5,821,300
Governor's Recommendation	6.00	5,827,600	0	0	5,827,600

1. Salary for Director, Deputy & Admin

This is a request for \$29,600 in ongoing personnel costs from the General Fund to pay for salary increases for the agency's executive director, deputy director, and administrative assistant. Of the total amount requested, \$11,000 would be added to the executive director's current annual salary of \$79,000, \$8,800 would be added to the deputy director's current annual salary of \$62,500, and \$4,500 would be added to the administrative assistant's current annual salary of \$32,300, bringing their total annual salary amounts to \$90,000, \$71,300, and \$36,800 respectively. The current executive director was hired in the spring of 2016, the deputy director was hired in the summer of 2016, and the administrative assistant was hired in the fall of 2014. According to the agency, the current salaries are insufficient to attract and retain qualified employees. Further, the agency believes the current salaries are low in comparison to equivalent positions across the country, and to other Idaho agency heads. Of the total amount requested, \$24,300 is for salary, and \$5,300 is for variable benefits.

Agency Request	0.00	29,600	0	0	29,600
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	100	0	0	100
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FY 2018 Total					
Agency Request	6.00	5,851,000	0	0	5,851,000
Governor's Recommendation	6.00	5,827,700	0	0	5,827,700

Agency Request

Change from Original App	0.00	54,100	0	0	54,100
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% Change from Original App	0.0%	0.9%			0.9%
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Governor's Recommendation

Change from Original App	0.00	30,800	0	0	30,800
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% Change from Original App	0.0%	0.5%			0.5%
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Regulatory Boards

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Board of Accountancy	529,900	399,200	554,200	547,800	550,900
Board of Engineers & Surveyors	616,600	614,900	645,300	726,300	731,200
Bureau of Occupational Licenses	3,584,700	3,479,800	4,067,400	4,666,200	4,692,900
Outfitters & Guides Licensing Bd	580,400	489,500	626,000	607,200	610,000
Real Estate Commission	1,519,500	1,335,200	1,690,900	1,586,300	1,597,000
Total:	6,831,100	6,318,600	7,583,800	8,133,800	8,182,000
BY FUND CATEGORY					
Dedicated	6,831,100	6,318,600	7,583,800	8,133,800	8,182,000
Percent Change:		(7.5%)	20.0%	7.3%	7.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,180,000	3,930,800	4,779,600	4,819,400	4,867,600
Operating Expenditures	2,596,100	2,335,300	2,735,200	3,127,300	3,127,300
Capital Outlay	2,500	2,300	16,500	41,000	41,000
Trustee/Benefit	52,500	50,200	52,500	146,100	146,100
Total:	6,831,100	6,318,600	7,583,800	8,133,800	8,182,000
Full-Time Positions (FTP)	64.00	64.00	68.00	69.00	69.00

Division Description

The Regulatory Boards are part of the Department of Self-Governing Agencies that include five budgeted programs, four of which are boards and commissions, 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 are as follows:

The Board of Accountancy ensures that standards are maintained for certified public accountants and licensed public accountants in Idaho. [Statutory Authority: Section 54-201, Idaho Code, et seq.]

The Board of Professional Engineers and Land Surveyors develops and maintains qualification standards for professional engineers and land surveyors. [Statutory Authority: Section 54-1201, Idaho Code, et seq.]

The Bureau of Occupational Licenses provides administrative, investigative, financial, and legal services to 30 professional licensing boards and commissions which include Idaho State Board of Acupuncture; Board of Architectural Examiners; Uniform Athlete Agents; Registration Athletic Commission; Board of Barber Examiners; Board of Chiropractic Physicians; Contractors Board; Board of Cosmetology; Licensing Board of Professional Counselors and Marriage & Family Therapists; Board of Dentistry; Driving Businesses Licensure Board; Genetic Counselors Licensing Board; Board of Registration for Professional Geologists; Board of Landscape Architects; Liquefied Petroleum Gas Safety Board; Board of Massage Therapy; Board of Midwifery; Board of Morticians; Board of Examiners of Nursing Home Administrators; Occupational Therapy Licensure Board; Board of Optometry; Board of Physical Therapists; Board of Podiatry; Board of Psychologist Examiners; Real Estate Appraiser Board; Board of Examiners of Residential Care Facility Administrators; Board of Social Work Examiners; Shorthand Reporters Board; Speech & Hearing Services Licensure Board; and Board of Drinking Water and Wastewater Professionals. [Statutory Authority: Section 67-2601, Idaho Code, et seq.]

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. [Statutory Authority: Section 36-2105, Idaho Code, et seq.]

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. [Statutory Authority: Section 54-2005, Idaho Code, et seq.]

Regulatory Boards

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	68.00	0	7,583,800	68.00	0	7,583,800
1. Board Salary Stipend	0.00	0	65,000	0.00	0	65,000
2. Supplemental for Records Specialist	1.00	0	13,300	1.00	0	13,300
FY 2017 Total Appropriation	69.00	0	7,662,100	69.00	0	7,662,100
Removal of One-Time Expenditures	0.00	0	(333,300)	0.00	0	(333,300)
FY 2018 Base	69.00	0	7,328,800	69.00	0	7,328,800
Benefit Costs	0.00	0	82,900	0.00	0	58,300
Inflationary Adjustments	0.00	0	59,100	0.00	0	59,100
Replacement Items	0.00	0	1,000	0.00	0	1,000
Statewide Cost Allocation	0.00	0	400	0.00	0	400
Annualizations	0.00	0	35,600	0.00	0	35,800
Change in Employee Compensation	0.00	0	37,800	0.00	0	110,400
FY 2018 Program Maintenance	69.00	0	7,545,600	69.00	0	7,593,800
1. IT Fiber Optic Cable Installation- PELS	0.00	0	40,000	0.00	0	40,000
2. Database and Software Updates- PELS	0.00	0	5,000	0.00	0	5,000
3. Stipend & Attorney Fee Increase- PELS	0.00	0	40,000	0.00	0	40,000
4. Appraisal Subcommittee Fees- IBOL	0.00	0	62,500	0.00	0	62,500
5. Operating Funds for IT Support- IBOL	0.00	0	56,000	0.00	0	56,000
6. Database Upgrade- IBOL	0.00	0	255,300	0.00	0	255,300
7. Therapist Background Checks- IBOL	0.00	0	121,000	0.00	0	121,000
Cybersecurity Insurance	0.00	0	8,400	0.00	0	8,400
FY 2018 Total	69.00	0	8,133,800	69.00	0	8,182,000
Change from Original Appropriation	1.00	0	550,000	1.00	0	598,200
% Change from Original Appropriation			7.3%			7.9%

Regulatory Boards

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	68.00	0	7,583,800	0	7,583,800

1. Board Salary Stipend

Board of Prof. Engineers & Land Surveyors

The Board of Professional Engineers & Land Surveyors requests a one-time supplemental appropriation of \$15,000 in personnel costs and \$50,000 in operating expenditures from the State Regulatory Fund for additional compensation to board members and legal fees incurred in unanticipated investigations and disciplinary hearings extending into FY 2017. These expenses were not foreseen when the budget was initially set, and the board requests additional appropriation to continue through the end of the year.

Agency Request	0.00	0	65,000	0	65,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>65,000</i>	<i>0</i>	<i>65,000</i>

2. Supplemental for Records Specialist

Bureau of Occupational Licenses

The Bureau of Occupational Licenses requests an additional 1.00 FTP, \$11,900 in personnel costs, and \$1,400 in one-time capital outlay from the State Regulatory Fund to hire a technical records specialist pursuant S1318 from the 2016 Legislative Session. S1318 established oversight of Appraisal Management Companies (AMCs) through the Board of Real Estate Appraisers, and this position will have ongoing funding through dedicated funds raised in the licensure of AMCs. This request will fund the position through the end of FY 2017 as the specialist has an anticipated hire date of 4/01/2017. The board's request includes the annualization of \$35,600 for the remaining eight months. Going forward, the position will be a full-time benefitted position, pay grade H, with an annual personnel cost of \$47,400.

Agency Request	1.00	0	13,300	0	13,300
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>13,300</i>	<i>0</i>	<i>13,300</i>

FY 2017 Total Appropriation

Agency Request	69.00	0	7,662,100	0	7,662,100
<i>Governor's Recommendation</i>	<i>69.00</i>	<i>0</i>	<i>7,662,100</i>	<i>0</i>	<i>7,662,100</i>

Removal of One-Time Expenditures

Agency Request	0.00	0	(333,300)	0	(333,300)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(333,300)</i>	<i>0</i>	<i>(333,300)</i>

FY 2018 Base

Agency Request	69.00	0	7,328,800	0	7,328,800
<i>Governor's Recommendation</i>	<i>69.00</i>	<i>0</i>	<i>7,328,800</i>	<i>0</i>	<i>7,328,800</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	82,900	0	82,900
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>58,300</i>	<i>0</i>	<i>58,300</i>

Inflationary Adjustments

The Bureau of Occupational Licenses requests an appropriation totaling \$59,100 for inflationary adjustments. This includes \$3,700 in contract inflation for office space rentals, \$51,300 for a 149.74% increase in computer services, \$1,500 for a 1.20% increase in communication costs, and \$2,600 for a 4.95% increase in miscellaneous expenditures.

Agency Request	0.00	0	59,100	0	59,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>59,100</i>	<i>0</i>	<i>59,100</i>

Regulatory Boards

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
The Board of Professional Engineers & Land Surveyors requests a one-time appropriation of \$1,000 in capital outlay from the State Regulatory Fund to replace the document scanner used to upload licensee and certification data.					
Agency Request	0.00	0	1,000	0	1,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,000</i>	<i>0</i>	<i>1,000</i>
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation.					
The Board of Accountancy's risk management fees will increase by \$100, and State Controller fees will decrease by \$600, for a net reduction of \$500.					
The Board of Professional Engineers & Land Surveyors' risk management fees will increase by \$100, for a net increase of \$100.					
The Bureau of Occupational Licenses' risk management fees will increase by \$300, State Controller fees will increase by \$1,300, Attorney General fees will decrease by \$500, and State Treasurer fees will decrease by \$200, for a net increase of \$900.					
The Outfitters and Guides Licensing Board's risk management fees will increase by \$100, and State Controller fees will decrease by \$100, for a net of zero.					
The Real Estate Commission's risk management fees will increase by \$100, and State Controller fees will decrease by \$200, for a net reduction of \$100.					
Agency Request	0.00	0	400	0	400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>400</i>	<i>0</i>	<i>400</i>
Annualizations					
Bureau of Occupational Licenses					
This request is to annualize the personnel costs for the new position requested in a supplemental. Pending approval of the supplemental appropriation of \$11,900, this request would annualize the position by adding \$35,600 from the dedicated funds raised in the licensure and oversight of Appraisal Management Companies (AMCs), for a total annual personnel cost of \$47,400.					
Agency Request	0.00	0	35,600	0	35,600
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>35,800</i>	<i>0</i>	<i>35,800</i>
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	37,800	0	37,800
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>110,400</i>	<i>0</i>	<i>110,400</i>
FY 2018 Program Maintenance					
Agency Request	69.00	0	7,545,600	0	7,545,600
<i>Governor's Recommendation</i>	<i>69.00</i>	<i>0</i>	<i>7,593,800</i>	<i>0</i>	<i>7,593,800</i>

Regulatory Boards

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. IT Fiber Optic Cable Installation- PELS					
			Board of Prof Engineers & Land Surveyors		
The Board of Professional Engineers & Land Surveyors requests a one-time appropriation of \$40,000 in capital outlay from the State Regulatory Fund to install a fiber optic cable line from a nearby state agency to its office. As a result of upgrading the database used to store records on licensees, the agency continually runs out of bandwidth. Other bandwidth options that were explored had a cost of \$8,580 per year in operating costs, which would give this project roughly a five year payback period if approved.					
Agency Request	0.00	0	40,000	0	40,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>40,000</i>	<i>0</i>	<i>40,000</i>
2. Database and Software Updates- PELS					
			Board of Prof Engineers & Land Surveyors		
The Board of Professional Engineers & Land Surveyors requests an ongoing appropriation of \$5,000 in operating expenditures from the State Regulatory Fund for new database software. This software will replace a Microsoft Access system and add functionality to allow for the direct upload of information from users, payment for license applications and renewals, and automated contact information updates. This request includes maintenance and software adjustments going forward.					
Agency Request	0.00	0	5,000	0	5,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,000</i>	<i>0</i>	<i>5,000</i>
3. Stipend & Attorney Fee Increase- PELS					
			Board of Prof Engineers & Land Surveyors		
The Board of Professional Engineers & Land Surveyors requests a one-time appropriation of \$10,000 in personnel costs and \$30,000 in operating expenditures from the State Regulatory Fund for additional compensation to board members and legal fees paid due to unanticipated investigations and disciplinary hearings expected to extend into FY 2018. The amount of the board stipend and attorney fees required each year varies depending on the extent of disciplinary hearings in which the board is involved.					
Agency Request	0.00	0	40,000	0	40,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>40,000</i>	<i>0</i>	<i>40,000</i>
4. Appraisal Subcommittee Fees- IBOL					
			Bureau of Occupational Licenses		
The Bureau of Occupational Licenses requests an appropriation to pay \$62,500 from operating expenditures from the State Regulatory Fund to the Federal Appraisal Subcommittee (ASC) for fees charged to Appraisal Management Companies (AMCs) by the Board of Real Estate Appraisers pursuant S1318.					
Agency Request	0.00	0	62,500	0	62,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>62,500</i>	<i>0</i>	<i>62,500</i>
5. Operating Funds for IT Support- IBOL					
			Bureau of Occupational Licenses		
The Bureau of Occupational Licenses requests an ongoing appropriation of \$56,000 in operating expenditures from the State Regulatory Fund to reimburse the Department of Administration for 62.3% of an FTP within the Office of the Chief Information Officer. This position provides joint support for the Bureau of Occupational Licenses and the Board of Medicine to upgrade and maintain software following Idaho Technology Authority's guidelines. The FTP is being requested in the Department of Administration's budget.					
Agency Request	0.00	0	56,000	0	56,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>56,000</i>	<i>0</i>	<i>56,000</i>
6. Database Upgrade- IBOL					
			Bureau of Occupational Licenses		
The Bureau of Occupational Licenses requests a one-time appropriation of \$255,300 from the State Regulatory Fund to upgrade the bureau's database. The current database is a custom legacy system that houses the bureau's document storage systems for applications, disciplinary documents, and financial documents. This upgrade from the Access platform to a web-based platform would utilize existing web programs and add functionality to interact with the bureau's external facing web portal. This is the first of a five-year request totaling an estimated \$1,276,330.					
Agency Request	0.00	0	255,300	0	255,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>255,300</i>	<i>0</i>	<i>255,300</i>

Regulatory Boards

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Therapist Background Checks- IBOL

Bureau of Occupational Licenses

The Bureau of Occupational Licenses requests an appropriation of \$121,000 from the State Regulatory Fund to process background checks for massage therapists. The Board of Massage Therapy is proposing legislation that would require new and current licensees to submit a fingerprint-based criminal history check. Background checks would be performed by the Idaho State Police.

This request includes a one-time appropriation of \$80,600 to process the background checks for the 2,179 existing licensees and an ongoing appropriation of \$10,400 to process the background checks for the estimated 280 new applicants the board receives annually. These fees would pass through to the Idaho State Police at \$37 per background check. Additionally, the bureau requests a one-time appropriation of \$18,000 for computer costs associated with programming the database to track the background checks, and \$12,000 for personnel costs associated with implementing this process.

Agency Request	0.00	0	121,000	0	121,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>121,000</i>	<i>0</i>	<i>121,000</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	8,400	0	8,400
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>8,400</i>	<i>0</i>	<i>8,400</i>

FY 2018 Total					
Agency Request	69.00	0	8,133,800	0	8,133,800
<i>Governor's Recommendation</i>	<i>69.00</i>	<i>0</i>	<i>8,182,000</i>	<i>0</i>	<i>8,182,000</i>

Agency Request					
Change from Original App	1.00	0	550,000	0	550,000
% Change from Original App	1.5%		7.3%		7.3%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>0</i>	<i>598,200</i>	<i>0</i>	<i>598,200</i>
<i>% Change from Original App</i>	<i>1.5%</i>		<i>7.9%</i>		<i>7.9%</i>

Office of State Appellate Public Defender

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
State Appellate Public Defender	2,173,900	1,996,100	2,359,200	2,536,700	2,538,500
Capital and Conflict Representation	302,400	251,900	302,400	350,700	350,700
Total:	2,476,300	2,248,000	2,661,600	2,887,400	2,889,200
BY FUND CATEGORY					
General	2,451,300	2,247,700	2,636,600	2,862,400	2,889,200
Dedicated	25,000	300	25,000	25,000	0
Total:	2,476,300	2,248,000	2,661,600	2,887,400	2,889,200
Percent Change:		(9.2%)	18.4%	8.5%	8.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,971,100	1,887,600	2,111,500	2,287,200	2,314,000
Operating Expenditures	505,200	350,800	550,100	600,200	575,200
Capital Outlay	0	9,600	0	0	0
Total:	2,476,300	2,248,000	2,661,600	2,887,400	2,889,200
Full-Time Positions (FTP)	23.00	23.00	23.00	23.00	23.00

Division Description

The State Appellate Public Defender provides legal representation to indigent persons in the following areas:

- 1) Appeals from convictions in district court;
- 2) Appeals from the district court in post-conviction relief proceedings brought pursuant to the Uniform Post-Conviction Procedure Act;
- 3) Appeals from the district court in habeas corpus proceedings; and
- 4) Post-conviction relief proceedings in capital cases.

The services of the State Appellate Public Defender are only available to those counties participating in the Capital Crimes Defense Fund (CCDF) established pursuant to Section 19-863A, Idaho Code. Currently, Jefferson County is the only county that does not participate in the CCDF.

There are two budgeted programs within this division:

The Office of the State Appellate Public Defender Program accounts for the general operating, personnel, and capital outlay costs of the office.

The Capital and Conflict Representation Program accounts solely for (a) the cost of outside counsel for noncapital appeals in which a conflict of interest is identified; and (b) extraordinary litigation costs directly related to the provision of representation in capital cases including, but 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. Any remaining unexpended and unencumbered amounts not used in this program revert to the General Fund.

Office of State Appellate Public Defender

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	23.00	2,636,600	2,661,600	23.00	2,636,600	2,661,600
Removal of One-Time Expenditures	0.00	(70,900)	(70,900)	0.00	(70,900)	(70,900)
FY 2018 Base	23.00	2,565,700	2,590,700	23.00	2,565,700	2,590,700
Benefit Costs	0.00	27,700	27,700	0.00	19,400	19,400
Inflationary Adjustments	0.00	6,700	6,700	0.00	6,700	6,700
Statewide Cost Allocation	0.00	(100)	(100)	0.00	(100)	(100)
Change in Employee Compensation	0.00	17,700	17,700	0.00	52,800	52,800
FY 2018 Program Maintenance	23.00	2,617,700	2,642,700	23.00	2,644,500	2,669,500
1. Deputy SAPD Retention Plan	0.00	196,200	196,200	0.00	196,200	196,200
2. Capital Evidentiary Hearing Costs	0.00	48,300	48,300	0.00	48,300	48,300
3. ICJC Operating Costs	0.00	0	0	0.00	0	(25,000)
Cybersecurity Insurance	0.00	200	200	0.00	200	200
FY 2018 Total	23.00	2,862,400	2,887,400	23.00	2,889,200	2,889,200
Change from Original Appropriation	0.00	225,800	225,800	0.00	252,600	227,600
% Change from Original Appropriation		8.6%	8.5%		9.6%	8.6%

Office of State Appellate Public Defender

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	23.00	2,636,600	25,000	0	2,661,600

Removal of One-Time Expenditures

Agency Request	0.00	(70,900)	0	0	(70,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(70,900)</i>	<i>0</i>	<i>0</i>	<i>(70,900)</i>

FY 2018 Base	23.00	2,565,700	25,000	0	2,590,700
<i>Governor's Recommendation</i>	<i>23.00</i>	<i>2,565,700</i>	<i>25,000</i>	<i>0</i>	<i>2,590,700</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	27,700	0	0	27,700
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>19,400</i>	<i>0</i>	<i>0</i>	<i>19,400</i>
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Inflationary Adjustments

The agency requests a total of \$6,700 in ongoing operating expenditures from the General Fund for inflationary adjustments. For general inflation, adjustments include \$3,100 for communication costs, which consist of IT and telephone services; and \$1,900 for general services, which consist of legal research access. For contract inflation, adjustments include \$1,700 for the annual increase associated with the agency's office space lease.

Agency Request	0.00	6,700	0	0	6,700
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,700</i>	<i>0</i>	<i>0</i>	<i>6,700</i>
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$200 and State Controller fees will decrease by \$300, for a net reduction of \$100.

Agency Request	0.00	(100)	0	0	(100)
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(100)</i>	<i>0</i>	<i>0</i>	<i>(100)</i>
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	17,700	0	0	17,700
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>52,800</i>	<i>0</i>	<i>0</i>	<i>52,800</i>
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FY 2018 Program Maintenance	23.00	2,617,700	25,000	0	2,642,700
<i>Governor's Recommendation</i>	<i>23.00</i>	<i>2,644,500</i>	<i>25,000</i>	<i>0</i>	<i>2,669,500</i>

Office of State Appellate Public Defender

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Deputy SAPD Retention Plan		Office of State Appellate Public Defender			
<p>The SAPD requests \$196,200 in ongoing personnel costs from the General Fund to provide salary increases to agency staff in order to increase retention. According to the agency, low compensation has impacted its ability to hire and retain experienced attorneys. Compared to the agency's current median attorney salary of \$64,812 per year, competing public agencies, such as the Ada County Public Defender's Office, pay its attorneys a median annual salary of \$76,975. Similarly, the Canyon County Public Defender's Office pays its attorneys a median annual salary of \$76,679. On average, the SAPD loses two or three experienced attorneys each year to employment in the private sector as well as to other competing public agencies. However, in the last two years, five of the SAPD's 16 attorneys have left the office for other employment. Currently, the agency's attorneys each handle approximately 51 appeals annually, more than twice the number (25) recommended by the Sixth Amendment Center and the National Legal Aid and Defender Association. What is more, the constant reassignment of attorneys damages attorney-client relationships, as well as contributes to potential deficiencies in representation which may result in claims of ineffective assistance of counsel and civil lawsuits. The retention plan would provide the agency with the additional personnel costs needed to raise the annual median salary for its attorneys to \$71,656.</p>					
Agency Request	0.00	196,200	0	0	196,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>196,200</i>	<i>0</i>	<i>0</i>	<i>196,200</i>
2. Capital Evidentiary Hearing Costs		Capital and Conflict Representation			
<p>The agency requests \$48,300 in one-time operating expenditures to pay for the costs associated with its unusually high capital caseload. The SAPD expects that it will be responsible for two capital evidentiary hearings during FY 2018. It also expects to begin preparing for a third capital evidentiary hearing, which will take place in FY 2019. Over the last ten fiscal years, the SAPD has not handled more than one evidentiary hearing in a given year. The SAPD currently has a base appropriation of \$94,900 for capital cases. This line item would fund the additional amount needed to cover the cost of its capital caseload, including investigation; travel and lodging; expert and lay witnesses; and conflict counsel.</p>					
Agency Request	0.00	48,300	0	0	48,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>48,300</i>	<i>0</i>	<i>0</i>	<i>48,300</i>
3. ICJC Operating Costs		Office of State Appellate Public Defender			
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends removing the agency's ongoing appropriation from the Miscellaneous Revenue Fund in the amount of \$25,000. The agency currently has this appropriation for operating expenditures related to the Idaho Criminal Justice Commission (ICJC) because the former SAPD was the gubernatorial-appointed chair of the ICJC. The ICJC was originally created by executive order in 2005 to promote efficiency and effectiveness of the criminal justice system and to encourage dialogue among the respective branches of government. The ICJC is currently authorized by Executive Order No. 2015-10. The revenue to support the appropriation is derived from contributions from member agencies and organizations. Because the SAPD is no longer the chair of the ICJC, and because the chairmanship changes, the Governor recommends appropriating the \$25,000 to the Division of Financial Management.</i></p>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(25,000)</i>	<i>0</i>	<i>(25,000)</i>
Cybersecurity Insurance					
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	200	0	0	200
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>200</i>	<i>0</i>	<i>0</i>	<i>200</i>
FY 2018 Total					
Agency Request	23.00	2,862,400	25,000	0	2,887,400
<i>Governor's Recommendation</i>	<i>23.00</i>	<i>2,889,200</i>	<i>0</i>	<i>0</i>	<i>2,889,200</i>

Office of State Appellate Public Defender

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	225,800	0	0	225,800
% Change from Original App	0.0%	8.6%	0.0%		8.5%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	252,600	(25,000)	0	227,600
% Change from Original App	0.0%	9.6%	(100.0%)		8.6%

Division of Veterans Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	987,400	969,400	1,056,400	1,113,600	1,126,900
Dedicated	16,001,800	15,192,100	17,651,300	17,683,600	18,444,500
Federal	15,179,500	14,530,100	16,792,500	16,209,100	25,038,400
Total:	32,168,700	30,691,600	35,500,200	35,006,300	44,609,800
Percent Change:		(4.6%)	15.7%	(1.4%)	25.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	19,986,300	19,453,600	21,993,700	22,578,200	22,775,600
Operating Expenditures	10,793,800	9,904,000	10,339,200	11,371,700	20,777,800
Capital Outlay	937,700	902,600	2,771,400	878,000	878,000
Trustee/Benefit	450,900	431,400	395,900	178,400	178,400
Total:	32,168,700	30,691,600	35,500,200	35,006,300	44,609,800
Full-Time Positions (FTP)	331.00	331.00	333.00	346.00	346.00

Division Description

The Idaho Division of Veterans Services assists veterans and their families by operating the veterans homes in Boise, Lewiston, and Pocatello; managing the state veterans cemetery; providing medical and assisted-living care to veterans; extending financial relief and assistance to disabled or destitute wartime veterans and their dependents; administering programs offered by the United States Department of Veterans Affairs; and providing training and other educational assistance to veterans. The division also assists veterans and their families in navigating federal processes to obtain non-state benefits to which they are entitled.

The Idaho State Veterans Cemetery has the mission to inter eligible veterans and their dependents, appropriately mark and record gravesites, and maintain the cemetery as a place of honor for veterans as well as a place of remembrance and reflection for the citizens of Idaho.

Division of Veterans Services

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	333.00	1,056,400	35,500,200	333.00	1,056,400	35,500,200
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	333.00	1,056,400	35,500,200	333.00	1,056,400	35,500,200
Removal of One-Time Expenditures	0.00	(31,300)	(3,826,300)	0.00	(31,300)	(3,826,300)
FY 2018 Base	333.00	1,025,100	31,673,900	333.00	1,025,100	31,673,900
Benefit Costs	0.00	12,200	338,100	0.00	7,900	225,700
Replacement Items	0.00	0	545,600	0.00	0	545,600
Statewide Cost Allocation	0.00	0	(11,100)	0.00	0	(11,100)
Change in Employee Compensation	0.00	8,300	170,000	0.00	24,900	478,000
FY 2018 Program Maintenance	333.00	1,045,600	32,716,500	333.00	1,057,900	32,912,100
1. Additional Veterans Service Officer	1.00	58,800	58,800	1.00	59,800	59,800
2. Additional Operational Staff	1.50	9,200	111,600	1.50	9,200	111,000
3. Additional Patient-Related Staff	10.50	0	537,600	10.50	0	539,000
4. New Capital Outlay	0.00	0	484,800	0.00	0	484,800
5. Veterans Recognition Income Fund	0.00	0	127,500	0.00	0	127,500
6. Idaho Suicide Hotline	0.00	0	80,000	0.00	0	80,000
7. Veterans Treatment Courts	0.00	0	80,000	0.00	0	80,000
8. Self-Funded Facility Projects	0.00	0	0	0.00	0	1,910,000
9. Second Veterans Cemetery	0.00	0	809,400	0.00	0	8,305,500
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	346.00	1,113,600	35,006,300	346.00	1,126,900	44,609,800
Change from Original Appropriation	13.00	57,200	(493,900)	13.00	70,500	9,109,600
% Change from Original Appropriation		5.4%	(1.4%)		6.7%	25.7%

Division of Veterans Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	333.00	1,056,400	17,651,300	16,792,500	35,500,200

Noncognizable Funds and Transfers

Shifts 1.00 FTP from the General Fund to the Miscellaneous Revenue Fund and shifts 0.50 FTP from the Veterans Home Endowment Income Fund to the Federal Grant Fund to align with ongoing revenue sources.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2017 Estimated Expenditures					
Agency Request	333.00	1,056,400	17,651,300	16,792,500	35,500,200
Governor's Recommendation	333.00	1,056,400	17,651,300	16,792,500	35,500,200

Removal of One-Time Expenditures

Agency Request	0.00	(31,300)	(1,605,600)	(2,189,400)	(3,826,300)
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Governor's Recommendation	0.00	(31,300)	(1,605,600)	(2,189,400)	(3,826,300)
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FY 2018 Base					
Agency Request	333.00	1,025,100	16,045,700	14,603,100	31,673,900
Governor's Recommendation	333.00	1,025,100	16,045,700	14,603,100	31,673,900

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	12,200	211,000	114,900	338,100
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	7,900	141,000	76,800	225,700
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Replacement Items

The division requests \$21,600 in operating expenditures and \$524,000 in capital outlay to replace furniture, vehicles, appliances, and IT equipment. Of the amount requested, \$100,000 is from the Miscellaneous Revenue Fund; \$125,000 is from the Veterans Home Endowment Income Fund; and \$320,600 is from the Federal Grant Fund.

Agency Request	0.00	0	225,000	320,600	545,600
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Governor's Recommendation	0.00	0	225,000	320,600	545,600
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$10,300, State Controller fees will decrease by \$6,100, Attorney General fees will decrease by \$14,600, and State Treasurer fees will decrease by \$700, for a net reduction of \$11,100.

Agency Request	0.00	0	(3,100)	(8,000)	(11,100)
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Governor's Recommendation	0.00	0	(3,100)	(8,000)	(11,100)
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	8,300	104,200	57,500	170,000
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$100 for that purpose.

Governor's Recommendation	0.00	24,900	282,300	170,800	478,000
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Division of Veterans Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Program Maintenance					
Agency Request	333.00	1,045,600	16,582,800	15,088,100	32,716,500
<i>Governor's Recommendation</i>	<i>333.00</i>	<i>1,057,900</i>	<i>16,690,900</i>	<i>15,163,300</i>	<i>32,912,100</i>

1. Additional Veterans Service Officer

A veterans service officer (VSO) provides outreach to veterans regarding eligible programs and provides assistance with necessary paperwork. There are currently 11 full-time VSOs, 7 support staff, and 1 administrator spread throughout Idaho to assist more than 132,000 veterans. Currently, outreach for the Caldwell area is being done by a VSO from the Boise office. This outreach is done on a part-time basis and the division requests \$58,800 and 1.00 FTP for a full-time VSO to serve the Caldwell area. [Ongoing]

Agency Request	1.00	58,800	0	0	58,800
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

<i>Governor's Recommendation</i>	<i>1.00</i>	<i>59,800</i>	<i>0</i>	<i>0</i>	<i>59,800</i>
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2. Additional Operational Staff

Division IT staff have seen an increase in workload with changes related to cybersecurity policy changes from the Idaho Technology Authority (ITA) and from federal agencies. To help with these increased demands, the division requests a 0.50 FTP for an application development senior analyst. Further, the division is requesting an additional 1.00 FTP (split between two 0.50 FTP) for two part-time IT support tech positions to assist with the support of the nursing homes' electronic medical health records system. One position will be housed at the Lewiston Veterans Home and the other at the Pocatello Veterans Home. Currently IT support is being handled from Boise with support staff assisting the Pocatello and Lewiston homes through email, phone, and travel. This request also includes \$9,200 one-time from the General Fund for office equipment and computer hardware. [Ongoing and one-time]

Agency Request	1.50	9,200	0	102,400	111,600
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Health insurance costs reduced to recommended level.

<i>Governor's Recommendation</i>	<i>1.50</i>	<i>9,200</i>	<i>0</i>	<i>101,800</i>	<i>111,000</i>
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3. Additional Patient-Related Staff

The division requests \$537,600 and 10.50 FTP to increase the staffing levels at the three veterans homes in Boise, Pocatello, and Lewiston. Based on staffing ratios needed for patient occupancy levels between 92% and 95%, with a 3.5 patient per day ratio, additional staff are needed. Further, this request is compounded with historically high turnover of nursing positions. Currently, the division contracts with temporary-staffing agencies during times of staffing shortages. However, the division indicates that finding qualified temporary help is a challenge and can be very costly, especially in Lewiston and Pocatello. Maintaining staff-patient ratios at a safe level is required for Medicare and Medicaid certification. The request includes 4.00 FTP for certified nursing assistants (CNA), 4.00 FTP for licensed practical nurses (LPN), 1.00 FTP for a registered nurse (RN), 1.00 FTP for a senior registered nurse, and a 0.50 FTP to convert a part-time recreation assistant to full-time. The nursing positions will be distributed throughout the three homes and the recreation assistant will be at the Pocatello facility. In total, Boise will have an additional 3.00 FTP, Lewiston will have an additional 5.00 FTP, and Pocatello will have an additional 2.50 FTP. [Ongoing]

Agency Request	10.50	0	163,900	373,700	537,600
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Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

<i>Governor's Recommendation</i>	<i>10.50</i>	<i>0</i>	<i>167,300</i>	<i>371,700</i>	<i>539,000</i>
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4. New Capital Outlay

The division requests \$484,800 to purchase new capital outlay items. This includes \$163,400 for health care equipment; \$103,000 for networking software; \$72,500 for server and storage hardware; \$41,900 for various appliances; \$20,400 for a vehicle; and \$83,600 for various other items. [One-time]

Agency Request	0.00	0	0	484,800	484,800
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>484,800</i>	<i>484,800</i>
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Division of Veterans Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. Veterans Recognition Income Fund

In 2013, the Legislature established the Veterans Recognition Fund and the Veterans Recognition Income Fund. The recognition fund is statutorily designed to benefit veterans in Idaho, with priority given to activities that serve disabled veterans (§65-704, Idaho Code). The income fund, upon request by the administrator of the division, can transfer up to five percent (5%) of the Idaho Veterans Recognition Fund's average monthly fair market value for the first twelve (12) months of the preceding twenty-four (24) months. Further, the distribution shall not exceed the Idaho Veterans Recognition Fund's fair market value on the first business day in July. Funding recommendations are to be made by the Veterans Recognition Committee and presented to the division. FY 2018 will be the third year that money is available for appropriation.

The division agrees with the committee's recommendations and requests that funds be awarded as follows: (1) \$10,000 for the Wyakin Warrior Program; (2) \$35,000 for the Legacy Corps for Veteran and Military Families; (3) \$25,000 for Bravehearts; (4) \$10,000 for the University of Idaho Operation Education; (5) \$12,500 for the Idaho Supreme Court; (6) \$10,000 for Idaho State University Veteran Student Services Center; and (7) \$25,000 for the Veterans Support Fund. [One-time]

Agency Request	0.00	0	127,500	0	127,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>127,500</i>	<i>0</i>	<i>127,500</i>

6. Idaho Suicide Hotline

The division requests \$80,000 to provide support to the Idaho Suicide Hotline to assist not only veterans, but all of Idaho's population. The hotline is managed by Jannus, Inc., a non-profit organization. As of June 30, 2016, 447 veterans or their families called into the hotline and this equates to about 15.6% of the calls received. [One-time]

The hotline receives funding from various sources including the Idaho Division of Veterans Services, Department of Health and Welfare, private foundations, individual donations, and the St. Alphonsus Regional Medical Center. In FY 2016, the hotline received \$600,632, with \$150,000 directly from the state. During the 2016 legislative session, the Legislature established a Suicide Prevention and Awareness Office within Health and Welfare and it included \$223,000 from the General Fund for the hotline.

Agency Request	0.00	0	0	80,000	80,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>80,000</i>	<i>80,000</i>

7. Veterans Treatment Courts

The Veterans Treatment Courts within the Judicial Branch match judicial oversight, intensive treatment, and probation supervision with the focus on providing treatment and support in the community rather than in a correctional facility. These courts are for veterans involved in the criminal justice system with substance abuse or mental health issues. The total number of offenders served has reached 287 with a total of 87 graduates. The division estimates, using 2014 data, that the cost for this program is about \$3,909 per offender, and is far less than the \$20,973 per incarcerated offender. Offenders in this court are required to be engaged in the community through community service hours, required to seek and gain employment or be enrolled in higher education courses, as well as make monthly problem solving court fee payments. These monthly payments are then used to assist in the purchasing of rewards for positive behavior, additional treatment and testing needs, and graduation services. The division requests \$80,000 of one-time operating expenditures to provide access to treatment services for approximately 43 openings in the program. Ongoing funding sources for these courts currently come from Substance Use Disorder Treatment Funds, Mental Health Courts, Drug Courts, and Family Court Services as appropriated to the Judicial Branch. [One-time]

Agency Request	0.00	0	0	80,000	80,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>80,000</i>	<i>80,000</i>

Division of Veterans Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Self-Funded Facility Projects					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$1,910,000 from federal funds and from the Miscellaneous Revenue Fund for facility projects not recommended by the Permanent Building Fund Advisory Council. This recommendation includes funding for fire suppression equipment for information technology rooms (\$300,000); mechanical room valves and controls (\$160,000); the removal of a sewer line (\$400,000); and the replacement of cabinetry (\$250,000), a liquid oxygen tank (\$200,000), windows (\$100,000), and fan coil units and system glycol (\$500,000). [One-time]</i>					
Governor's Recommendation	0.00	0	649,400	1,260,600	1,910,000
9. Second Veterans Cemetery					
The division requests \$809,400 for the proposed second Veterans Cemetery in eastern Idaho from the Veterans Recognition Income Fund.					
Agency Request	0.00	0	809,400	0	809,400
<i>The Governor recommends \$7,496,100 one-time from federal funds for a second state veterans cemetery to be located in Eastern Idaho. It is anticipated that the United States Department of Veterans Affairs will award the Idaho Division of Veterans Services a grant in FY 2018 to fund the majority of construction costs of a new cemetery. The new project is projected to cost a total of \$8,305,500. This recommendation provides the necessary federal funds for the anticipated grant. The state match of \$809,400 will be provided from the Veterans Recognition Income Fund. Construction is anticipated to take two years. The Governor recommends funding the total project costs in FY 2018 with reappropriation authority to complete the project in FY 2019.</i>					
Governor's Recommendation	0.00	0	809,400	7,496,100	8,305,500
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	0	100	100
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	0	0	100	100
FY 2018 Total					
Agency Request	346.00	1,113,600	17,683,600	16,209,100	35,006,300
Governor's Recommendation	346.00	1,126,900	18,444,500	25,038,400	44,609,800
Agency Request					
Change from Original App	13.00	57,200	32,300	(583,400)	(493,900)
% Change from Original App	3.9%	5.4%	0.2%	(3.5%)	(1.4%)
Governor's Recommendation					
Change from Original App	13.00	70,500	793,200	8,245,900	9,109,600
% Change from Original App	3.9%	6.7%	4.5%	49.1%	25.7%

Idaho Legislative Budget Book

Idaho Transportation Department

2017 Legislative Session

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Idaho Transportation Department

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Transportation Services	31,671,900	27,821,400	34,096,100	37,722,700	37,938,800
Motor Vehicles	34,065,400	31,801,000	35,315,500	37,276,300	37,425,300
Highway Operations	188,797,500	171,261,600	194,886,900	198,411,200	199,562,000
Contract Const & Right-of-Way	494,787,900	282,864,500	391,586,600	390,328,500	390,825,400
Total:	749,322,700	513,748,500	655,885,100	663,738,700	665,751,500
BY FUND CATEGORY					
Dedicated	449,647,000	301,582,000	354,476,100	352,356,600	354,204,500
Federal	299,675,700	212,166,500	301,409,000	311,382,100	311,547,000
Total:	749,322,700	513,748,500	655,885,100	663,738,700	665,751,500
Percent Change:		(31.4%)	27.7%	1.2%	1.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	122,414,200	105,878,300	130,956,700	130,262,600	131,778,500
Operating Expenditures	109,168,100	87,909,300	96,688,800	98,642,300	98,642,300
Capital Outlay	494,950,300	302,374,300	407,014,200	409,146,900	409,643,800
Trustee/Benefit	22,790,100	17,586,600	21,225,400	25,686,900	25,686,900
Total:	749,322,700	513,748,500	655,885,100	663,738,700	665,751,500
Full-Time Positions (FTP)	1,698.70	1,698.70	1,678.00	1,678.00	1,678.00

Department Description

The Idaho Transportation Department has four divisions and six budgeted programs: 1) Transportation Services (Administration, Capital Facilities and Aeronautics); 2) Motor Vehicles; 3) Highway Operations; and 4) Contract Construction & Right-of-Way Acquisition.

1) The Administration Program develops long-range budgetary plans; develops legislation and operates information systems; provides employee services, financial services, and facilities management; and coordinates research activities. 2) The Motor Vehicles Program manages driver's licenses, vehicle registrations, license plates, and vehicle titles. 3) The Highway Operations Division directs 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. 4) Capital Facilities administers the design, building, and maintenance of department facilities. 5) Contract Construction & Right-of-Way Acquisition accounts for the funds necessary for highway construction projects that maintain and improve the state's highway system. 6) Aeronautics assists Idaho municipalities in developing their airports and operates the state's statewide air fleet.

In December 2015, a new surface transportation bill, Fixing America's Surface Transportation Act (FAST) was passed. It is a five-year bill that expires in the year 2020. Following an initial 5% increase in funding overall, FAST increased most of Idaho's highway, transit, and safety program funding at 2% per year through 2020. FAST distributes nearly 93% of all federal highway contract authority to states through formula programs. FAST created a new highway freight program and required states to establish a state freight plan. The FAST streamlined environmental review and permitting processes, which expedites project delivery. It also included corresponding increases in public transportation funding, expanding public-private investment and partnerships, and allows more state control in safety programs.

Idaho Transportation Department

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	1,678.00	0	655,885,100	1,678.00	0	655,885,100
Reappropriation	0.00	0	230,552,800	0.00	0	230,552,800
Supplementals						
Contract Construction & Right-of-Way Acqui						
1. H312 General Fund Surplus	0.00	0	10,965,600	0.00	0	10,965,600
2. Federal Highway Admin Funding	0.00	0	13,795,300	0.00	0	13,795,300
FY 2017 Total Appropriation	1,678.00	0	911,198,800	1,678.00	0	911,198,800
Removal of One-Time Expenditures	0.00	0	(315,355,500)	0.00	0	(315,355,500)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	1,678.00	0	595,843,300	1,678.00	0	595,843,300
Benefit Costs	0.00	0	2,005,300	0.00	0	1,434,100
Replacement Items	0.00	0	24,748,800	0.00	0	24,748,800
Statewide Cost Allocation	0.00	0	165,700	0.00	0	165,700
Change in Employee Compensation	0.00	0	1,056,700	0.00	0	3,143,800
FY 2018 Program Maintenance	1,678.00	0	623,819,800	1,678.00	0	625,335,700
Line Items						
Transportation Services						
2. Winterized Maintenance Facilities	0.00	0	2,518,000	0.00	0	2,518,000
4. Idaho Airport Aid Program	0.00	0	450,000	0.00	0	450,000
6. Backup and Recovery Infrastructure	0.00	0	2,186,200	0.00	0	2,186,200
8. Load-Balanced Network Initiative	0.00	0	760,000	0.00	0	760,000
9. Security and Forensics Software	0.00	0	330,500	0.00	0	330,500
12. Idaho Airport System Plan Fed Funding	0.00	0	100,000	0.00	0	100,000
14. Disadvantaged Entities Fed Funds	0.00	0	200,000	0.00	0	200,000
Motor Vehicles						
5. New DMV Office in Kootenai Co	0.00	0	20,900	0.00	0	20,900
7. DMV Equipment for County Offices	0.00	0	8,000	0.00	0	8,000
13. Commercial Drivers Federal Funds	0.00	0	1,000,000	0.00	0	1,000,000
Highway Operations						
3. ITD Winter Road Equipment	0.00	0	768,300	0.00	0	768,300
10. FHWA FAST Act Increases	0.00	0	753,900	0.00	0	753,900
11. Federal Transit Administration Funds	0.00	0	3,350,000	0.00	0	3,350,000
Contract Construction & Right-of-Way Acqui						
1. Contract Construction Funds	0.00	0	27,379,300	0.00	0	27,876,200
Omnibus Decisions	0.00	0	93,800	0.00	0	93,800
FY 2018 Total	1,678.00	0	663,738,700	1,678.00	0	665,751,500
Chg from FY 2017 Orig Approp.	0.00	0	7,853,600	0.00	0	9,866,400
% Chg from FY 2017 Orig Approp.	0.0%		1.2%	0.0%		1.5%

Transportation Services

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	24,656,200	22,678,400	27,997,800	28,532,500	28,735,800
Capital Facilities	3,345,000	2,826,300	3,345,000	5,863,000	5,863,000
Aeronautics	3,670,700	2,316,700	2,753,300	3,327,200	3,340,000
Total:	31,671,900	27,821,400	34,096,100	37,722,700	37,938,800
BY FUND CATEGORY					
Dedicated	30,516,000	26,988,200	32,911,600	36,223,100	36,433,600
Federal	1,155,900	833,200	1,184,500	1,499,600	1,505,200
Total:	31,671,900	27,821,400	34,096,100	37,722,700	37,938,800
Percent Change:		(12.2%)	22.6%	10.6%	11.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	16,578,400	15,428,700	17,709,900	17,500,500	17,716,600
Operating Expenditures	9,203,600	8,081,900	10,334,700	10,589,200	10,589,200
Capital Outlay	3,969,200	3,818,100	5,261,500	8,193,000	8,193,000
Trustee/Benefit	1,920,700	492,700	790,000	1,440,000	1,440,000
Total:	31,671,900	27,821,400	34,096,100	37,722,700	37,938,800
Full-Time Positions (FTP)	204.70	204.70	203.70	203.00	203.00

Division Description

The Transportation Services Division includes the following three programs:

- 1) The Administration Program develops long-range budgetary plans; develops legislation and operates information systems; provides employee services, financial services, and facilities management; and coordinates research activities.
- 2) Capital Facilities administers the design, building, and maintenance of department facilities.
- 3) Aeronautics assists Idaho municipalities in developing their airports and operates the state's air fleet.

Transportation Services

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	203.70	0	34,096,100	203.70	0	34,096,100
Reappropriation	0.00	0	1,080,000	0.00	0	1,080,000
FY 2017 Total Appropriation	203.70	0	35,176,100	203.70	0	35,176,100
Removal of One-Time Expenditures	0.00	0	(4,863,100)	0.00	0	(4,863,100)
Base Adjustments	(0.70)	0	(91,100)	(0.70)	0	(91,100)
FY 2018 Base	203.00	0	30,221,900	203.00	0	30,221,900
Benefit Costs	0.00	0	260,000	0.00	0	186,600
Replacement Items	0.00	0	593,300	0.00	0	593,300
Statewide Cost Allocation	0.00	0	(57,100)	0.00	0	(57,100)
Change in Employee Compensation	0.00	0	145,800	0.00	0	435,300
FY 2018 Program Maintenance	203.00	0	31,163,900	203.00	0	31,380,000
2. Winterized Maintenance Facilities	0.00	0	2,518,000	0.00	0	2,518,000
4. Idaho Airport Aid Program	0.00	0	450,000	0.00	0	450,000
6. Backup and Recovery Infrastructure	0.00	0	2,186,200	0.00	0	2,186,200
8. Load-Balanced Network Initiative	0.00	0	760,000	0.00	0	760,000
9. Security and Forensics Software	0.00	0	330,500	0.00	0	330,500
12. Idaho Airport System Plan Fed Funding	0.00	0	100,000	0.00	0	100,000
14. Disadvantaged Entities Fed Funds	0.00	0	200,000	0.00	0	200,000
Cybersecurity Insurance	0.00	0	14,100	0.00	0	14,100
FY 2018 Total	203.00	0	37,722,700	203.00	0	37,938,800
Change from Original Appropriation	(0.70)	0	3,626,600	(0.70)	0	3,842,700
% Change from Original Appropriation			10.6%			11.3%

Transportation Services

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	203.70	0	32,911,600	1,184,500	34,096,100

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance for the aeronautics Idaho Airport Aid Program from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	1,080,000	0	1,080,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,080,000</i>	<i>0</i>	<i>1,080,000</i>

FY 2017 Total Appropriation					
Agency Request	203.70	0	33,991,600	1,184,500	35,176,100
<i>Governor's Recommendation</i>	<i>203.70</i>	<i>0</i>	<i>33,991,600</i>	<i>1,184,500</i>	<i>35,176,100</i>

Removal of One-Time Expenditures

Agency Request	0.00	0	(4,848,700)	(14,400)	(4,863,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(4,848,700)</i>	<i>(14,400)</i>	<i>(4,863,100)</i>

Base Adjustments

Administration, Aeronautics

The department requests 2.00 FTP, \$134,100 in personnel costs, and \$30,000 in operating expenditures in the dedicated State Highway Fund to be transferred from the Administration Program to the Division of Motor Vehicles. This request is to align FTP as 95% of the document processing done by ITD's imaging center is on behalf of the Division of Motor Vehicles.

The department requests 1.00 FTP and \$50,500 in personnel costs from the State Highway Fund to be transferred from the Division of Motor Vehicles to the Administration Program. This request would help realign FTP that were performing core financial support functions to the Administrative Program.

The department also requests 0.30 FTP and \$22,500 in personnel costs from the State Highway Fund to be transferred from the Highway Operations Division to the Administration Program. If approved, this 0.30 FTP transfer will be combined to create 1.00 FTP in the Enterprise Technology Services section of the Administration Program to provide IT assistance.

The department requests a fund adjustment reducing \$26,800 from the dedicated State Aeronautics Fund and \$1,500 from the billing State Aeronautics Fund to increase the ongoing appropriation of the federal State Aeronautics Fund for a net effect of zero. This request will transfer \$28,300 in personnel costs to the federal State Aeronautics Fund to realign funding in the Aeronautics Program.

Agency Request	(0.70)	0	(119,400)	28,300	(91,100)
<i>Governor's Recommendation</i>	<i>(0.70)</i>	<i>0</i>	<i>(119,400)</i>	<i>28,300</i>	<i>(91,100)</i>

FY 2018 Base					
Agency Request	203.00	0	29,023,500	1,198,400	30,221,900
<i>Governor's Recommendation</i>	<i>203.00</i>	<i>0</i>	<i>29,023,500</i>	<i>1,198,400</i>	<i>30,221,900</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	252,700	7,300	260,000
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>181,500</i>	<i>5,100</i>	<i>186,600</i>
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Transportation Services

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

In the Administration Program, the department requests \$108,000 from the State Highway Fund for replacement servers and \$324,300 in capital outlay for computers, switches, printers, and other miscellaneous office equipment.

In the Aeronautics Program, the department requests \$161,000 for two tractors, two ATVs, four desktop computers, two lawn tractors, one automatic dependent surveillance GPS unit, and two mowers.

Agency Request	0.00	0	593,300	0	593,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>593,300</i>	<i>0</i>	<i>593,300</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$3,200, State Controller fees will decrease by \$42,600, Attorney General fees will decrease by \$14,800, and State Treasurer fees will decrease by \$2,900, for a net reduction of \$57,100.

Agency Request	0.00	0	(57,100)	0	(57,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(57,100)</i>	<i>0</i>	<i>(57,100)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	141,900	3,900	145,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>423,600</i>	<i>11,700</i>	<i>435,300</i>
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FY 2018 Program Maintenance

Agency Request	203.00	0	29,954,300	1,209,600	31,163,900
<i>Governor's Recommendation</i>	<i>203.00</i>	<i>0</i>	<i>30,164,800</i>	<i>1,215,200</i>	<i>31,380,000</i>

2. Winterized Maintenance Facilities

Capital Facilities

The department requests \$2,518,000 in one-time capital outlay from the State Highway Fund to improve targeted facilities for winter maintenance. Currently some snowplows and other winter maintenance supplies are directly exposed to winter elements, causing diesel fuel to gel in extreme cold and electronics to not function until the unit is up to temperature. Further, some salt stockpiles and sand materials are not under cover and exposed to excessive moisture, resulting in materials that are either washed away or become caked together. This one-time request will add to the base of \$3,345,000 to work on 14 targeted facility upgrades in the form of roof repair and/or building of storage sheds.

Agency Request	0.00	0	2,518,000	0	2,518,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,518,000</i>	<i>0</i>	<i>2,518,000</i>

4. Idaho Airport Aid Program

Aeronautics

The department requests a one-time appropriation of \$450,000 in trustee & benefit payments from the State Aeronautics Fund for the Idaho Airport Aid Program (IAAP). The IAAP has \$550,000 in the ongoing base and provides matching funds and/or direct assistance to approximately 80 airports statewide for public airport improvements, safety improvements, and maintenance of infrastructure. Funding for the addition of \$450,000 to the IAAP comes primarily from increased volumes of aviation fuel being used at the Boise Airport as airlines add more routes that go through Boise.

Agency Request	0.00	0	450,000	0	450,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>450,000</i>	<i>0</i>	<i>450,000</i>

Transportation Services

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. Backup and Recovery Infrastructure					Administration
<p>The department requests a one-time appropriation totaling \$2,186,200 from the State Highway Fund to purchase hardware, software, and services for improved functionality of backup and recovery infrastructure. This request will upgrade existing technology, and provide increased capacity to meet growing data needs. Current backup methods require transporting magnetic tape to offsite storage locations on a daily basis. Further, ITD maintains documentation of state bridges for the life of the bridge, which has resulted in the backup data at the offsite location to approach 96% of capacity. This line item will consist of \$717,700 for operating expenditures and \$1,468,500 of capital outlay. The proposed system would reduce the recovery time needed to rebuild business systems in the event of a total loss of system operations.</p>					
Agency Request	0.00	0	2,186,200	0	2,186,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,186,200</i>	<i>0</i>	<i>2,186,200</i>
8. Load-Balanced Network Initiative					Administration
<p>The department requests \$500,000 one-time and \$260,000 ongoing from the State Highway Fund to complete a cloud services assessment plan, develop a prioritization schedule of implementation, and transition two applications to a cloud services platform. The ongoing operating expenditures will continue for the hardware and software licensing of new infrastructure (\$60,000) and provide for ongoing internet connection maintenance costs and the future implementation of third party services providers (\$200,000). The one-time capital outlay will pay for hardware and software infrastructure (\$300,000) and the one-time operating expenditures would be used to hire a third party to help complete an assessment plan (\$200,000). This request will establish a secondary internet connection separate from the State Controller's Office to guarantee access at all times, and will also outsource business application maintenance and updates to a third party to reduce IT demands within ITD.</p>					
Agency Request	0.00	0	760,000	0	760,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>760,000</i>	<i>0</i>	<i>760,000</i>
9. Security and Forensics Software					Administration
<p>The department requests an appropriation including \$295,500 one-time and \$35,000 ongoing in operating expenditures from the State Highway Fund to purchase cybersecurity and forensics software. This software will mitigate risk through computer investigation in the event of a security breach and enable administrators to shut down compromised machines immediately to minimize the effects of breaches. This software will also assist in completing request for information projects required through the Idaho Public Records Act. Forensics software will also assist in discovering how the data was breached, what information was accessed, and will create digital replications of the crime scene to assist law enforcement investigations.</p>					
Agency Request	0.00	0	330,500	0	330,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>330,500</i>	<i>0</i>	<i>330,500</i>
12. Idaho Airport System Plan Fed Funding					Aeronautics
<p>The department requests a one-time appropriation of \$90,000 in operating expenditures from the federal State Aeronautics Fund and \$10,000 state match for the anticipated increase of federal grants through the Federal Aviation Administration (FAA) during FY 2018. The FAA grants will provide funding to update the Idaho Airport System Plan and the Economic Impacts of Idaho Airports study, which are completed every five to ten years. The Idaho Airport System Plan provides a macro level assessment of each of Idaho's airports and determines the demand and infrastructure needs of each airport. The Economic Impacts of Idaho Airports study uses methodologies from the Federal Aviation Administration to determine the economic contributions of airports across the state. Both of these studies were last completed in 2010.</p>					
Agency Request	0.00	0	10,000	90,000	100,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>10,000</i>	<i>90,000</i>	<i>100,000</i>

Transportation Services

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
14. Disadvantaged Entities Fed Funds					Administration
<p>The department requests an appropriation of \$200,000 in ongoing trustee & benefit payments from the federal State Highway Fund, with no state match requirement, for increased discretionary grant opportunities through the FAST Act. This request will add to the \$240,000 base should the department secure additional federal discretionary grants. Programs that utilize this funding include Disadvantaged Business Enterprise (DBE), Equal Employment Opportunity (EEO), and On-The-Job Training Supportive Services (OJT/SS). These programs provide funding to assist minorities, women, and disadvantaged entities throughout the state become self-sufficient and capable of competing for highway project contracts.</p>					
Agency Request	0.00	0	0	200,000	200,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>200,000</i>	<i>200,000</i>
Cybersecurity Insurance					Administration
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	0	14,100	0	14,100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>14,100</i>	<i>0</i>	<i>14,100</i>
FY 2018 Total					
Agency Request	203.00	0	36,223,100	1,499,600	37,722,700
<i>Governor's Recommendation</i>	<i>203.00</i>	<i>0</i>	<i>36,433,600</i>	<i>1,505,200</i>	<i>37,938,800</i>
Agency Request					
Change from Original App	(0.70)	0	3,311,500	315,100	3,626,600
% Change from Original App	(0.3%)		10.1%	26.6%	10.6%
<i>Governor's Recommendation</i>					
Change from Original App	(0.70)	0	3,522,000	320,700	3,842,700
% Change from Original App	(0.3%)		10.7%	27.1%	11.3%

Motor Vehicles

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	31,465,400	31,480,400	32,715,500	33,676,300	33,825,300
Federal	2,600,000	320,600	2,600,000	3,600,000	3,600,000
Total:	34,065,400	31,801,000	35,315,500	37,276,300	37,425,300
Percent Change:		(6.6%)	11.1%	5.6%	6.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	13,971,200	13,691,800	15,136,900	15,188,100	15,337,100
Operating Expenditures	19,828,700	17,322,500	20,000,600	21,244,400	21,244,400
Capital Outlay	265,500	786,700	178,000	843,800	843,800
Total:	34,065,400	31,801,000	35,315,500	37,276,300	37,425,300
Full-Time Positions (FTP)	234.00	234.00	236.00	237.00	237.00

Division Description

The Division of Motor Vehicles (DMV) manages driver's licenses, vehicle registrations, license plates, and vehicle titles. This division also works to meet the needs and expectations of motor vehicle customers and the county sheriffs and assessors who work as the department's agents.

Motor Vehicles

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	236.00	0	35,315,500	236.00	0	35,315,500
Removal of One-Time Expenditures	0.00	0	(630,000)	0.00	0	(630,000)
Base Adjustments	1.00	0	113,600	1.00	0	113,600
FY 2018 Base	237.00	0	34,799,100	237.00	0	34,799,100
Benefit Costs	0.00	0	298,900	0.00	0	213,700
Replacement Items	0.00	0	948,900	0.00	0	948,900
Statewide Cost Allocation	0.00	0	2,300	0.00	0	2,300
Change in Employee Compensation	0.00	0	118,500	0.00	0	352,700
FY 2018 Program Maintenance	237.00	0	36,167,700	237.00	0	36,316,700
5. New DMV Office in Kootenai County	0.00	0	20,900	0.00	0	20,900
7. DMV Equipment for County Offices	0.00	0	8,000	0.00	0	8,000
13. Commercial Drivers Federal Funds	0.00	0	1,000,000	0.00	0	1,000,000
Cybersecurity Insurance	0.00	0	79,700	0.00	0	79,700
FY 2018 Total	237.00	0	37,276,300	237.00	0	37,425,300
Change from Original Appropriation	1.00	0	1,960,800	1.00	0	2,109,800
% Change from Original Appropriation			5.6%			6.0%

Motor Vehicles

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	236.00	0	32,715,500	2,600,000	35,315,500
Removal of One-Time Expenditures					
Agency Request	0.00	0	(630,000)	0	(630,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(630,000)</i>	<i>0</i>	<i>(630,000)</i>

Base Adjustments

The department requests 2.00 FTP, \$134,100 in personnel costs, and \$30,000 in operating expenditures in the dedicated State Highway Fund to be transferred from the Administration Program to the Division of Motor Vehicles. This request is to align FTP as 95% of the document processing done by ITD's imaging center is on behalf of the Division of Motor Vehicles.

The department requests 1.00 FTP and \$50,500 in personnel costs from the State Highway Fund to be transferred from the Division of Motor Vehicles to the Administration Program. This request would help realign FTP that were performing core financial support functions to the Administrative Program.

Agency Request	1.00	0	113,600	0	113,600
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>113,600</i>	<i>0</i>	<i>113,600</i>

FY 2018 Base					
Agency Request	237.00	0	32,199,100	2,600,000	34,799,100
<i>Governor's Recommendation</i>	<i>237.00</i>	<i>0</i>	<i>32,199,100</i>	<i>2,600,000</i>	<i>34,799,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	298,900	0	298,900
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>213,700</i>	<i>0</i>	<i>213,700</i>

Replacement Items

The department requests \$128,300 in one-time operating expenditures to provide server support and replacement monitors, and \$820,600 in one-time capital outlay for computers, switches, printers and other miscellaneous office equipment. All items are being requested from the dedicated State Highway Fund.

Agency Request	0.00	0	948,900	0	948,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>948,900</i>	<i>0</i>	<i>948,900</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$5,600, and Attorney General fees will decrease by \$3,300, for a net increase of \$2,300.

Agency Request	0.00	0	2,300	0	2,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,300</i>	<i>0</i>	<i>2,300</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	118,500	0	118,500
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$1,100 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>352,700</i>	<i>0</i>	<i>352,700</i>

Motor Vehicles

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Program Maintenance					
Agency Request	237.00	0	33,567,700	2,600,000	36,167,700
<i>Governor's Recommendation</i>	<i>237.00</i>	<i>0</i>	<i>33,716,700</i>	<i>2,600,000</i>	<i>36,316,700</i>

5. New DMV Office in Kootenai County

The department requests an appropriation including \$15,200 in one-time capital outlay and \$5,700 in ongoing operating expenditures from the State Highway Fund for equipment, supplies and connectivity for a new DMV County office in Kootenai County. The new location will issue driver licenses and identification cards, and will allow the county to provide improved services to customers.

Agency Request	0.00	0	20,900	0	20,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>20,900</i>	<i>0</i>	<i>20,900</i>

7. DMV Equipment for County Offices

The department requests a one-time appropriation of \$8,000 in capital outlay from the State Highway Fund to purchase seven workstations and one touchscreen testing station for county driver licensing and motor vehicle offices across the state.

Agency Request	0.00	0	8,000	0	8,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>8,000</i>	<i>0</i>	<i>8,000</i>

13. Commercial Drivers Federal Funds

The department requests an appropriation of \$1,000,000 in ongoing operating expenditures from the federal State Highway Fund, with no state match, for increased discretionary grant opportunities through the FAST Act. Programs that utilize these funds include the Commercial Driver License Program Improvement and the Commercial Vehicles Information Systems Network. The department foresees federal grants exceeding the current base of \$2,600,000, and this request would allow the department to utilize discretionary funds without the need for a supplemental or noncognizable request. These grants are used to provide automated driver license testing systems, integration with national registries of commercial drivers, and port of entry upgrades throughout the state.

Agency Request	0.00	0	0	1,000,000	1,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>1,000,000</i>	<i>1,000,000</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	79,700	0	79,700
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>79,700</i>	<i>0</i>	<i>79,700</i>

FY 2018 Total					
Agency Request	237.00	0	33,676,300	3,600,000	37,276,300
<i>Governor's Recommendation</i>	<i>237.00</i>	<i>0</i>	<i>33,825,300</i>	<i>3,600,000</i>	<i>37,425,300</i>
Agency Request					
Change from Original App	1.00	0	960,800	1,000,000	1,960,800
% Change from Original App	0.4%		2.9%	38.5%	5.6%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>0</i>	<i>1,109,800</i>	<i>1,000,000</i>	<i>2,109,800</i>
<i>% Change from Original App</i>	<i>0.4%</i>		<i>3.4%</i>	<i>38.5%</i>	<i>6.0%</i>

Highway Operations

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	157,677,900	140,830,100	160,937,200	160,483,200	161,474,700
Federal	31,119,600	30,431,500	33,949,700	37,928,000	38,087,300
Total:	188,797,500	171,261,600	194,886,900	198,411,200	199,562,000
Percent Change:		(9.3%)	13.8%	1.8%	2.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	91,864,600	76,757,800	98,109,900	97,574,000	98,724,800
Operating Expenditures	56,759,800	55,660,700	56,128,100	56,583,300	56,583,300
Capital Outlay	23,975,600	23,261,000	24,136,600	23,930,100	23,930,100
Trustee/Benefit	16,197,500	15,582,100	16,512,300	20,323,800	20,323,800
Total:	188,797,500	171,261,600	194,886,900	198,411,200	199,562,000
Full-Time Positions (FTP)	1,260.00	1,260.00	1,238.30	1,238.00	1,238.00

Division 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.

Highway Operations

Comparative Summary

Analyst: Sepich

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	1,238.30	0	194,886,900	1,238.30	0	194,886,900
Removal of One-Time Expenditures	0.00	0	(26,991,300)	0.00	0	(26,991,300)
Base Adjustments	(0.30)	0	(22,500)	(0.30)	0	(22,500)
FY 2018 Base	1,238.00	0	167,873,100	1,238.00	0	167,873,100
Benefit Costs	0.00	0	1,446,400	0.00	0	1,033,800
Replacement Items	0.00	0	23,206,600	0.00	0	23,206,600
Statewide Cost Allocation	0.00	0	220,500	0.00	0	220,500
Change in Employee Compensation	0.00	0	792,400	0.00	0	2,355,800
FY 2018 Program Maintenance	1,238.00	0	193,539,000	1,238.00	0	194,689,800
3. Winter Road Equipment	0.00	0	768,300	0.00	0	768,300
10. Federal FAST Act Increases	0.00	0	753,900	0.00	0	753,900
11. Federal Transit Administration Funds	0.00	0	3,350,000	0.00	0	3,350,000
FY 2018 Total	1,238.00	0	198,411,200	1,238.00	0	199,562,000
Change from Original Appropriation	(0.30)	0	3,524,300	(0.30)	0	4,675,100
% Change from Original Appropriation			1.8%			2.4%

Highway Operations

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	1,238.30	0	160,937,200	33,949,700	194,886,900

Removal of One-Time Expenditures

Agency Request	0.00	0	(26,610,400)	(380,900)	(26,991,300)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(26,610,400)</i>	<i>(380,900)</i>	<i>(26,991,300)</i>

Base Adjustments

The department requests 0.30 FTP and \$22,500 in personnel costs from the State Highway Fund to be transferred from the Highway Operations Division to the Administration Program. If approved, this 0.30 FTP transfer will be combined to create 1.00 FTP in the Enterprise Technology Services section of the Administration Program to provide IT assistance.

Agency Request	(0.30)	0	(22,500)	0	(22,500)
<i>Governor's Recommendation</i>	<i>(0.30)</i>	<i>0</i>	<i>(22,500)</i>	<i>0</i>	<i>(22,500)</i>

FY 2018 Base					
Agency Request	1,238.00	0	134,304,300	33,568,800	167,873,100
<i>Governor's Recommendation</i>	<i>1,238.00</i>	<i>0</i>	<i>134,304,300</i>	<i>33,568,800</i>	<i>167,873,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	1,246,200	200,200	1,446,400
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>890,600</i>	<i>143,200</i>	<i>1,033,800</i>
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Replacement Items

The department requests \$23,161,800 in capital outlay and \$44,800 in operating expenditures from the State Highway Fund to pay for replacement items including backhoes, loaders, motor graders, semis, pickup trucks, snowplows, street sweepers, vans, equipment, computers, tools, printers and other roadwork related machinery. Over 59% of this request provides an appropriation for equipment in the department's Buy-Back Program, which is anticipated to generate \$13,848,700 in equipment sale proceeds that fully offset the buy-back portion of this request and results in \$99,200 in net revenue.

Agency Request	0.00	0	23,206,600	0	23,206,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>23,206,600</i>	<i>0</i>	<i>23,206,600</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$240,700, and Attorney General fees will decrease by \$20,200, for a net increase of \$220,500.

Agency Request	0.00	0	220,500	0	220,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>220,500</i>	<i>0</i>	<i>220,500</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	682,700	109,700	792,400
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$1,400 for that purpose.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,029,800</i>	<i>326,000</i>	<i>2,355,800</i>
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FY 2018 Program Maintenance					
Agency Request	1,238.00	0	159,660,300	33,878,700	193,539,000
<i>Governor's Recommendation</i>	<i>1,238.00</i>	<i>0</i>	<i>160,651,800</i>	<i>34,038,000</i>	<i>194,689,800</i>

Highway Operations

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Winter Road Equipment

The department requests a one-time appropriation of \$768,300 in capital outlay for the purchase of 37 units of various types of road equipment to support ITD's statewide winter operations program. These units include snow plows, pressure washers, weed sprayers, and plows that can be attached to machinery when necessary.

District 1: \$129,300 for six units
 District 2: \$181,000 for eight units
 District 3: \$56,000 for four units
 District 4: no additional equipment
 District 5: \$252,000 for 18 units
 District 6: \$150,000 for one unit

Agency Request	0.00	0	768,300	0	768,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>768,300</i>	<i>0</i>	<i>768,300</i>

10. Federal FAST Act Increases

The department requests an ongoing appropriation of \$753,900 for scheduled FAST Act apportionment increases from FY 2017 to FY 2018. This request consists of \$699,300 from the federal State Highway Fund and a \$54,600 state match to fund various statewide planning and research initiatives.

Agency Request	0.00	0	54,600	699,300	753,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>54,600</i>	<i>699,300</i>	<i>753,900</i>

11. Federal Transit Administration Funds

The department requests a one-time appropriation of \$3,350,000 in trustee & benefit payments from the federal State Highway Fund for prior year obligated but unspent federal funds. These funds will be paid directly to local transit providers and will be used as follows:

\$2,320,000 to provide public transportation in rural areas with populations less than 50,000 residents where citizens rely on public transportation.

\$23,000 to enhance mobility for seniors and individuals with disabilities by providing services beyond the traditional public transportation services that are complementary per the Americans with Disabilities Act.

\$1,007,000 to replace, maintain, and purchase buses and bus facilities.

Agency Request	0.00	0	0	3,350,000	3,350,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>3,350,000</i>	<i>3,350,000</i>

FY 2018 Total					
Agency Request	1,238.00	0	160,483,200	37,928,000	198,411,200
<i>Governor's Recommendation</i>	<i>1,238.00</i>	<i>0</i>	<i>161,474,700</i>	<i>38,087,300</i>	<i>199,562,000</i>

Agency Request					
Change from Original App	(0.30)	0	(454,000)	3,978,300	3,524,300
% Change from Original App	0.0%		(0.3%)	11.7%	1.8%
<i>Governor's Recommendation</i>					
Change from Original App	(0.30)	0	537,500	4,137,600	4,675,100
% Change from Original App	0.0%		0.3%	12.2%	2.4%

Contract Construction & Right-of-Way Acquisition

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	229,987,700	102,283,300	127,911,800	121,974,000	122,470,900
Federal	264,800,200	180,581,200	263,674,800	268,354,500	268,354,500
Total:	494,787,900	282,864,500	391,586,600	390,328,500	390,825,400
Percent Change:		(42.8%)	38.4%	(0.3%)	(0.2%)
BY OBJECT OF EXPENDITURE					
Operating Expenditures	23,376,000	6,844,200	10,225,400	10,225,400	10,225,400
Capital Outlay	466,740,000	274,508,500	377,438,100	376,180,000	376,676,900
Trustee/Benefit	4,671,900	1,511,800	3,923,100	3,923,100	3,923,100
Total:	494,787,900	282,864,500	391,586,600	390,328,500	390,825,400

Division Description

The Contract Construction & Right-of-Way Acquisition Division 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 funding authorized for projects which were in progress, but not yet completed, and therefore had not yet fully consumed their appropriation through the end of the prior year. As backlog is completed actual expenditures in subsequent years will usually be greater than the original appropriation provided.

In FY 2007, the Legislature approved H854 which provided bonding authority for the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds. H547 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 of cigarette tax revenues to the State Highway Account to pay for highway maintenance which is variable, and contingent upon the amount of revenues generated.

Just after Sine Die of the 2015 session, H312 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. The FY 2016 transfer was approximately \$11 million each to the Budget Stabilization Fund and the Strategic Initiative Program Fund. This section expires May 30, 2017.

Contract Construction & Right-of-Way Acquisition

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	0	391,586,600	0.00	0	391,586,600
Reappropriation	0.00	0	229,472,800	0.00	0	229,472,800
1. H312 General Fund Surplus	0.00	0	10,965,600	0.00	0	10,965,600
2. Federal Highway Admin Funding	0.00	0	13,795,300	0.00	0	13,795,300
FY 2017 Total Appropriation	0.00	0	645,820,300	0.00	0	645,820,300
Removal of One-Time Expenditures	0.00	0	(282,871,100)	0.00	0	(282,871,100)
Shift from Local to State Funds	0.00	0	0	0.00	0	0
FY 2018 Base	0.00	0	362,949,200	0.00	0	362,949,200
1. Contract Construction Funds	0.00	0	27,379,300	0.00	0	27,876,200
FY 2018 Total	0.00	0	390,328,500	0.00	0	390,825,400
Change from Original Appropriation	0.00	0	(1,258,100)	0.00	0	(761,200)
% Change from Original Appropriation			(0.3%)			(0.2%)

Contract Construction & Right-of-Way Acquisition

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	0	127,911,800	263,674,800	391,586,600

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	185,053,300	44,419,500	229,472,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>185,053,300</i>	<i>44,419,500</i>	<i>229,472,800</i>

1. H312 General Fund Surplus

H312 of the 2015 legislative session provided that any excess cash balance from the General Fund would be split equally and deposited into the Budget Stabilization Fund and the Strategic Initiatives Program Fund at the end of FY 2015 and FY 2016. When the fiscal year closed in July 2016, the Strategic Initiatives Program Fund received \$10,965,600. The department requests an FY 2017 supplemental appropriation to spend the funds on road and bridge maintenance and replacement projects on the state highway system. The surplus eliminator clause in H312 sunsets on May 30, 2017.

The following bridge maintenance projects were recommended by the Idaho Transportation Board:

- State Highway 28 over the Lemhi River at mile post 101;
- State Highway 28 over the Lemhi River at mile post 103;
- Two bridge projects on U.S. 89 over Ovid Creek near mile post 19;
- State Highway 13 over Butcher Creek at mile post 3;
- U.S. 95 over Round Prairie Creek at mile post 529; and
- State Highway 6 over Santa Creek at mile post 32.

Agency Request	0.00	0	10,965,600	0	10,965,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>10,965,600</i>	<i>0</i>	<i>10,965,600</i>

2. Federal Highway Admin Funding

In the months of August and September 2016, the department received a total of \$11,523,800 in additional funding from the Federal Highway Administration (FHWA). The existing appropriation is not adequate to support these additional federal funds and associated match. The department requests an FY2017 supplemental appropriation in one-time capital outlay to make use of these additional funds. This request totals \$13,795,300 comprised of \$11,523,800 federal funds, \$1,072,400 state match, and \$1,199,100 local match.

Specifically, the department received redistribution of federal obligation authority on August 31, 2016 which exceeded the formula apportionment on which the department's appropriation was based by \$6,423,800. Associated match for these redistributed federal funds is \$222,400 state funds and \$349,100 local funds.

On September 7, 2016, Idaho was awarded a \$5,100,000 FASTLANE grant for a signalization and improvement project on U.S. 95. FASTLANE is a discretionary freight program created by the FAST Act. The match associated with this grant is \$850,000 in state funds, a \$672,300 local match from the City of Coeur d'Alene and a \$177,700 local match from the City of Hayden.

Agency Request	0.00	0	2,271,500	11,523,800	13,795,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,271,500</i>	<i>11,523,800</i>	<i>13,795,300</i>

FY 2017 Total Appropriation					
Agency Request	0.00	0	326,202,200	319,618,100	645,820,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>326,202,200</i>	<i>319,618,100</i>	<i>645,820,300</i>

Removal of One-Time Expenditures

Agency Request	0.00	0	(226,927,800)	(55,943,300)	(282,871,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(226,927,800)</i>	<i>(55,943,300)</i>	<i>(282,871,100)</i>

Contract Construction & Right-of-Way Acquisition

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Shift from Local to State Funds					
The department requests a fund shift of \$182,700 in capital outlay from local to dedicated in the State Highway Fund in order to better align appropriation to projected revenues.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2018 Base					
Agency Request	0.00	0	99,274,400	263,674,800	362,949,200
Governor's Recommendation	0.00	0	99,274,400	263,674,800	362,949,200

1. Contract Construction Funds

The department requests \$22,343,200 in one-time capital outlay and \$356,400 in ongoing capital outlay from the dedicated State Highway Fund and \$4,679,700 in ongoing capital outlay from the federal State Highway Fund for construction projects on the state highway system.

The \$4,679,700 ongoing increase in federal funding is due to scheduled apportionment increases from FY 2017 to FY 2018 under the FAST Act. The associated ongoing increase in the required state match is \$356,400.

The one-time state funded portion of this request has resulted from the following:

- \$9.2 million in FY 2016 highway distribution transfers and state highway account revenues above forecast;
- \$4.6 million in FY 2016 year-end close out that includes reversions and cancelled encumbrances;
- \$1.3 million increase in ethanol exemption transfers in FY 2016;
- \$2.3 million in additional unanticipated cigarette tax revenues in FY 2016;
- \$1.3 million additional unanticipated revenues from H312 fuel tax in FY 2016;
- \$2.3 million additional unanticipated revenues due to H312 vehicle registrations in FY 2016;
- \$5.7 million decrease in federal indirect cost recovery for FY 2016;
- \$2.6 million increase in miscellaneous direct receipts to the state highway account;
- \$9.4 million in projected state receipts for FY 2017, based on the revised August 2016 revenue forecast; and
- \$10.1 million in projected state receipts for FY 2018, based on the revised August 2016 revenue forecast including growth from FY 2017.

The items above total \$37.4 million in unexpected revenues and updated revenue forecasts through FY 2018. Of that amount, \$14.7 million is being requested elsewhere in this budget. The remaining \$22.7 million is being requested in this line item to fund construction projects throughout the state.

Agency Request	0.00	0	22,699,600	4,679,700	27,379,300
<i>The Governor recommends an additional \$496,900 one-time from the dedicated State Highway Fund.</i>					
Governor's Recommendation	0.00	0	23,196,500	4,679,700	27,876,200

FY 2018 Total					
Agency Request	0.00	0	121,974,000	268,354,500	390,328,500
Governor's Recommendation	0.00	0	122,470,900	268,354,500	390,825,400
Agency Request					
Change from Original App	0.00	0	(5,937,800)	4,679,700	(1,258,100)
% Change from Original App			(4.6%)	1.8%	(0.3%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	(5,440,900)	4,679,700	(761,200)
% Change from Original App			(4.3%)	1.8%	(0.2%)

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Idaho Legislative Budget Book

Department of Administration

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Department of Administration

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Administration, Dept of	21,265,300	19,779,500	20,274,700	21,769,700	21,896,200
Capitol Commission	2,732,900	267,800	2,342,000	2,342,000	2,342,000
Bond Payments	12,303,000	11,995,500	12,303,000	12,303,000	12,303,000
Permanent Building Fund	93,789,800	29,300,300	26,729,700	26,513,600	51,809,800
Total:	130,091,000	61,343,100	61,649,400	62,928,300	88,351,000
BY FUND CATEGORY					
General	8,924,700	8,831,000	7,665,700	7,660,500	7,677,400
Dedicated	121,166,300	52,512,100	53,983,700	55,267,800	80,673,600
Total:	130,091,000	61,343,100	61,649,400	62,928,300	88,351,000
Percent Change:		(52.8%)	0.5%	2.1%	43.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,918,400	9,415,500	10,558,100	10,838,700	10,960,800
Operating Expenditures	16,970,700	14,342,500	15,113,600	15,369,800	15,374,200
Capital Outlay	103,201,900	37,585,100	35,977,700	36,719,800	62,016,000
Total:	130,091,000	61,343,100	61,649,400	62,928,300	88,351,000
Full-Time Positions (FTP)	139.50	139.50	138.00	140.00	140.00

Department Description

The Department of Administration provides a wide variety of centralized services to the rest of state government, including telephone and computer communications; public works; purchasing; administrative rules coordination; life, health, and disability insurance to state employees; and property and casualty insurance for state agencies.

The Capitol Commission was initially responsible for the renovation of Idaho's State Capitol and grounds and is now charged with overseeing its use and historic preservation.

The department's Bond Payment Program consolidates payment of the state's bonded indebtedness for the construction of buildings.

The Permanent Building Fund budget finances the maintenance and construction of state buildings, including those at the colleges and universities.

Department of Administration

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Management Services	1,194,000	1,032,800	1,284,900	1,016,200	1,026,900
Administrative Rules	399,700	363,500	416,700	414,800	417,700
Information Technology	3,924,100	3,811,900	3,598,300	3,873,100	3,906,700
Public Works	9,993,600	9,494,800	10,217,800	10,181,700	10,224,000
Purchasing	4,343,500	3,728,900	3,324,000	4,506,300	4,528,300
Insurance Management	1,410,400	1,347,600	1,433,000	1,777,600	1,792,600
Total:	21,265,300	19,779,500	20,274,700	21,769,700	21,896,200
BY FUND CATEGORY					
General	4,594,700	4,551,400	3,335,700	3,330,500	3,347,400
Dedicated	16,670,600	15,228,100	16,939,000	18,439,200	18,548,800
Total:	21,265,300	19,779,500	20,274,700	21,769,700	21,896,200
Percent Change:		(7.0%)	2.5%	7.4%	8.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,918,400	9,415,500	10,558,100	10,838,700	10,960,800
Operating Expenditures	11,075,600	9,962,900	9,609,400	9,865,600	9,870,000
Capital Outlay	271,300	401,100	107,200	1,065,400	1,065,400
Total:	21,265,300	19,779,500	20,274,700	21,769,700	21,896,200
Full-Time Positions (FTP)	139.50	139.50	138.00	140.00	140.00

Division Description

- 1) **MANAGEMENT SERVICES:** Provides administrative, fiscal, legal, and human resource services to the department.
- 2) **ADMINISTRATIVE RULES:** Structures, promulgates, and disseminates all administrative rules subject to the Idaho Administrative Procedure Act.
- 3) **INFORMATION TECHNOLOGY:** Operates the Idaho state network and technology security systems, coordinates internet, consolidated messaging, telephone, and data and video transmission services. Includes the Idaho Technology Authority (ITA), which facilitates a centralized and coordinated approach to the design, procurement, and implementation of information technology and telecommunications systems for both state government and the public.
- 4) **PUBLIC WORKS:** Develops and oversees construction and renovation projects for state buildings, and manages leases for all state-leased office, retail, and warehouse space.
- 5) **PURCHASING:** Acquires property for all state agencies through the competitive bidding process, assists in the donation of surplus federal property to state and local government and eligible non-profits, and provides mail and copy center services to most state agencies.
- 6) **INSURANCE MANAGEMENT:** Negotiates and administers medical, dental, life, and disability insurance programs for state employees, and provides property and casualty insurance services to state government via insurance and self-insurance.

Department of Administration

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	138.00	3,335,700	20,274,700	138.00	3,335,700	20,274,700
1. Increased Firewall Capacity	0.00	515,000	545,000	0.00	515,000	545,000
2. Cybersecurity Penetration Test	0.00	11,600	52,600	0.00	11,600	52,600
FY 2017 Total Appropriation	138.00	3,862,300	20,872,300	138.00	3,862,300	20,872,300
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	138.00	3,862,300	20,872,300	138.00	3,862,300	20,872,300
Removal of One-Time Expenditures	0.00	(589,800)	(968,700)	0.00	(589,800)	(968,700)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	138.00	3,272,500	19,903,600	138.00	3,272,500	19,903,600
Benefit Costs	0.00	23,200	164,300	0.00	16,200	115,400
Inflationary Adjustments	0.00	0	9,000	0.00	0	9,000
Replacement Items	0.00	0	65,400	0.00	0	65,400
Statewide Cost Allocation	0.00	22,600	28,600	0.00	22,600	28,600
Change in Employee Compensation	0.00	12,100	85,400	0.00	36,000	255,300
FY 2018 Program Maintenance	138.00	3,330,400	20,256,300	138.00	3,347,300	20,377,300
1. Procurement Training PC & OE	0.00	0	220,000	0.00	0	221,300
2. Office Space for Div of Purchasing	0.00	0	1,000,000	0.00	0	1,000,000
3. Claims Adjudicator Position	1.00	0	68,500	1.00	0	69,700
4. IT Security Analyst PC \$	0.00	0	77,300	0.00	0	78,900
5. Construction Field Rep PC \$	0.00	0	0	0.00	0	0
6. Email and Spam Security License	0.00	0	49,000	0.00	0	49,000
7. Licensing IT Systems Position	1.00	0	98,500	1.00	0	99,900
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	140.00	3,330,500	21,769,700	140.00	3,347,400	21,896,200
Change from Original Appropriation	2.00	(5,200)	1,495,000	2.00	11,700	1,621,500
% Change from Original Appropriation		(0.2%)	7.4%		0.4%	8.0%

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	138.00	3,335,700	16,939,000	0	20,274,700

1. Increased Firewall Capacity

Information Technology

The state firewalls, as of March 2016, are operating at over 60% of capacity. The practical upper limit of utilization is 75%. The existing firewall platform was put into production in 2013, and is approaching the end of its lifecycle. With state agencies rapid uptake of cloud-based computing services, video conferencing, and voice services, the current firewall platform is inadequate. Furthermore, state agencies are hosting additional web-based services that are protected by the state firewalls and want to ensure cybersecurity protection remains available to Idaho citizens 24 hours a day.

Cost Breakout: Firewall replacement system: \$515,000 one-time from the General Fund, of which \$245,000 is for operating expenditures and \$270,000 is for capital outlay. An ongoing increase to the annual maintenance costs from the Administration & Accounting Services Fund of \$30,000 is also requested. Engineering and installation: \$30,000 one-time from the General Fund. Updated licensing to support additional bandwidth in network routers: \$50,000 one-time from the General Fund for operating expenditures and \$45,000 in one-time capital outlay for updated router ports to support the new firewalls and increased capacity.

The enterprise firewalls secure state agency systems from web-based threats. It is not possible to maintain internet connectivity without the protection provided by these firewalls and agencies now do a substantial amount of business over the internet. The firewalls are infrastructure that regularly need to be upgraded to be effective. Without protection from the constant and ongoing cyber-attacks that Idaho state government faces, agencies would suffer from system and data breaches, website defacements, identity theft, and a wide range of threats that put citizen information at high risk. The firewalls save the state hundreds of IT man hours by avoiding time spent recovering compromised systems and data as well as dealing with the aftermath of extensive outages, downtime and addressing legal, and public breach notification issues. Additionally, agencies are also taking up far more video services via the internet including video conferencing and other web based video content services which tests the firewalls as they inspect fast data streams without slowing down to ensure quality video presentation.

The state also needs a firewall platform with higher bandwidth capability in order to keep pace with agency demands. With newly awarded contracts for state network services, agencies have seen lower costs of bandwidth, so as they take advantage of better pricing they are also increasing their total demand for bandwidth. In 2015, agencies doubled their bandwidth, which created stress on the existing firewall platform. Also, agencies are requiring additional encryption services for higher levels of security, which also puts heavy demands on the firewall processors and overrunning the existing platform and processor capacity. Finally, with the constant evolution of cyber-attack methods, this firewall replacement proposal is an opportunity to keep the state current with the latest generation firewall for advanced threat protection that will be necessary by the time firewalls are purchased under this request.

Agency Request	0.00	515,000	30,000	0	545,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>515,000</i>	<i>30,000</i>	<i>0</i>	<i>545,000</i>

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Cybersecurity Penetration Test

Information Technology

An annual penetration test is a compliance requirement to identify network vulnerabilities that can be exploited by cyber threat attempts. By simulating cybersecurity "hacker" attacks, penetration tests look for security weaknesses that can be exploited to gain access to the network resources and data. Penetration testing typically identifies the target systems and a security goal, then reviews available vulnerability and threat information, and undertakes various means to attain the goal. The department requests \$52,600, of which \$11,600 is one-time operating expenditures from the General Fund for software installation and configuration, and \$41,000 is ongoing operating expenditures from the Administration & Accounting Services Fund for the software licensing that will be billed to state agencies.

The request also includes a security scanner that is a continuous, automated system that scans existing networks and computer systems for known vulnerabilities. It is a vital component of a cybersecurity program and works to enhance security with information obtained through penetration tests. The department has been using a free software license to conduct scans against the existing systems; however, the task has grown in complexity beyond what is available through a free license. Security scanning is considered equivalent to basic hygiene for operating complex systems.

Agency Request	0.00	11,600	41,000	0	52,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>11,600</i>	<i>41,000</i>	<i>0</i>	<i>52,600</i>

FY 2017 Total Appropriation					
Agency Request	138.00	3,862,300	17,010,000	0	20,872,300
<i>Governor's Recommendation</i>	<i>138.00</i>	<i>3,862,300</i>	<i>17,010,000</i>	<i>0</i>	<i>20,872,300</i>

Noncognizable Funds and Transfers

Purchasing

The department requests a transfer of 1.00 FTP from the General Fund to the Administration & Accounting Services Fund to better align their workforce so that employees are paid from an adequate fund source.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	138.00	3,862,300	17,010,000	0	20,872,300
<i>Governor's Recommendation</i>	<i>138.00</i>	<i>3,862,300</i>	<i>17,010,000</i>	<i>0</i>	<i>20,872,300</i>

Removal of One-Time Expenditures

Agency Request	0.00	(589,800)	(378,900)	0	(968,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(589,800)</i>	<i>(378,900)</i>	<i>0</i>	<i>(968,700)</i>

Base Adjustments

Mngmt Services, Info Technology, Insurance Mngmt

The agency is requesting to transfer \$282,300 and 2.10 FTP for the operation of the Idaho Second Injury Fund out of the Management Services Program to the Insurance Management Program to match where the funds should be spent; and to transfer .60 FTP from Management Services to the Information Technology Program to accommodate staffing needs.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	138.00	3,272,500	16,631,100	0	19,903,600
<i>Governor's Recommendation</i>	<i>138.00</i>	<i>3,272,500</i>	<i>16,631,100</i>	<i>0</i>	<i>19,903,600</i>

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	23,200	141,100	0	164,300
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	16,200	99,200	0	115,400
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Inflationary Adjustments

The State Controller's Office published a new Computer Services Center rate schedule effective for FY 2018 and notified agencies in a letter dated August 23, 2016. The estimated impact to the Office of Group Insurance is \$9,000 annually.

Agency Request	0.00	0	9,000	0	9,000
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Governor's Recommendation	0.00	0	9,000	0	9,000
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Insurance Management

Replacement Items

The department requests \$60,400 from the Permanent Building Fund for two light duty trucks for the Division of Public Works. The existing vehicles were purchased in 2005 and 2006 and have 92,000 and 75,000 miles on them. They also request \$5,000 from the Employee Group Insurance Fund for a high capacity copier that was originally purchased in 2008.

Agency Request	0.00	0	65,400	0	65,400
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Governor's Recommendation	0.00	0	65,400	0	65,400
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Public Works, Insurance Management

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$12,700, State Controller fees will decrease by \$300, Attorney General fees will increase by \$16,600, and State Treasurer fees will decrease by \$400, for a net increase of \$28,600.

Agency Request	0.00	22,600	6,000	0	28,600
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Governor's Recommendation	0.00	22,600	6,000	0	28,600
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	12,100	73,300	0	85,400
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	36,000	219,300	0	255,300
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FY 2018 Program Maintenance					
Agency Request	138.00	3,330,400	16,925,900	0	20,256,300
Governor's Recommendation	138.00	3,347,300	17,030,000	0	20,377,300

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Procurement Training PC & OE

Purchasing

The department requests \$70,000 in ongoing personnel costs for a training position to fill an existing unfunded vacancy. It also requests \$150,000 in operating expenditures for a Learning Management System that will help provide the procurement training required in 67-9207, Idaho Code, allowing the Division of Purchasing to host and track procurement trainings. An additional staff person will help the division meet this requirement and will bring more expertise in procurement education and content development. The pay is estimated at \$22.00 per hour, funded through the division's Administration & Accounting Services Fund. The source of revenue in the Administration & Accounting Services Fund is cash received from the administrative fee paid by state contract vendors.

Both resources in this request will be ongoing costs, but the cost of the Learning Management System will reduce by approximately \$100,000 after the initial year set-up costs are paid. The department, state agencies, and ultimately the taxpayers, are all served by this request. By ensuring state procurement personnel are properly training, the division can help to avoid costly contract failures.

Agency Request	0.00	0	220,000	0	220,000
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	0.00	0	221,300	0	221,300
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2. Office Space for Div of Purchasing

Purchasing

The department requests \$1,000,000 from the Administration & Accounting Services Fund to purchase existing Capitol Mall office space that will be auctioned off by the Department of Lands during FY 2018. The purchased property will be used to house the Division of Purchasing. The division has 12.50 FTP and is currently located in the basement of the LBJ Building. Their existing space is 4,140 square feet. The source of revenue in the Administration & Accounting Services Fund is cash received from the administrative fee paid by state contract vendors.

Agency Request	0.00	0	1,000,000	0	1,000,000
Governor's Recommendation	0.00	0	1,000,000	0	1,000,000

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Claims Adjudicator Position

Insurance Management

The department requests 1.00 FTP, \$63,500 in personnel costs, and \$5,000 in operating expenditures, all from the Retained Risk Fund, for a claims adjudicator. Over the last 15 years, state owned property values have increased from \$3.5 billion to \$7.8 billion. The Office of Risk Management is seeing larger, more complex property claims due to the value and changes in infrastructure. The office has not conducted property appraisals in ten years. Section 67-5773(e), Idaho Code, states that the office shall make periodic inspections or appraisals of premises and property and assess the risks about conditions affecting insurability and premium rates. It also states they must submit a written report of each inspection or appraisal together with recommendations, if any, to the officer, department, or agency in direct charge of such premises, property, or risk.

In FY 2016, the state's insurance carrier reviewed the state's portfolio and identified more than 1,000 state buildings they believed to be underinsured. If the state does not implement an ongoing appraisal process, this may result in a double-digit rate increase next year and ongoing rate increases until the state implements an appraisal process. The department is requesting a claims adjudicator position to oversee large, complex property losses that require staff specialization and expertise which many times have to be outsourced to independent adjusters due to the office's existing lack of adequate staff.

The size of the state's vehicle fleet has also increased over the years. In FY 2002, Idaho had 3,600 vehicles covered for property damage. Today there are more than 6,900 vehicles covered for property damage. Fleet related claim payouts have gone from \$206,000 in FY 2006, to \$852,000 in FY 2016. This is due to the increase in the state's vehicle exposure and consequently requires more staff time to adjust the increase in claims.

Furthermore, the state is seeing a change in its liability claim trend. Over the last ten years, the state has seen a significant increase in complex federal claims requiring extensive litigation. At the forefront are Title IX, employment discrimination claims. In FY 2006, liability claim payouts were \$1.8 million, and in FY 2016, the liability payouts were \$3.2 million.

The state loss trends align with the growth in population and increase in auto, property, and liability exposures. Most agencies do not have loss control staff to properly identify exposures or conduct agency loss assessments. Many of the smaller and mid-sized agencies look to the Office of Risk Management to provide these services and recommendations. As agency needs have increased, the office's staff size has remained the same. Currently, the office has two claims adjudicator positions within an office of six total FTP. An FTP has not been added to the office in over 20 years.

Agency Request	1.00	0	68,500	0	68,500
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	69,700	0	69,700
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4. IT Security Analyst PC \$

Information Technology

The department requests \$77,300 in ongoing personnel costs from the Administration & Accounting Services Fund for one full-time security analyst senior position using an existing vacant position available within the Information Technology Program. Cybersecurity threats faced by the state have grown in sophistication and impact. The department operates the state's backbone network providing internet and intranet connectivity for over 70 state agencies. The department's senior information security engineer will identify, evaluate, test, and integrate advanced technical solutions supporting the implementation platforms that include: asset discovery/inventory, hardware/software baseline, network and information asset vulnerability scanning, security incident event monitoring, URL filtering, anti-malware/endpoint protection systems, proxy servers, firewalls, Data Loss Prevention (DLP), authentication, data classification, encryption, patch management, and mobile device management.

Agency Request	0.00	0	77,300	0	77,300
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	0.00	0	78,900	0	78,900
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Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. Construction Field Rep PC \$

Public Works

The department requests an ongoing transfer of \$63,500 from operating expenditures to personnel costs in the Permanent Building Fund to provide funding for an existing position that has been vacant for six years. They request a construction field representative for the eastern Idaho office. The construction projects in that area are currently assigned to one field representative who operates out of the Pocatello office. The volume of work to adequately cover the projects is more than one person can perform. The division previously had a field representative located in Idaho Falls. The position was not filled after the last vacancy due to the slowing of construction projects during the economic downturn. The last few years have seen a steady increase in the quantity of projects so the work load has been increasing. Providing oversight and management for the number of projects underway is an unrealistic expectation for one person to perform.

The Division of Public Works manages construction projects for numerous state agencies. In eastern Idaho, their major client-agencies are Idaho State University, Eastern Idaho Technical College, the St. Anthony Juvenile Corrections facility, the Pocatello Women's Correctional facility, the Idaho Falls Center for Higher Education (UI and ISU), Idaho State Police regional offices, and various other facilities for state agencies. The impact of an additional field representative in this region of the state will allow the division to provide an improved level of oversight and management. Additionally, the geographic area covered by the current field representative is large and spread out, making it impractical to efficiently and frequently visit numerous construction sites. The current position has roughly twice as many projects to oversee as the field representatives in the other division offices across the state.

Agency Request	0.00	0	0	0	0
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The Governor recommends a transfer of \$59,100 from operating expenditures to personnel costs. The salary was decreased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	0.00	0	0	0	0
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6. Email and Spam Security License

Information Technology

The department requests \$49,000 in ongoing operating expenditures from the Administration & Accounting Services Fund to replace the primary hardware that runs the current email gateway and to replace the email and spam security software. The state currently operates an enterprise email security system known as McAfee Email Gateway, or MEG. At the time of purchase in 2013, this was a mainstream product that was highly rated within the industry and replaced the previous McAfee email gateway that was in operation for nearly eight years. In 2014, McAfee was purchased by Intel Security, and in 2015 the company announced that it would discontinue the MEG product, including all support and updates for the product by 2020, however development and support for the product has already started to be scaled back. MEG is a major cyber security protection system for much of the email for the state so the department believes it is imperative that a replacement system be implemented without interruption in security protection. Email is a critical business communication tool, but is also a major attack channel; over the last several years there has been some significant disruption to state business as a result of various email attacks. The number and overall impact of these attacks would be far greater without the ability to properly block and filter state email.

Every major business and state government organization operates an email security system, and the state must also maintain this system to ensure normal business and citizen services. On an average business day, the current email security system inspects and delivers over 800,000 legitimate emails, 3,700 of which receive deeper inspection prior to delivery, while also blocking over 700,000 emails during that same timeframe. There have been numerous email attacks against the state. Most notably was an attack that impacted a number of agencies, all of which experienced a significant disruption to their business. Because the email security system is continually updated with the latest threat information, the impact of attacks can be, and are, prevented on a daily basis. The state cannot protect its systems without a fully supported email filtering system.

Agency Request	0.00	0	49,000	0	49,000
Governor's Recommendation	0.00	0	49,000	0	49,000

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Licensing IT Systems Position

Information Technology

The department requests an IT systems integration analyst senior position to support the Board of Occupational Licensing and the Board of Medicine. This position's responsibilities will be to manage, upgrade, and support the agencies' licensing systems. The overall cost and complexity of managing these systems has grown, along with significantly higher levels of cybersecurity requirements. The Occupational Licensing Board and Board of Medicine need to provide a more efficient and secure IT environment to service both entities, and support the department's request to hire and manage the position. Housing this position within the Department of Administration will ensure proper IT oversight and security standards are achieved. The department does not have funding available to support this position, but will bill the Board of Licensing and the Board of Medicine for actual costs incurred, which is estimated to be \$77,500 annually. The request also includes \$21,000 in ongoing operating expenditures from the Administration & Accounting Services Fund for one-time costs for a computer and development software (\$10,500), initial training opportunities (\$3,500), and ongoing training costs (\$7,000).

Agency Request	1.00	0	98,500	0	98,500
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Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	99,900	0	99,900
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Cybersecurity Insurance

Management Services

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	100	0	0	100
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FY 2018 Total					
Agency Request	140.00	3,330,500	18,439,200	0	21,769,700
Governor's Recommendation	140.00	3,347,400	18,548,800	0	21,896,200

Agency Request

Change from Original App	2.00	(5,200)	1,500,200	0	1,495,000
% Change from Original App	1.4%	(0.2%)	8.9%		7.4%

Governor's Recommendation

Change from Original App	2.00	11,700	1,609,800	0	1,621,500
% Change from Original App	1.4%	0.4%	9.5%		8.0%

Capitol Commission

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	2,732,900	267,800	2,342,000	2,342,000	2,342,000
Percent Change:		(90.2%)	774.5%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	532,900	84,100	142,000	142,000	142,000
Capital Outlay	2,200,000	183,700	2,200,000	2,200,000	2,200,000
Total:	2,732,900	267,800	2,342,000	2,342,000	2,342,000

Division Description

The nine-member Idaho State Capitol Commission was created by the Legislature during the 1998 session and was charged with, among other things, developing a master plan for the restoration and refurbishment of the Capitol. On January 9, 2010, the newly restored Capitol Building was rededicated.

Current appointees include Andrew Erstad, Mary Symms-Pollot, Lt. Gov. Brad Little, Joe Stegner, Nancy Sue Wallace, and Rep. Neil Anderson.

Ex-officio voting members include the Director of the Legislative Services Office (Eric Milstead), the Director of the Idaho State Historical Society (Janet Gallimore), and the Director of the Department of Administration (Bob Geddes), who also serves as commission secretary. Statute requires the commission to meet at least twice per year.

The 2005 Legislature funded the Capitol Restoration and Expansion project with H386, which made permanent a cigarette tax increase of 57 cents per pack and distributed funds to the Permanent Building Fund for the repair, remodel, and restoration of the Capitol, and related Capitol Mall improvements.

In 2006, the Legislature approved HCR 47 which authorized financing for the Capitol restoration and expansion, including the construction of two-story atrium wings at the east and west ends of the Capitol, of approximately 50,000 square feet each. In the fall of that same year, \$130 million in bonds were issued (pursuant to HCR 47) through the Idaho State Building Authority.

Work on the project commenced in the fall of 2006 and continued until a stop-work order was issued by Governor Otter on January 12, 2007. Negotiations on the overall scope of the project ensued between the Legislature and the Governor. In the final compromise, which was codified in H218, the Capitol Master Plan was modified to include the restoration of the Capitol, the construction of single-story atrium wings (25,000 square feet each, scaled back from the original two-story 50,000 square foot wings) at the east and west ends of the Capitol, and a reconfiguration of space in the Capitol that assigned control of the first floor to the Legislature. After approximately two and one-half years of construction, the Capitol was re-opened. The following reflects how the total cost was apportioned: Capitol restoration for \$82.5 million; Capitol expansion (underground wings) for \$37.1 million; and furnishings and equipment for \$3.4 million; for a total of \$123 million.

The debt service scheduled on the bonds called for seven years of annual payments of approximately \$20.1 million, paid from cigarette tax revenues. Of the cigarette tax revenue deposited in the Permanent Building Fund, a portion was statutorily earmarked for Capitol restoration and related efforts. The bond for the Capitol renovation was paid off in FY 2015.

The commission's charge now is to oversee the preservation and use of the capitol. Ongoing funding and maintenance for the Capitol is provided from Capitol endowment land funds and investments.

Capitol Commission

Comparative Summary

Analyst: Lockett

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	0	2,342,000	0.00	0	2,342,000
Reappropriation	0.00	0	148,800	0.00	0	148,800
FY 2017 Total Appropriation	0.00	0	2,490,800	0.00	0	2,490,800
Removal of One-Time Expenditures	0.00	0	(148,800)	0.00	0	(148,800)
FY 2018 Base	0.00	0	2,342,000	0.00	0	2,342,000
FY 2018 Total	0.00	0	2,342,000	0.00	0	2,342,000
Change from Original Appropriation	0.00	0	0	0.00	0	0
% Change from Original Appropriation			0.0%			0.0%

Capitol Commission

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	0.00	0	2,342,000	0	2,342,000

Reappropriation

The commission was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	148,800	0	148,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>148,800</i>	<i>0</i>	<i>148,800</i>

FY 2017 Total Appropriation					
Agency Request	0.00	0	2,490,800	0	2,490,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,490,800</i>	<i>0</i>	<i>2,490,800</i>

Removal of One-Time Expenditures

Removes carryover authority of \$148,800, which leaves \$142,000 in operating expenditures from the Capitol Commission Operating Fund and \$2,200,000 from the Capitol Maintenance Reserve Fund in the Base.

Agency Request	0.00	0	(148,800)	0	(148,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(148,800)</i>	<i>0</i>	<i>(148,800)</i>

FY 2018 Base					
Agency Request	0.00	0	2,342,000	0	2,342,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,342,000</i>	<i>0</i>	<i>2,342,000</i>

FY 2018 Total					
Agency Request	0.00	0	2,342,000	0	2,342,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,342,000</i>	<i>0</i>	<i>2,342,000</i>

Agency Request

Change from Original App	0.00	0	0	0	0
% Change from Original App			0.0%		0.0%

Governor's Recommendation

Change from Original App	0.00	0	0	0	0
% Change from Original App			0.0%		0.0%

Bond Payments

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	4,330,000	4,279,600	4,330,000	4,330,000	4,330,000
Dedicated	7,973,000	7,715,900	7,973,000	7,973,000	7,973,000
Total:	12,303,000	11,995,500	12,303,000	12,303,000	12,303,000
Percent Change:		(2.5%)	2.6%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	5,362,200	4,295,500	5,362,200	5,362,200	5,362,200
Capital Outlay	6,940,800	7,700,000	6,940,800	6,940,800	6,940,800
Total:	12,303,000	11,995,500	12,303,000	12,303,000	12,303,000

Division Description

The Department of Administration's Bond Payment Program consolidates payment of the state's bonded indebtedness for the construction of buildings. There are 13 buildings paid for with bond funding in the state's portfolio, including: BSU College of Technology; Correctional Center; Parks & Recreation headquarters; Idaho School & Hospital; ISU Rendezvous Center; BSU Academic West; UI Learning Center; LCSC Activity Center; NIC Health Building; CSI Fine Arts Building; ISP Post Academy; Eastern Idaho Technology College; and the Capitol Mall Parking Garage. The original principal on the bonds is \$156 million and the estimated principal due at the end of FY 2017 is \$82.6 million.

Bond Payments Agency Profile

Analyst: Lockett

Estimated Debt Service on Bond Indebtedness							
Original Issue	Project Name	Original Principal	Current Interest Rate	Estimated Principal at Year End FY 2017	Maturity Date	Fund Source	Estimated FY 2018 Payment
1991	BSU College of Tech.	4,855,000	5.35%	815,000	FY 2018	0365	426,100
1999**	Correctional Center	53,130,000	4.36%	33,545,000	FY 2026	0001	4,244,000
2002**	Park HQ (formerly Billingsley Creek)	4,040,000	1.96%	2,160,000	FY 2022	0365	538,400
2002*	Idaho School & Hospital	9,325,000	4.73%	4,165,000	FY 2024	0450	656,300
2003*	ISU Rendezvous	12,730,000	4.29%	5,760,000	FY 2024	0365	931,400
2003*	BSU Academic West	9,180,000	4.44%	3,850,000	FY 2024	0365	659,900
2003*	UI Learning Center	12,440,000	4.63%	5,180,000	FY 2024	0365	893,900
2003*	LCSC Activity Center	10,625,000	4.50%	4,445,000	FY 2024	0365	766,200
2003*	NIC Health Bldg.	11,665,000	4.37%	4,905,000	FY 2024	0365	847,000
2003*	CSI Fine Arts Bldg.	5,730,000	4.37%	2,390,000	FY 2024	0365	413,200
2003*	ISP Post Academy	2,425,000	4.49%	1,020,000	FY 2024	0365	179,500
2005*	East. Idaho Tech College	10,790,000	3.45%	6,355,000	FY 2024	0365	795,500
2013	Parking Garage	9,045,000	3.42%	8,035,000	FY 2034	0365	643,700
		\$155,980,000		\$82,625,000		TOTAL	\$11,995,100

Indebtedness By Fund Source	
Permanent Building Fund (Fund 0365)	\$7,094,800
General Fund (Fund 0001)	\$4,244,000
Administration & Accounting Services Fund (Fund 0450)	\$656,300
TOTAL	\$11,995,100

Notes

The difference between the estimated payment amount of \$11,995,100 and the budget request of \$12,303,000 amounts to \$307,900 and is due to several factors: the FY 2018 payments are estimates only and fluctuate depending on exactly when the bonds are issued and at what interest rate they are issued. Most of the bonds have a fixed interest rate, but if a bond has a variable interest rate, such as in the case of the Idaho Correctional Center, for example, the exact amount of the payment due is only an estimate at this time.

* Projects included in a series of nine bonds that were refinanced in FY 2013 to attain better interest rates. This will save an average of \$222,000 per year until the bonds mature in FY 2024. The maturity dates on the bonds remained the same. This was a total present value savings in FY 2013 of approximately \$2.6 million.

** Formerly, the Idaho Correctional Center bond was paid with a combination of the Permanent Building Fund and the General Fund. The Billingsley Creek bond was formerly paid with the General Fund, but was switched to the Permanent Building Fund in FY 2013 in conjunction with the refinancing of, and shift to, the Park Headquarters.

Bond Payments

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	4,330,000	12,303,000	0.00	4,330,000	12,303,000
FY 2018 Base	0.00	4,330,000	12,303,000	0.00	4,330,000	12,303,000
FY 2018 Total	0.00	4,330,000	12,303,000	0.00	4,330,000	12,303,000
Change from Original Appropriation	0.00	0	0	0.00	0	0
% Change from Original Appropriation		0.0%	0.0%		0.0%	0.0%

Bond Payments

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	4,330,000	7,973,000	0	12,303,000
FY 2018 Base					
Agency Request	0.00	4,330,000	7,973,000	0	12,303,000
Governor's Recommendation	0.00	4,330,000	7,973,000	0	12,303,000
FY 2018 Total					
Agency Request	0.00	4,330,000	7,973,000	0	12,303,000
Governor's Recommendation	0.00	4,330,000	7,973,000	0	12,303,000
Agency Request					
Change from Original App	0.00	0	0	0	0
% Change from Original App		0.0%	0.0%		0.0%
Governor's Recommendation					
Change from Original App	0.00	0	0	0	0
% Change from Original App		0.0%	0.0%		0.0%

Permanent Building Fund

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	93,789,800	29,300,300	26,729,700	26,513,600	51,809,800
Percent Change:		(68.8%)	(8.8%)	(0.8%)	93.8%
BY OBJECT OF EXPENDITURE					
Capital Outlay	93,789,800	29,300,300	26,729,700	26,513,600	51,809,800

Division Description

The Permanent Building Fund budget includes construction and maintenance costs for state buildings, including those at the college, universities and community colleges, funded from the Permanent Building Fund. The process is under the direction of the Permanent Building Fund Advisory Council (PBFAC), which is appointed by, and serves at the pleasure of, the Governor. The council is composed of a member from the Senate (currently Senator Hagedorn), a member from the House of Representatives (currently Rep. Anderst), a contractor, a banker, and a person from the business community. Throughout the year, the council reviews and approves all planning, design, and construction of state public works projects.

Seven statutory sources of revenue are dedicated to the Permanent Building Fund:

- 1) Every person and corporation required to file a tax return a return pays a tax of ten dollars (Section 63-3082, Idaho Code), which is credited to the Permanent Building Fund (Section 57-1110, Idaho Code).
- 2) Five million dollars per year is continuously appropriated and set aside from the Sales Tax Fund to the Permanent Building Fund (Section 63-3638, Idaho).
- 3) Five million dollars per year of the cigarette tax revenue (Section 63-2520, Idaho Code).
- 4) Proceeds from beer tax collected under Section 23-1008, Idaho Code. Beer is taxed at \$4.65 per barrel of 31 gallons, and a like rate for any other quantity or fraction thereof, is levied and imposed upon each and every barrel of beer sold for use within Idaho. Thirty-three percent of the proceeds are deposited to the Permanent Building Fund.
- 5) Three-eighths of state lottery earnings are distributed to the Permanent Building Fund (Section 67-7434, Idaho Code). The Lottery's net income has historically been split equally between the Permanent Building Fund and the School District Building Fund. In 2009, H275 provided that, beginning on July 1, 2009, so long as transfers to the Permanent Building Fund and the School District Building Fund reach FY 2008 levels or \$17,000,000 for each fund, transfers of net income to the Permanent Building Fund and School District Building Fund shall decrease to three-eighths each, and the remaining one-fourth of net lottery income shall transfer to the Bond Levy Equalization Fund. H478 of 2014 extended the sunset of the original legislation to July 1, 2019 (the legislation was originally set to expire September 30, 2014). After FY 2019, the lottery will again provide half of net income to the Permanent Building Fund and half of net income to the School District Building Fund. Since its inception in 1989, the lottery has distributed \$649.5 million in dividends to the Permanent Building Fund and School District Building Fund.
- 6) Interest earnings are retained by the fund and invested by the State Treasurer (Section 57-1108, Idaho Code).
- 7) Interest earnings from the Budget Stabilization Fund is credited to the Permanent Building Fund (Section 57-814(1), Idaho Code).

Permanent Building Fund Agency Profile

Analyst: Lockett

Permanent Building Fund Comparison

FY 2018 GOVERNOR'S REVENUE ESTIMATES:

FY 2017 Beginning Balance	\$	(3,275,100)
Income Tax Filing Fee (\$10 head tax)	\$	8,069,700
Cigarette Tax (fixed amount)	\$	5,000,000
Beer Tax (33% of net collections)	\$	1,401,500
Sales Tax (fixed amount)	\$	5,000,000
Lottery Dividends	\$	18,000,000
Capitol Mall Parking Receipts	\$	1,216,500
Budget Stabilization Fund and Other Interest	\$	2,850,200
TOTAL FUNDS AVAILABLE for FY 2018	\$	38,262,800

	Requests	Governor's Rec
EXPENDITURES:		
Dept of Administration Operating Budget:		
Public Works Operating Budget	\$ 2,452,200	\$ 2,452,200
Management Service Program Costs	\$ 144,700	\$ 144,700
Information Technology Program Costs	\$ 114,700	\$ 114,700
Bond Payments	\$ 7,300,000	\$ 7,300,000
Public Officials' Capitol Mall Facilities Transfer	\$ 1,737,500	\$ 1,737,500
Sub-total Admin Operating Budget	\$ 11,749,100	\$ 11,749,100
Alteration & Repair Projects, plus Capitol Projects:		
Statewide Alteration & Repair Projects	\$ 14,295,200	\$ 14,295,200
Asbestos Abatement	\$ 200,000	\$ 200,000
ADA Compliance	\$ 800,000	\$ 800,000
Capitol Mall Maintenance	\$ 1,216,500	\$ 1,216,500
IDOC: Hot Water and HVAC Upgrades	\$ 1,915,000	\$ 1,915,000
ISU: Gale Life Science Bldg Remodel	\$ 5,000,000	\$ 10,000,000
UI: WWAMI Bldg Remodel	\$ 2,400,000	\$ 2,400,000
Military: Youth Challenge Roof Repair	\$ 686,900	\$ 686,900
All Other Project Requests	\$ 99,402,100	\$ -
State Psychiatric Hospital Transformation	\$ -	\$ 10,296,200
BSU: Center for Materials Science	\$ -	\$ 10,000,000
LCSC Career-Technical Education Building	\$ -	\$ 10,000,000
UI Center for Ag, Food, and the Environment	\$ -	\$ 10,000,000
Sub-total Funding Requests	\$ 125,915,700	\$ 71,809,800
ESTIMATED ENDING BALANCE	\$ (99,402,000)	\$ (45,296,100)
Gov's Rec General Fund Cash Transfer for Additional Projects	\$	45,296,200
Governor's Rec Estimated Ending Balance	\$ -	\$ 100

Permanent Building Fund

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	0	26,729,700	0.00	0	26,729,700
Reappropriation	0.00	0	51,230,300	0.00	0	51,230,300
FY 2017 Total Appropriation	0.00	0	77,960,000	0.00	0	77,960,000
Removal of One-Time Expenditures	0.00	0	(77,960,000)	0.00	0	(77,960,000)
FY 2018 Base	0.00	0	0	0.00	0	0
Replacement Items	0.00	0	16,511,700	0.00	0	16,511,700
FY 2018 Program Maintenance	0.00	0	16,511,700	0.00	0	16,511,700
1. IDOC: Hot Water and HVAC Upgrades	0.00	0	1,915,000	0.00	0	1,915,000
2. ISU: Gale Life Science Bldg Remodel	0.00	0	5,000,000	0.00	5,000,000	10,000,000
3. UI: WWAMI Bldg Remodel	0.00	0	2,400,000	0.00	0	2,400,000
4. Military: Youth Challenge Roof Repair	0.00	0	686,900	0.00	0	686,900
5. Psychiatric Hospital Transformation	0.00	0	0	0.00	10,296,200	10,296,200
6. BSU Center for Materials Science	0.00	0	0	0.00	10,000,000	10,000,000
7. LCSC Career-Technical Education Bldg	0.00	0	0	0.00	10,000,000	10,000,000
8. UI: Cntr for Ag, Food, and Environment	0.00	0	0	0.00	10,000,000	10,000,000
Cash Transfers	0.00	0	0	0.00	(45,296,200)	(20,000,000)
FY 2018 Total	0.00	0	26,513,600	0.00	0	51,809,800
Change from Original Appropriation	0.00	0	(216,100)	0.00	0	25,080,100
% Change from Original Appropriation			(0.8%)			93.8%

Permanent Building Fund

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	0.00	0	26,729,700	0	26,729,700

Reappropriation

The council was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	51,230,300	0	51,230,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>51,230,300</i>	<i>0</i>	<i>51,230,300</i>

FY 2017 Total Appropriation					
Agency Request	0.00	0	77,960,000	0	77,960,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>77,960,000</i>	<i>0</i>	<i>77,960,000</i>

Removal of One-Time Expenditures

Removes FY 2017 original appropriation and reappropriation to get to a Base of \$0.

Agency Request	0.00	0	(77,960,000)	0	(77,960,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(77,960,000)</i>	<i>0</i>	<i>(77,960,000)</i>

FY 2018 Base					
Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Replacement Items

The Permanent Building Fund Advisory Council requests the following from the Permanent Building Fund: \$14,295,200 for statewide building alteration and repair projects, \$800,000 for ADA projects, \$200,000 for asbestos projects, and \$1,216,500 to spend Capitol Mall parking receipts and rent rolled over from previous years.

Agency Request	0.00	0	16,511,700	0	16,511,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>16,511,700</i>	<i>0</i>	<i>16,511,700</i>

FY 2018 Program Maintenance					
Agency Request	0.00	0	16,511,700	0	16,511,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>16,511,700</i>	<i>0</i>	<i>16,511,700</i>

1. IDOC: Hot Water and HVAC Upgrades

The council requests \$1,915,000 to upgrade the hot water and HVAC systems at the Idaho State Correctional Institution in Boise.

Agency Request	0.00	0	1,915,000	0	1,915,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,915,000</i>	<i>0</i>	<i>1,915,000</i>

2. ISU: Gale Life Science Bldg Remodel

The council requests \$5,000,000 to remodel the Gale Life Sciences Building on the Idaho State University campus in Pocatello. The project will upgrade building infrastructure to include electrical, water, and HVAC systems in the lab spaces. The existing lab facilities were built in 1970. The total cost of the project is estimated to be \$12,000,000 and it is anticipated that an additional \$5,000,000 will be included in the Permanent Building Fund Advisory Council's request in FY 2019. The remainder of the funding will be provided by the university and by private donations.

Agency Request	0.00	0	5,000,000	0	5,000,000
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In addition, the Governor recommends \$5 million from the General Fund to pay for all but \$2 million of the total project cost.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>5,000,000</i>	<i>5,000,000</i>	<i>0</i>	<i>10,000,000</i>
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Permanent Building Fund

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. UI: WWAMI Bldg Remodel					
The council requests \$2,400,000 to construct a single level, 6,000 square foot, addition to the existing WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho Medical Education) Building on the campus of the University of Idaho in Moscow. Enrollment in the WWAMI Medical Education Program is anticipated to grow to accommodate 80 students.					
Agency Request	0.00	0	2,400,000	0	2,400,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,400,000</i>	<i>0</i>	<i>2,400,000</i>
4. Military: Youth Challenge Roof Repair					
The council requests \$686,900 to repair the existing roof structure at the Youth Challenge Facility in Pierce, Idaho. The existing roof has a single ply roofing membrane and the trusses are not insulated, which results in problems during the winter months.					
Agency Request	0.00	0	686,900	0	686,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>686,900</i>	<i>0</i>	<i>686,900</i>
5. Psychiatric Hospital Transformation					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a General Fund appropriation for construction of State Hospital West, a new 16-bed adolescent hospital, and for costs to convert the existing adolescent unit at State Hospital South to a high-risk adult 20-bed psychiatric unit. The Governor recommends transferring the money from the General Fund into the Permanent Building Fund.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,296,200</i>	<i>0</i>	<i>0</i>	<i>10,296,200</i>
6. BSU Center for Materials Science					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$10 million from the General Fund for construction of a Center for Materials Science at Boise State University. The Governor recommends transferring the money from the General Fund into the Permanent Building Fund.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,000,000</i>	<i>0</i>	<i>0</i>	<i>10,000,000</i>
7. LCSC Career-Technical Education Bldg					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$10 million from the General Fund to construct an LCSC Career-Technical Education (CTE) building adjacent to the proposed Lewiston High School CTE facility. The Governor recommends transferring the money from the General Fund into the Permanent Building Fund but delays the recommendation to spend out of the Permanent Building Fund until funds from other project partners have been received.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,000,000</i>	<i>0</i>	<i>0</i>	<i>10,000,000</i>
8. UI: Cntr for Ag, Food, and Environment					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$10 million from the General Fund for the University of Idaho to build the Center for Agriculture, Food and the Environment (CAFE) in the Magic Valley. The Governor recommends transferring the money from the General Fund into the Permanent Building Fund but delays the recommendation to spend out of the Permanent Building Fund until funds from other project partners have been received.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,000,000</i>	<i>0</i>	<i>0</i>	<i>10,000,000</i>

Permanent Building Fund

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cash Transfers					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends transferring \$45,296,200 from the General Fund into the Permanent Building Fund for line items 2, 5, 6, 7, and 8. The Governor also recommends the appropriation in the Permanent Building Fund for the ISU Gale Life Sciences Building remodel, new State Hospital West and remodel of State Hospital South, and the BSU Center for Materials Science.</i></p> <p><i>He does not recommend the appropriation in the Permanent Building Fund for the LCSC Career-Technical Education Building and the UI Center for Agriculture, Food, and the Environment (CAFE) in the Magic Valley until funds from other project partners have been received.</i></p>					
Governor's Recommendation	0.00	(45,296,200)	25,296,200	0	(20,000,000)
FY 2018 Total					
Agency Request	0.00	0	26,513,600	0	26,513,600
Governor's Recommendation	0.00	0	51,809,800	0	51,809,800
Agency Request					
Change from Original App	0.00	0	(216,100)	0	(216,100)
% Change from Original App			(0.8%)		(0.8%)
Governor's Recommendation					
Change from Original App	0.00	0	25,080,100	0	25,080,100
% Change from Original App			93.8%		93.8%

Attorney General

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
State Legal Services	20,205,500	19,804,000	21,647,500	23,942,100	22,075,200
Internet Crimes Against Children	1,625,500	1,554,500	1,670,200	1,676,500	1,686,100
Special Litigation	965,000	268,300	965,000	965,000	965,000
Total:	22,796,000	21,626,800	24,282,700	26,583,600	24,726,300
BY FUND CATEGORY					
General	21,318,200	20,543,200	22,699,900	25,014,200	23,147,700
Dedicated	384,900	257,500	413,800	402,200	404,300
Federal	1,092,900	826,100	1,169,000	1,167,200	1,174,300
Total:	22,796,000	21,626,800	24,282,700	26,583,600	24,726,300
Percent Change:		(5.1%)	12.3%	9.5%	1.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	19,235,200	19,126,400	20,984,900	23,056,500	21,237,600
Operating Expenditures	2,541,800	1,382,500	2,455,100	2,558,100	2,532,500
Capital Outlay	134,200	572,800	150,600	276,900	264,100
Trustee/Benefit	884,800	545,100	692,100	692,100	692,100
Total:	22,796,000	21,626,800	24,282,700	26,583,600	24,726,300
Full-Time Positions (FTP)	202.60	202.60	205.60	229.60	207.60

Department Description

The Office of the Attorney General has three budgeted programs:

A) State Legal Services: As the state's chief legal officer, the Attorney General meets his or her constitutional and statutory responsibilities through the efforts of seven divisions within this program, including:

1. The Civil Litigation Division provides centralized representation in significant cases on behalf of the state's constitutional officers and any state agency or department. The division defends the state in tort claims, contract actions, employment claims, and actions brought against the judiciary and legislature.
2. The Consumer Protection Division enforces Idaho's consumer protection, telephone solicitation, charitable solicitation, and pay-per-telephone call statutes. The division also enforces and defends the state's Master Settlement Agreement with the tobacco industry.
3. The Contracts & Administrative Law Division provides legal services and centralized support for all state agencies in contract matters, including the negotiation, drafting, review, and monitoring of contracts. It also manages outside legal service contracts and provides administrative legal counsel to many state agencies, boards, commissions, and entities.
4. The Criminal Law Division represents the state in criminal appeals before the Idaho Supreme Court, the Idaho Court of Appeals, and in death penalty appeals in state or federal court. It also prosecutes Medicaid fraud within the state of Idaho and provides prosecutorial and investigative assistance to counties statewide.
5. The Natural Resources Division provides advice and assistance to state officials on natural resource issues and environmental law.
6. The Health & Human Services Division provides legal representation to the Department of Health and Welfare, including the director, the Board of Health and Welfare, and the department's eight divisions.
7. The Administration & Budget Division is responsible for providing support services to the Office of the Attorney General, including payroll, accounts payable/receivable, budget, and computer and communication services.

B) Internet Crimes Against Children: Partnering with local law enforcement entities, this program is responsible for the investigation and prosecution of offenders who use the Internet, online systems, computer technology, cellular phones, smart phones, or mobile devices to sexually exploit children.

C) Special Litigation: General Funds are used to retain private legal representation or consultants for extraordinary and/or unanticipated litigation when special expertise is needed, or when there is an ethical conflict of interest between governmental entities.

Attorney General

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	205.60	22,699,900	24,282,700	205.60	22,699,900	24,282,700
Removal of One-Time Expenditures	0.00	(793,700)	(858,000)	0.00	(793,700)	(858,000)
FY 2018 Base	205.60	21,906,200	23,424,700	205.60	21,906,200	23,424,700
Benefit Costs	0.00	239,400	254,700	0.00	170,300	181,300
Replacement Items	0.00	318,700	345,700	0.00	312,400	335,700
Statewide Cost Allocation	0.00	(800)	(800)	0.00	(800)	(800)
Change in Employee Compensation	0.00	168,600	177,200	0.00	505,500	531,300
FY 2018 Program Maintenance	205.60	22,632,100	24,201,500	205.60	22,893,600	24,472,200
1. Legal Rep for H&W CPA Cases	21.00	2,052,500	2,052,500	0.00	0	0
2. Deputy AG - DEQ	1.00	105,300	105,300	1.00	104,900	104,900
3. Deputy AG - Tax Commission	1.00	105,300	105,300	1.00	104,900	104,900
4. Crime Analyst	1.00	74,700	74,700	0.00	0	0
Cybersecurity Insurance	0.00	44,300	44,300	0.00	44,300	44,300
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	229.60	25,014,200	26,583,600	207.60	23,147,700	24,726,300
Change from Original Appropriation	24.00	2,314,300	2,300,900	2.00	447,800	443,600
% Change from Original Appropriation		10.2%	9.5%		2.0%	1.8%

Attorney General

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	205.60	22,699,900	413,800	1,169,000	24,282,700

Removal of One-Time Expenditures

Agency Request	0.00	(793,700)	(19,000)	(45,300)	(858,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(793,700)</i>	<i>(19,000)</i>	<i>(45,300)</i>	<i>(858,000)</i>

FY 2018 Base	205.60	21,906,200	394,800	1,123,700	23,424,700
<i>Governor's Recommendation</i>	<i>205.60</i>	<i>21,906,200</i>	<i>394,800</i>	<i>1,123,700</i>	<i>23,424,700</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	239,400	5,600	9,700	254,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>170,300</i>	<i>4,100</i>	<i>6,900</i>	<i>181,300</i>

Replacement Items

One-time replacement items include \$125,000 for a voice over internet protocol (VOIP) phone system; \$25,500 for 30 workstations; \$21,000 for 14 printers; \$3,400 for two laptop-docked workstations; \$25,000 for two servers and accessories; \$62,000 for two mid-size SUVs; \$5,000 for a photocopier; \$11,200 for eight laptops; \$14,400 for 52 monitors; \$7,100 for interview room equipment; and \$46,100 for various software licenses. Of the total amount, \$71,600 is in operating expenditures and \$274,100 is in capital outlay.

Agency Request	0.00	318,700	0	27,000	345,700
<i>The Governor recommends \$26,000 per vehicle, instead of \$31,000 as requested.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>312,400</i>	<i>0</i>	<i>23,300</i>	<i>335,700</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$1,200, State Controller fees will decrease by \$1,800, and State Treasurer fees will decrease by \$200, for a net decrease of \$800.

Agency Request	0.00	(800)	0	0	(800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(800)</i>	<i>0</i>	<i>0</i>	<i>(800)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	168,600	1,800	6,800	177,200
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>505,500</i>	<i>5,400</i>	<i>20,400</i>	<i>531,300</i>

FY 2018 Program Maintenance	205.60	22,632,100	402,200	1,167,200	24,201,500
<i>Governor's Recommendation</i>	<i>205.60</i>	<i>22,893,600</i>	<i>404,300</i>	<i>1,174,300</i>	<i>24,472,200</i>

Attorney General

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Legal Rep for H&W CPA Cases					State Legal Services
<p>This request is for 21.00 FTP and \$2,052,500 ongoing from the General Fund to hire 14 deputy attorneys general (DAGs) and seven paralegals to provide legal representation to the Department of Health and Welfare (DHW) in child protection cases statewide. According to the agency, this would result in statewide consistency and positive outcomes for children and families involved in child protection cases. Currently, there are eight DAGs distributed across the state for child protection proceedings, one in each judicial district, along with District 4 having two. Districts 1 and 5 would get two new DAGs each; Districts 2, 6, and 7 would get one new DAG each; District 3 would get four new DAGs; and District 4 would get three new DAGs. Of the total amount requested, \$2,029,700 ongoing is in personnel costs for salary and benefits and \$22,800 ongoing is in operating expenditures for Westlaw access, Idaho State Bar dues, and supplies. DHW would be billed for these positions through the standard Statewide Cost Allocation Plan and its allocated costs for Attorney General fees would likely increase in FY 2020. DHW expects approximately 35% of the costs to be allocated to federal funds.</p>					
Agency Request	21.00	2,052,500	0	0	2,052,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Deputy AG - DEQ					State Legal Services
<p>The Attorney General requests 1.00 FTP and \$105,300 ongoing from the General Fund to hire a DAG to provide legal support to the Department of Environmental Quality (DEQ) in its assumption of the Idaho Pollutant Discharge Elimination System (IPDES) program, which is the permitting program for the Environmental Protection Agency (EPA). The program will require DEQ to hire 29 new employees to administer 164 individual permits and 1,500 permittees under general permits. Administration will involve processing permit applications, developing permit conditions, making permit decisions, defending administrative and judicial appeals of permits, conducting inspections and investigations, and pursuing civil and criminal enforcement actions. The DAG requested here would provide legal advice and support with respect to each of these tasks. According to the agency, the natural resources bureau does not have enough staff to meet this demand from DEQ; further, DEQ must demonstrate that it will have adequate legal support in order for the IPDES program to be approved by the EPA. Of the total amount requested, \$104,100 is in personnel costs for salary and benefits and \$1,200 is in operating expenditures for Westlaw access, Idaho State Bar dues, and supplies. DEQ would be billed for this position through the standard Statewide Cost Allocation Plan and its allocated costs for Attorney General fees could increase in FY 2020. DEQ expects approximately 5% of the costs to be allocated to federal funds, 32% to dedicated funds, and the remainder to the General Fund.</p>					
Agency Request	1.00	105,300	0	0	105,300
<i>Health insurance costs were reduced to recommended level.</i>					
Governor's Recommendation	1.00	104,900	0	0	104,900
3. Deputy AG - Tax Commission					State Legal Services
<p>This request is for 1.00 FTP and \$105,300 ongoing from the General Fund to hire a DAG to assist the State Tax Commission with collection activities related to an estimated \$3-9 million in uncollected taxes owed by out-of-state debtors. Collection in these cases requires the commission to successfully obtain a judgment and often involves federal bankruptcy and navigation of complex foreign judgment issues. According to the agency, the commission prioritizes its legal work, which often times means its collection activities are relegated to lowest priority. The DAG requested here would work primarily on collection activities. Of the total amount requested, \$104,100 is in personnel costs for salary and benefits and \$1,200 is in operating expenditures for Westlaw access, Idaho State Bar dues, and supplies. The commission would be billed for this position through the standard Statewide Cost Allocation Plan and its allocated costs for Attorney General fees could increase in FY 2020.</p>					
Agency Request	1.00	105,300	0	0	105,300
<i>Health insurance costs were reduced to recommended level.</i>					
Governor's Recommendation	1.00	104,900	0	0	104,900

Attorney General

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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4. Crime Analyst

State Legal Services

The Attorney General requests 1.00 FTP and \$74,700 from the General Fund to hire a crime analyst to provide support to the agency's investigators by providing preliminary case research and analysis. The position would also function as the statistics coordinator for the Internet Crimes Against Children (ICAC) Unit, the Special Investigations Unit, and the 24-7 Sobriety and Drug Monitoring program. Support for these programs would include assisting with production of reports and presentations for court trials and other public forums. Lastly, the position would perform background checks and function as a backup evidence custodian. According to the agency, one support staff currently manages all ILETS criminal history work and processes evidence for 23 investigative personnel. The position requested here would supplement that support and perform additional tasks as described above. Of the total amount requested, \$69,100 in ongoing personnel costs is for salary and benefits; and \$2,800 in one-time operating expenditures is for office chairs, file cabinets, a bookcase, and a phone; and \$2,800 in one-time capital outlay is for a desk and a computer.

Agency Request	1.00	74,700	0	0	74,700
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Cybersecurity Insurance

State Legal Services

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage will begin on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total, \$333,300 of the ongoing request is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	44,300	0	0	44,300
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	44,300	0	0	44,300
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Budget Law Exceptions

LUMP SUM: The agency requests an appropriation that is not subject to state budget laws that restrict the transfer of money between programs and among personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. This authority requires legislative approval.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2018 Total					
Agency Request	229.60	25,014,200	402,200	1,167,200	26,583,600
Governor's Recommendation	207.60	23,147,700	404,300	1,174,300	24,726,300

Agency Request

Change from Original App	24.00	2,314,300	(11,600)	(1,800)	2,300,900
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% Change from Original App	11.7%	10.2%	(2.8%)	(0.2%)	9.5%
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Governor's Recommendation

Change from Original App	2.00	447,800	(9,500)	5,300	443,600
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% Change from Original App	1.0%	2.0%	(2.3%)	0.5%	1.8%
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State Controller

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	645,100	622,300	670,200	771,900	774,800
Statewide Accounting	3,322,900	3,322,500	3,619,100	4,083,900	4,104,800
Statewide Payroll	3,031,700	2,997,700	3,245,100	3,488,800	3,506,100
Computer Center	10,452,600	8,253,800	7,788,300	7,740,500	7,802,600
Total:	17,452,300	15,196,300	15,322,700	16,085,100	16,188,300
BY FUND CATEGORY					
General	6,959,700	6,902,500	7,524,400	8,334,600	8,375,700
Dedicated	10,492,600	8,293,800	7,798,300	7,750,500	7,812,600
Total:	17,452,300	15,196,300	15,322,700	16,085,100	16,188,300
Percent Change:		(12.9%)	0.8%	5.0%	5.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	8,980,200	7,665,900	8,731,600	8,658,200	8,761,400
Operating Expenditures	8,376,400	7,393,100	6,521,200	7,332,100	7,332,100
Capital Outlay	95,700	137,300	69,900	94,800	94,800
Total:	17,452,300	15,196,300	15,322,700	16,085,100	16,188,300
Full-Time Positions (FTP)	95.00	95.00	95.00	95.00	95.00

Department Description

The State Controller is a part of the executive branch and is one of seven statewide elected officials in Idaho. The office is organized into four divisions: (1) Administration; (2) Statewide Accounting; (3) Statewide Payroll; and (4) the Computer Service Center. [Statutory Authority: Section 67-1001, Idaho Code]

The Division of Administration includes central support employees and administrative staff. It is also responsible for administering the state's Section 218 agreement with the federal Social Security Administration pursuant to Section 59-101A, Idaho Code.

The Division of Statewide Accounting is responsible for maintaining the state's accounting system, called STARS (Statewide Accounting & Reporting System), as well as preparing statewide and agency-specific financial reports. The Division of Statewide Payroll is responsible for paying and keeping personnel and payroll records for the state. It accomplishes this through the Employee Information System (EIS), which consists of three major components: 1) Position Control; 2) Personnel; and 3) Payroll. The division is also responsible for garnishment processing, tax reporting, interfacing with the Division of Accounting, and electronic fund transfers with major vendors associated with the payroll system. The Accounting and Payroll Divisions are funded by the General Fund with moneys recovered through the Statewide Cost Allocation Process.

The Computer Service Center maintains Idaho's largest state data center and provides technology services to the Accounting and Payroll divisions, as well as many other state agencies such as the Department of Administration and the Department of Health & Welfare. The division bills the Controller's divisions internally and agency customers directly for IT services. [Statutory Authority: Section 67-1001, Idaho Code]

The Board of Examiners consists of the Governor, Attorney General, and the Secretary of State. The Controller serves as secretary for the board, performing all administrative support for claims against the state. The claims are recorded by the Controller and audited by the Legislature. The board examines these audited claims, and performs other duties as prescribed by law. The Controller is also a member of the State Board of Land Commissioners, chairman of the Idaho Technology Authority (ITA), and a member of the Deferred Compensation and College Savings Boards.

State Controller

Comparative Summary

Analyst: Lockett

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	95.00	7,524,400	15,322,700	95.00	7,524,400	15,322,700
Reappropriation	0.00	29,800	2,228,600	0.00	29,800	2,228,600
FY 2017 Total Appropriation	95.00	7,554,200	17,551,300	95.00	7,554,200	17,551,300
Removal of One-Time Expenditures	0.00	(534,300)	(2,914,100)	0.00	(534,300)	(2,914,100)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	95.00	7,019,900	14,637,200	95.00	7,019,900	14,637,200
Benefit Costs	0.00	53,400	118,400	0.00	37,800	84,000
Replacement Items	0.00	30,000	57,600	0.00	30,000	57,600
Statewide Cost Allocation	0.00	(500)	(1,100)	0.00	(500)	(1,100)
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	31,600	72,800	0.00	88,300	210,400
FY 2018 Program Maintenance	95.00	7,135,400	14,885,900	95.00	7,176,500	14,989,100
2. Cover Costs of Computer Service Center	0.00	618,500	618,500	0.00	618,500	618,500
3. Office Security	0.00	45,000	45,000	0.00	45,000	45,000
4. System Modernization Analysis	0.00	390,000	390,000	0.00	390,000	390,000
5. Financial Reporting Software	0.00	35,000	35,000	0.00	35,000	35,000
Cybersecurity Insurance	0.00	110,700	110,700	0.00	110,700	110,700
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	95.00	8,334,600	16,085,100	95.00	8,375,700	16,188,300
Change from Original Appropriation	0.00	810,200	762,400	0.00	851,300	865,600
% Change from Original Appropriation		10.8%	5.0%		11.3%	5.6%

State Controller

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	95.00	7,524,400	7,798,300	0	15,322,700

Reappropriation

The Computer Center was authorized to reappropriate and carryover its unencumbered and unspent dedicated fund appropriation balance from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	29,800	2,198,800	0	2,228,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>29,800</i>	<i>2,198,800</i>	<i>0</i>	<i>2,228,600</i>

FY 2017 Total Appropriation					
Agency Request	95.00	7,554,200	9,997,100	0	17,551,300
<i>Governor's Recommendation</i>	<i>95.00</i>	<i>7,554,200</i>	<i>9,997,100</i>	<i>0</i>	<i>17,551,300</i>

Removal of One-Time Expenditures

Agency Request	0.00	(534,300)	(2,379,800)	0	(2,914,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(534,300)</i>	<i>(2,379,800)</i>	<i>0</i>	<i>(2,914,100)</i>

Base Adjustments

Computer Center, Administration, Statewide Payroll

The agency requests a transfer of 0.45 FTP from the General Fund in the Administration Division to two other programs: 0.40 FTP to the Data Processing Services Fund in the Computer Center and 0.05 FTP to the General Fund in the Statewide Payroll Division. These transfers will more accurately reflect the spending projections of the agency.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	95.00	7,019,900	7,617,300	0	14,637,200
<i>Governor's Recommendation</i>	<i>95.00</i>	<i>7,019,900</i>	<i>7,617,300</i>	<i>0</i>	<i>14,637,200</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	53,400	65,000	0	118,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>37,800</i>	<i>46,200</i>	<i>0</i>	<i>84,000</i>

Replacement Items

The agency requests the following replacement items from the General Fund for each of its divisions and adheres to a three year replacement schedule for its computers and monitors. Administration: three laptop computers (\$1,950/each), one desktop computer (\$1,000), and four computer monitors (\$280/each) for a total of \$8,000. Statewide Accounting: two laptop computers (\$1,950/each), five desktop computers (\$950/each), and ten computer monitors (\$280/each) for a total of \$11,500. Statewide Payroll: three laptop computers (\$1,950), three desktop computers (\$950/each), and six computer monitors (\$280/each) for a total of \$10,500.

The agency also requests the following items from the Data Processing Services Fund for the Computer Services Center Division: 13 laptop computers (\$1,950/each) and eight computer monitors (\$280/each) for a total of \$27,600.

Agency Request	0.00	30,000	27,600	0	57,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>30,000</i>	<i>27,600</i>	<i>0</i>	<i>57,600</i>

State Controller

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. State Controller fees will decrease by \$1,100.

Agency Request	0.00	(500)	(600)	0	(1,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(500)</i>	<i>(600)</i>	<i>0</i>	<i>(1,100)</i>

Annualizations

Funding is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The State Controller's pay increased on January 1, 2017 by 1.5%, from \$104,207 to \$105,771 annually, and this adjustment funds the increase from July 1, 2017 through December 31, 2017.

Agency Request	0.00	1,000	0	0	1,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,000</i>	<i>0</i>	<i>0</i>	<i>1,000</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. Of the total amount, \$1,000 is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The State Controller's pay will increase on January 1, 2018 by 1.5%, from \$105,771 to \$107,357 annually.

Agency Request	0.00	31,600	41,200	0	72,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit and the elected official salary change. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>88,300</i>	<i>122,100</i>	<i>0</i>	<i>210,400</i>
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FY 2018 Program Maintenance					
Agency Request	95.00	7,135,400	7,750,500	0	14,885,900
<i>Governor's Recommendation</i>	<i>95.00</i>	<i>7,176,500</i>	<i>7,812,600</i>	<i>0</i>	<i>14,989,100</i>

State Controller

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Cover Costs of Computer Service Center Administration, Statewide Accounting, Statewide Payroll

The agency requests \$618,500 in ongoing operating expenditures from the General Fund for the Divisions of Administration, Statewide Accounting, and Statewide Payroll to pay for the cost of services provided by the Computer Service Center (CSC). The CSC is the fourth budgeted program in the agency and it operates on billings from its customers, including the other programs in the Controller's office. The Idaho Transportation Department (ITD), and the Department of Labor (DOL) are two agencies that historically utilized the CSC's technology services but have made business decisions to seek technology services elsewhere. These decisions are significantly impacting the CSC's ability to cover its costs without additional state General Fund support.

HISTORY: In FY 2015, ITD, DOL, and the Department of Health & Welfare (DHW) each decided to re-platform their systems away from the CSC's computing environments; SCO submitted a \$3.5 million budget request to address this changing customer base in FY 2016. During this same period, the DHW postponed re-platforming away from the CSC. DHW's timing-change provided enough stability to mitigate the financial impact of a changing customer base. As a matter of financial prudence, the State Controller then retracted its original FY 2016 request for \$3.5 million because they determined additional funding was unnecessary at that time. Financial modeling of CSC operations yielded a FY 2017 request for \$994,000 to mitigate the increased expenses and decreased revenues associated with the CSC's volatile customer base. Given that CSC customers further delayed their departures from the computing environments, the agency was able to further refine the CSC's cost model and withdraw the \$994,000 from their FY 2017 request.

The State Controller's Office then reviewed the CSC's current revenues and expenses and determined that rate increases are necessary for FY 2018. The CSC has historically generated between \$7.2 to \$8 million each year from the sale of operations support services, application development services, housing services, systems CPU, and systems storage. Agencies were notified by the SCO in August that rates would increase for FY 2018. These new rates reflect the changing customer base within the CSC's computing environments, and the increased costs are now pro-rated among fewer customers. Of the total expected revenue, the Controller's Office is generally responsible for 45%, or approximately \$3.1 million. The loss of revenue from ITD and DOL is approximately \$1.5 million per year.

For FY 2018, the Controller's internal divisions will require a total of \$618,500 for the Computer Service Center to cover the costs of services in the mainframe and open systems computing environments. Other state agencies will be billed for the difference between the amount of lost revenue and the Controller's request. Specifically, the Controller requests \$46,000 for the Administration Division, \$385,000 for the Division of Statewide Accounting, and \$187,500 for the Division of Statewide Payroll. This realigned allocation of costs represents the use of services, as well as statewide recovery of costs.

Agency Request	0.00	618,500	0	0	618,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>618,500</i>	<i>0</i>	<i>0</i>	<i>618,500</i>

3. Office Security Administration

The agency requests \$45,000 for capital outlay from the General Fund to improve the office's physical security by modifying the entrance to the office areas. This request covers the construction of physical security improvements and will ensure employees have a safe and secure work area, appropriate public access is maintained, and sensitive information is protected. The current layout of the work area in the JRW Building is open, with unlimited access to much of the agency's private work areas. The request is made so that the State Controller can maintain the required level of services for all state agencies while also securing its most important asset, human capital.

Agency Request	0.00	45,000	0	0	45,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>45,000</i>	<i>0</i>	<i>0</i>	<i>45,000</i>

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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4. System Modernization Analysis

Statewide Accounting, Statewide Payroll

The agency requests a one-time appropriation of \$390,000 from the General Fund for a statewide analysis of core functional and technical systems requirements needed to modernize Idaho’s accounting, financial, payroll, human resources, and procurement infrastructure. The funding is shared equally between the programs of Statewide Accounting and Statewide Payroll.

In FY 2015, the agency received \$250,000 and contracted with Information Services Group (ISG) to perform an independent statewide systems modernization study to develop a plan to upgrade or replace Idaho’s accounting, financial, payroll, human resource, and procurement infrastructure. In FY 2017, the agency was appropriated \$350,000 to develop and issue a Request for Information (RFI) to various vendors that operate in the market. During FY 2017, the agency will complete this RFI and analyze its results to better understand the available features, offerings, and trends in the market and the best practices employed by other public entities. Once complete, the findings from the RFI will be presented to stakeholders.

Experts advise the next step towards system modernization is to conduct an in-depth, statewide analysis of Idaho’s core functional and technical systems requirements to modernize the accounting, financial, payroll, human resource, and procurement infrastructure. This work is referred to as “requirements gathering.” The requirements gathering phase of Idaho’s project will delve into specific system requirements, and will help further reduce the risk associated with any infrastructure upgrade. This phase will expand upon the Department of Health & Welfare’s efforts in FY 2016 to gather requirements specific to their agency by collecting similar information from all other state agencies.

Employing a requirements gathering phase will ensure that if Idaho moves forward with implementing a new system in the future, any proposals given consideration will be tailored to meet the needs of state agencies, thus reducing risk and increasing the probability of successful implementation. In order to preserve the independence of this process, the agency will contract for this review and ask existing staff to provide support to the contractor. Policy makers, state agencies, citizens, and anyone with an interest in the financial position and operations of state government will benefit from having readily available financial data to make appropriate decisions.

Agency Request	0.00	390,000	0	0	390,000
<i>Governor’s Recommendation</i>	<i>0.00</i>	<i>390,000</i>	<i>0</i>	<i>0</i>	<i>390,000</i>

5. Financial Reporting Software

Statewide Accounting

The Division of Statewide Accounting requests \$35,000 in ongoing operating expenditures from the General Fund to purchase financial reporting software, service, and appropriate training for staff. This solution will help meet audit standards and better support the development of the Comprehensive Annual Financial Report (CAFR). This software and service will help provide greater transparency for the CAFR, improve process collaboration with auditors, and reduce the time required to produce and distribute the CAFR.

This software will also benefit the legislative audit staff by reducing the number of drafts required to produce a final audited CAFR. Current audit standards require the SCO to submit a single draft financial statement to the auditors. This single draft is then audited and commented on by audit staff and returned to preparers for finalization of the financial statements. Audit staff then finalize the audit. Due to the lengthy lead times in gathering financial information from all of the entities included in the CAFR and the amount of preparer time required to develop the financial statements and associated work papers, information is passed between CAFR preparers and audit staff as this data becomes available. This method of passing multiple drafts between preparers and auditors has caused significant difficulties and additional work as each draft must be audited in its entirety. The process can be greatly streamlined through the use of financial reporting software.

Agency Request	0.00	35,000	0	0	35,000
<i>Governor’s Recommendation</i>	<i>0.00</i>	<i>35,000</i>	<i>0</i>	<i>0</i>	<i>35,000</i>

State Controller

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance		Administration, Statewide Accounting, Statewide Payroll			
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	110,700	0	0	110,700
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	110,700	0	0	110,700

Budget Law Exceptions

CARRYOVER: The agency requests authority to carry over its unencumbered and unspent appropriation balances from FY 2017 into FY 2018. Carryover requires legislative approval. The Computer Service Center (CSC) works with the Divisions of Statewide Accounting and Payroll and other state agencies to maintain and enhance Idaho's financial and payroll systems and processes. The CSC also provides data processing systems and a shared data center environment and offers equipment consolidation, disaster recovery and other IT services for agencies that choose to utilize their services. The variable and changing demands of customers have been well served by the Legislature's past approval of carryover authority for this division. The CSC requests the continuance of carryover authority in FY 2018 to help meet the ever-changing needs of their customers. Since the CSC also makes substantial technology purchases on behalf of customers, carryover authority has allowed the agency to negotiate better pricing and terms with the vendors, resulting in cost savings for taxpayers.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

FY 2018 Total					
Agency Request	95.00	8,334,600	7,750,500	0	16,085,100
Governor's Recommendation	95.00	8,375,700	7,812,600	0	16,188,300
Agency Request					
Change from Original App	0.00	810,200	(47,800)	0	762,400
% Change from Original App	0.0%	10.8%	(0.6%)		5.0%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	851,300	14,300	0	865,600
% Change from Original App	0.0%	11.3%	0.2%		5.6%

Idaho Legislative Budget Book

Office of the Governor

2017 Legislative Session

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Office of the Governor

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Aging, Commission on	12,492,400	12,486,800	12,570,600	12,544,300	12,558,500
Arts, Commission on the	1,905,700	1,565,400	1,956,200	2,053,400	1,962,000
Blind, Commission for the	4,842,400	4,670,800	4,964,500	4,958,500	4,986,600
Drug Policy, Office of	4,254,600	3,640,100	4,660,600	4,677,600	4,683,700
Energy & Mineral Resources, Office of	1,515,000	1,091,500	1,257,700	1,339,600	1,350,700
Financial Management, Div of	1,707,000	1,591,600	1,814,800	1,796,700	1,928,300
Governor, Exec. Office	2,032,600	1,914,700	2,160,500	2,146,800	2,168,100
Human Resources, Division of	1,732,800	1,693,600	1,808,200	2,249,900	2,263,800
Liquor Division, State	18,593,200	18,327,300	19,670,900	20,886,500	20,943,800
Military Division	71,413,400	55,756,900	69,685,700	92,416,800	92,004,000
Pub Emp Retirement System	7,384,500	6,899,800	7,825,800	7,990,800	7,949,800
Species Conservation, Office of	13,805,500	13,201,200	13,878,400	14,128,500	14,131,500
STEM Action Center	647,300	558,200	4,520,700	6,585,900	6,589,800
Wolf Depredation Control Board	0	412,300	0	0	0
Total:	142,326,400	123,810,200	146,774,600	173,775,300	173,520,600
BY FUND CATEGORY					
General	18,536,500	18,164,400	20,640,700	24,054,600	23,704,900
Dedicated	35,430,800	32,960,700	39,555,500	41,046,400	41,116,700
Federal	88,359,100	72,685,100	86,578,400	108,674,300	108,699,000
Total:	142,326,400	123,810,200	146,774,600	173,775,300	173,520,600
Percent Change:		(13.0%)	18.5%	18.4%	18.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	55,967,700	49,841,000	60,336,000	61,899,200	61,899,500
Operating Expenditures	40,798,500	37,094,500	40,457,000	45,564,800	45,418,100
Capital Outlay	1,664,600	4,326,500	1,932,800	23,916,700	23,909,700
Trustee/Benefit	43,895,600	32,548,200	44,048,800	42,394,600	42,293,300
Total:	142,326,400	123,810,200	146,774,600	173,775,300	173,520,600
Full-Time Positions (FTP)	734.92	734.92	749.55	768.55	765.55

Department Description

Pursuant to Section 20, Article IV, Idaho Constitution, all executive and administrative offices, agencies, and instrumentalities of the executive department of the state, except for those assigned to the elected constitutional officers, are allocated within not more than twenty departments. The agencies in this section have been assigned to the Office of the Governor, in compliance with the Idaho Constitution and Section 67-2402, Idaho Code.

Commission on Aging

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	4,494,700	4,492,600	4,531,000	4,521,300	4,527,400
Federal	7,997,700	7,994,200	8,039,600	8,023,000	8,031,100
Total:	12,492,400	12,486,800	12,570,600	12,544,300	12,558,500
Percent Change:		0.0%	0.7%	(0.2%)	(0.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,125,500	1,124,600	1,194,000	1,183,200	1,197,400
Operating Expenditures	324,500	1,117,800	334,200	318,700	318,700
Capital Outlay	0	6,100	0	0	0
Trustee/Benefit	11,042,400	10,238,300	11,042,400	11,042,400	11,042,400
Total:	12,492,400	12,486,800	12,570,600	12,544,300	12,558,500
Full-Time Positions (FTP)	13.00	13.00	13.00	13.00	13.00

Division Description

The Idaho Commission on Aging seeks to ensure access to basic necessities for elderly individuals. The commission coordinates the provision of various community services including transportation, nutrition, and in-home care. The commission is organized within the Office of the Governor and is led by the administrator, who is appointed by the Governor and confirmed by the Senate. A board of commissioners with seven members is appointed by the Governor, and at least four of whom are to be age 60 or older. Commissioners serve four-year terms, may not serve more than two terms consecutively, and shall consult with the administrator to carry out the purpose of the commission. The commission's duties include:

- Advocating for elderly Idahoans within state government and throughout the communities of the state;
- Assisting communities to plan, develop, and implement in-home and community-based services; and
- Planning, coordinating, funding, and monitoring various statewide service programs to meet present and future needs of older individuals.

For administrative purposes, the commission serves the state through contracts with six Planning and Service Areas (PSAs), each assigned to one Area Agency on Aging (AAA), which administers and manages programs and services for the elderly under an Area Plan on Aging approved by the commission. Area plans are developed through research, analysis, strategy identification, and stakeholder outreach in order to meet local needs.

Funding sources for the Commission on Aging include the following:

General Fund (0001). The General Fund consists of, "moneys received into the treasury and not specially appropriated to any other fund" (§67-1205, Idaho Code).

Federal Grant (0348). Receives funding from the U.S. Department of Health and Human Services, U.S. Department of Labor, and the U.S. Department of Agriculture which includes authorizing grants for Titles III, IV, V, and VII of the Older Americans Act of 1965. Specific grants include the Lifespan Respite Program, Commodity Supplemental Food Program (CSFP), Aging and Disability Resource Center (ADRC), Senior Medicare Patrol and Integration Grants, and Model Approaches to Statewide Legal Assistance Systems.

Commission on Aging

Area Agencies on Aging, Profile & Funding Formula

Analyst: Jessup



Area Agencies on Aging

Area Agencies on Aging (AAA) are service contractors and are not part of the commission's organization; AAA are paid with trustee & benefit payments, per §67-5007, Idaho Code, and receive about 75% of the commission's appropriation. AAA assist in service delivery in local communities throughout the state. Area offices in Idaho include the following:

- Area I:** Area Agency on Aging North Idaho
- Area II:** Community Action Partnership
- Area III:** Area III Senior Services Agency
- Area IV:** College of Southern Idaho, Office on Aging
- Area V:** Southeast Idaho Council of Governments
- Area VI:** Eastern Idaho Community Action Partnership

FY 2017 Funding Formula, Based on Weighted Elderly or "at risk" Population

	Federal	State	Total
Total Funds for AAA Distribution	\$5,856,200	\$3,978,600	\$9,834,800
Base Funding Amounts: 10% of Fund	(\$585,620)	(\$397,860)	(\$983,480)
Remaining Balance for Formula Distribution	\$5,270,580	\$3,580,740	\$8,851,320

	Area I	Area II	Area III	Area IV	Area V	Area VI	TOTAL
Base Funding (1/6 of Base Amount)							
Federal Funds	\$97,603	\$97,603	\$97,603	\$97,603	\$97,603	\$97,603	\$585,620
State Funds	\$66,310	\$66,310	\$66,310	\$66,310	\$66,310	\$66,310	\$397,860
Weighted Population Used for Formula							
Weighted Population	53,273	27,185	110,238	48,647	36,969	33,894	310,206
65+ Living in Poverty	2,970	1,487	7,621	2,568	1,416	1,430	17,492
65+ Living Alone	8,807	5,061	23,163	6,776	5,432	5,041	54,280
60+ Racial Minority	1,489	961	1,269	815	1,307	710	6,551
60+ Hispanic	887	279	6,204	2,671	1,400	1,144	12,585
60+ Living in Rural	20,647	9,179	25,218	21,047	15,748	12,731	104,570
75+	14,647	8,040	36,117	11,378	9,179	9,811	89,172
85+	3,826	2,178	10,646	3,392	2,487	3,027	25,556
Percentage of Weighted Population	17.17%	8.76%	35.54%	15.68%	11.92%	10.93%	
Formula Driven Funding (Multiply: Weighted Population Percent and Balance of Formula Distribution)							
Federal Funds	\$905,139	\$461,889	\$1,873,008	\$826,541	\$628,125	\$575,879	\$5,270,580
State Funds	\$614,936	\$313,799	\$1,272,489	\$561,537	\$426,737	\$391,242	\$3,580,740
Total Allocated Funds (Base + Formula)	\$1,683,988	\$939,602	\$3,309,410	\$1,551,991	\$1,218,775	\$1,131,034	\$9,834,800

Commission on Aging

Area Agencies on Aging Budgets, FY 2017

Analyst: Jessup

Program	Area I	Area II	Area III ¹	Area IV	Area V	Area VI	TOTAL
Administration							
Federal Funds	91,600	51,000	184,000	83,600	66,200	62,300	538,700
State Funds	67,600	37,700	136,000	61,600	48,800	45,300	397,000
Adult Protection							
State Funds	115,800	76,500	267,700	152,200	130,000	115,700	857,900
Case Management							
State Funds	4,000	9,000	-	-	-	1,900	14,900
Congregate Meals							
Federal Funds	238,900	187,800	480,300	241,700	182,800	125,800	1,457,300
State Funds	46,400	25,900	134,000	36,700	32,000	17,900	292,900
Coordination							
Federal Funds	31,800	17,500	31,900	26,300	23,000	20,900	151,400
Home Delivered Meals							
Federal Funds	257,600	112,100	392,400	174,400	211,900	190,800	1,339,200
State Funds	118,700	43,500	487,500	98,500	61,700	91,800	901,700
Homemaker							
Federal Funds	8,000	-	32,000	-	-	16,100	56,100
State Funds	170,000	125,100	192,000	128,800	107,000	73,300	796,200
Information & Assistance							
Federal Funds	190,100	58,100	357,500	228,800	125,600	148,200	1,108,300
Legal Assistance							
Federal Funds	25,600	7,000	32,000	7,200	8,000	10,200	90,000
Ombudsman							
Federal Funds	15,800	73,700	104,800	9,500	9,200	44,400	257,400
State Funds	79,600	-	56,200	73,200	62,300	20,700	292,000
Health Promotion							
Federal Funds	25,100	7,600	27,600	12,600	36,900	16,500	126,300
Respite							
Federal Funds	52,600	53,500	105,200	15,300	45,100	9,400	281,100
State Funds	30,500	39,000	-	24,500	18,800	17,500	130,300
Transportation							
Federal Funds	35,300	22,000	97,500	8,000	54,700	2,000	219,500
State Funds	43,800	20,100	87,900	46,500	28,000	67,900	294,200
Other²							
Federal Funds	30,500	27,900	51,500	50,500	39,200	31,300	230,900
State Funds	-	-	-	-	-	1,500	1,500
TOTAL BUDGET							
Federal Funds	\$1,002,900	\$618,200	\$1,896,700	\$857,900	\$802,600	\$677,900	\$5,856,200
State Funds	\$676,400	\$376,800	\$1,361,300	\$622,000	\$488,600	\$453,500	\$3,978,600
Total	\$1,679,300	\$995,000	\$3,258,000	\$1,479,900	\$1,291,200	\$1,131,400	\$9,834,800

¹ In September of 2016, ICOA officially designated Area 3 Senior Services Agency as the new Area Agency on Aging. Operating expenditures for Area III were processed through ICOA through September and ICOA continues to work with the new AAA to ensure an uninterrupted transition of services.

² Other programs include nutrition, support groups, training, chore, counseling, outreach, and health promotion.

Commission on Aging

Comparative Summary

Analyst: Jessup

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	13.00	4,531,000	12,570,600	13.00	4,531,000	12,570,600
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	13.00	4,531,000	12,570,600	13.00	4,531,000	12,570,600
Removal of One-Time Expenditures	0.00	(15,100)	(36,500)	0.00	(15,100)	(36,500)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	13.00	4,515,900	12,534,100	13.00	4,515,900	12,534,100
Benefit Costs	0.00	6,700	15,800	0.00	4,700	11,100
Statewide Cost Allocation	0.00	(5,500)	(15,700)	0.00	(5,500)	(15,700)
Change in Employee Compensation	0.00	4,200	9,900	0.00	12,300	28,800
FY 2018 Program Maintenance	13.00	4,521,300	12,544,100	13.00	4,527,400	12,558,300
Cybersecurity Insurance	0.00	0	200	0.00	0	200
FY 2018 Total	13.00	4,521,300	12,544,300	13.00	4,527,400	12,558,500
Change from Original Appropriation	0.00	(9,700)	(26,300)	0.00	(3,600)	(12,100)
% Change from Original Appropriation		(0.2%)	(0.2%)		(0.1%)	(0.1%)

Commission on Aging

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	13.00	4,531,000	0	8,039,600	12,570,600

Noncognizable Funds and Transfers

With the de-designation of the Area Agency on Aging (Area III) in Southwest Idaho, the commission transferred \$801,700 from trustee & benefit payments to operating expenditures to account for costs associated with overseeing the operations of Area III. This includes a General Fund object transfer of \$430,800 and a federal fund object transfer of \$370,900. The commission signed an agreement with a new Area Agency for Aging for Area III in September of 2016.

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	13.00	4,531,000	0	8,039,600	12,570,600
<i>Governor's Recommendation</i>	<i>13.00</i>	<i>4,531,000</i>	<i>0</i>	<i>8,039,600</i>	<i>12,570,600</i>

Removal of One-Time Expenditures

Removes \$35,600 provided one-time for the 27th payroll and \$900 for one-time CEC related to the 27th payroll.

Agency Request	0.00	(15,100)	0	(21,400)	(36,500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(15,100)</i>	<i>0</i>	<i>(21,400)</i>	<i>(36,500)</i>

Base Adjustments

Restores \$801,700 to trustee & benefit payments to align the base with estimated ongoing needs.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	13.00	4,515,900	0	8,018,200	12,534,100
<i>Governor's Recommendation</i>	<i>13.00</i>	<i>4,515,900</i>	<i>0</i>	<i>8,018,200</i>	<i>12,534,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	6,700	0	9,100	15,800
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,700</i>	<i>0</i>	<i>6,400</i>	<i>11,100</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$400, State Controller fees will decrease by \$100, Attorney General fees will decrease by \$15,900, and State Treasurer fees will decrease by \$100, for a net reduction of \$15,700.

Agency Request	0.00	(5,500)	0	(10,200)	(15,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(5,500)</i>	<i>0</i>	<i>(10,200)</i>	<i>(15,700)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	4,200	0	5,700	9,900
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>12,300</i>	<i>0</i>	<i>16,500</i>	<i>28,800</i>

Commission on Aging

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Program Maintenance					
Agency Request	13.00	4,521,300	0	8,022,800	12,544,100
<i>Governor's Recommendation</i>	<i>13.00</i>	<i>4,527,400</i>	<i>0</i>	<i>8,030,900</i>	<i>12,558,300</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	0	200	200
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>200</i>	<i>200</i>
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FY 2018 Total					
Agency Request	13.00	4,521,300	0	8,023,000	12,544,300
<i>Governor's Recommendation</i>	<i>13.00</i>	<i>4,527,400</i>	<i>0</i>	<i>8,031,100</i>	<i>12,558,500</i>

Agency Request

Change from Original App	0.00	(9,700)	0	(16,600)	(26,300)
% Change from Original App	0.0%	(0.2%)		(0.2%)	(0.2%)

Governor's Recommendation

<i>Change from Original App</i>	<i>0.00</i>	<i>(3,600)</i>	<i>0</i>	<i>(8,500)</i>	<i>(12,100)</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>(0.1%)</i>		<i>(0.1%)</i>	<i>(0.1%)</i>

Commission on the Arts

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	759,400	748,900	782,900	881,200	785,500
Dedicated	106,100	56,900	106,300	106,300	106,300
Federal	1,040,200	759,600	1,067,000	1,065,900	1,070,200
Total:	1,905,700	1,565,400	1,956,200	2,053,400	1,962,000
Percent Change:		(17.9%)	25.0%	5.0%	0.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	694,600	622,900	744,600	740,700	749,300
Operating Expenditures	494,900	364,900	495,200	496,300	496,300
Trustee/Benefit	716,200	577,600	716,400	816,400	716,400
Total:	1,905,700	1,565,400	1,956,200	2,053,400	1,962,000
Full-Time Positions (FTP)	10.00	10.00	10.00	10.00	10.00

Division Description

The Commission on the Arts seeks to stimulate and encourage the study and presentation of the arts, as well as public interest and participation therein, and to encourage and assist freedom of artistic expression. Areas of emphasis include music, theatre, dance, creative writing, painting, sculpture, architecture, and the folk and traditional arts. In fulfillment of these objectives, the commission engages in the following activities:

1. Grants for arts organizations to assist in the support of public programs in the arts for residents of, and visitors to, Idaho;
2. Fellowships in recognition of artistic excellence by individual Idaho artists;
3. Traditional arts apprenticeships and master clinics for folk and traditional artists and their apprentices, to perpetuate Idaho traditions;
4. Arts education programs, including the ArtsPowered Schools Institute; Poetry Out Loud, the National Poetry Recitation Contest; and arts education project grants;
5. Technical assistance services for arts organizations and professional development opportunities for artists and arts administrators;
6. Idaho's Writer-in-Residence literature program, serving Idaho libraries in rural regions with literary readings; and
7. Honorifics, including the biennial Idaho Governor's Awards in the Arts.

The Governor appoints the 13-member Commission on the Arts, which in turn hires an executive director to plan, manage and evaluate the commission's activities.

The commission has three fund sources:

1. General Fund: Approximately 40% of their available funds.
2. Federal Grant Fund: Approximately 55% of their available funds. This fund receives cash from federal grants authorized by the National Foundation on the Arts and the Humanities Act of 1965. The grant is administered by the National Endowment for the Arts.
3. Miscellaneous Revenue Fund: Approximately 5% of their available funds. Miscellaneous revenue is derived from sources other than the state or federal government. These sources may include conference registration fees, private support for special projects, and unsolicited private contributions made to the commission.

Commission on the Arts

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	10.00	782,900	1,956,200	10.00	782,900	1,956,200
Removal of One-Time Expenditures	0.00	(10,600)	(22,200)	0.00	(10,600)	(22,200)
FY 2018 Base	10.00	772,300	1,934,000	10.00	772,300	1,934,000
Benefit Costs	0.00	4,900	12,200	0.00	3,400	8,600
Statewide Cost Allocation	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	2,900	6,100	0.00	8,700	18,300
FY 2018 Program Maintenance	10.00	781,100	1,953,300	10.00	785,400	1,961,900
1. Grant Funds to Public Art Programs	0.00	100,000	100,000	0.00	0	0
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	10.00	881,200	2,053,400	10.00	785,500	1,962,000
Change from Original Appropriation	0.00	98,300	97,200	0.00	2,600	5,800
% Change from Original Appropriation		12.6%	5.0%		0.3%	0.3%

Commission on the Arts

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	10.00	782,900	106,300	1,067,000	1,956,200

Removal of One-Time Expenditures

Agency Request	0.00	(10,600)	0	(11,600)	(22,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(10,600)</i>	<i>0</i>	<i>(11,600)</i>	<i>(22,200)</i>

FY 2018 Base	10.00	772,300	106,300	1,055,400	1,934,000
Agency Request	10.00	772,300	106,300	1,055,400	1,934,000
<i>Governor's Recommendation</i>	<i>10.00</i>	<i>772,300</i>	<i>106,300</i>	<i>1,055,400</i>	<i>1,934,000</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	4,900	0	7,300	12,200
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,400</i>	<i>0</i>	<i>5,200</i>	<i>8,600</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$200 and Attorney General fees will increase by \$800, for a net increase of \$1,000.

Agency Request	0.00	1,000	0	0	1,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,000</i>	<i>0</i>	<i>0</i>	<i>1,000</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	2,900	0	3,200	6,100
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>8,700</i>	<i>0</i>	<i>9,600</i>	<i>18,300</i>

FY 2018 Program Maintenance	10.00	781,100	106,300	1,065,900	1,953,300
Agency Request	10.00	781,100	106,300	1,065,900	1,953,300
<i>Governor's Recommendation</i>	<i>10.00</i>	<i>785,400</i>	<i>106,300</i>	<i>1,070,200</i>	<i>1,961,900</i>

Commission on the Arts

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Grant Funds to Public Art Programs

The commission requests \$100,000 in trustee & benefit payments from the General Fund for Public Programs in the Arts grants supporting Idaho's charitable arts organizations. Currently there is 1.00 FTP assigned to this program, \$135,700 from the General Fund, and \$124,300 in federal funds for a total of \$260,000. This request would allow the commission to keep up with the increasing demand for these grants and address inflationary pressures in grantees' program costs. Further, this request would solidify the commission's compliance with federal matching requirements. The commission is required to assist constituent-organizations to strengthen their public programs and infrastructures. The commission's FY 2017 General Fund appropriation meets the minimum-required federal match for the receipt of its State Partnership Agreement from the National Endowment for the Arts with a cushion of \$1,800. Given variations in State Partnership Agreement funding, the requested increase in the General Fund appropriation would strengthen the commission's matching position.

Commission staff visit and consult with Idaho's arts organizations, providing technical assistance in program development, financial management, strategic planning, and fundraising. They believe the commission's work in these areas has been so successful that more arts organizations are qualifying to receive funds making them available across a larger pool of recipients, thereby reducing the amount of each grant. Total funds available to support the grants have declined by 26% since FY 2010 with the economic downturn. Simultaneously, the commission's responsiveness to the constituent organizations, combined with the increasing costs of these organizations, have increased demand for this support. Since FY 2010, the increased demand has resulted in a 37% median reduction in grant amounts over the period. The commission's goal is to reverse this trend.

In FY 2017, grants were provided to 59 community-based arts organizations in 20 counties. Representative of the public programs receiving the grants are the Festival at Sandpoint, Oregon Trail Center, Shakespeare Festival, Salmon Arts Council, National Old-Time Fiddlers Festival and Contest, Center for Arts & History at Lewis-Clark State College, Auditorium Chamber Music Series at the University of Idaho, Arts On Tour at the College of Southern Idaho, Twin Falls Center for the Arts, Idaho Falls Arts Council, and the Caldwell Fine Arts.

Agency Request	0.00	100,000	0	0	100,000
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Not recommended by the Governor.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>100</i>
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FY 2018 Total					
Agency Request	10.00	881,200	106,300	1,065,900	2,053,400
<i>Governor's Recommendation</i>	<i>10.00</i>	<i>785,500</i>	<i>106,300</i>	<i>1,070,200</i>	<i>1,962,000</i>

Agency Request

Change from Original App	0.00	98,300	0	(1,100)	97,200
% Change from Original App	0.0%	12.6%	0.0%	(0.1%)	5.0%

Governor's Recommendation

<i>Change from Original App</i>	<i>0.00</i>	<i>2,600</i>	<i>0</i>	<i>3,200</i>	<i>5,800</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>0.3%</i>	<i>0.0%</i>	<i>0.3%</i>	<i>0.3%</i>

Commission for the Blind and Visually Impaired

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	1,389,600	1,370,300	1,455,500	1,452,800	1,461,600
Dedicated	418,800	330,800	327,700	327,900	327,900
Federal	3,034,000	2,969,700	3,181,300	3,177,800	3,197,100
Total:	4,842,400	4,670,800	4,964,500	4,958,500	4,986,600
Percent Change:		(3.5%)	6.3%	(0.1%)	0.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,644,100	2,440,400	2,831,000	2,894,500	2,923,900
Operating Expenditures	845,800	885,200	823,400	823,800	823,800
Capital Outlay	0	44,300	0	0	0
Trustee/Benefit	1,352,500	1,300,900	1,310,100	1,240,200	1,238,900
Total:	4,842,400	4,670,800	4,964,500	4,958,500	4,986,600
Full-Time Positions (FTP)	40.12	40.12	40.12	41.12	41.12

Division Description

The Idaho Commission for the Blind and Visually Impaired (ICBVI) was established in 1967. ICBVI assists individuals who are blind or visually impaired with achieving social and economic independence. The commission is organized under the Office of the Governor and consists of five appointed members who serve three-year terms. At least three of the commissioners must be blind or visually impaired. ICBVI's duties consist of the following:

Assist individuals who are blind or visually impaired with achieving independence by informing them of available services and engaging in other activities that ameliorate the condition of blindness;

Provide programs of case finding, education, counseling, and guidance; blindness prevention, reading/taping, and related services; training, job identification, and placement; and physical/sight restoration to build confidence and self-sufficiency;

Implement and oversee the Business Enterprise Program (BEP), which allows individuals who are blind or visually impaired the opportunity to become food service or vending operators; and

Administer federal vocational rehabilitation programs for individuals who are blind or visually impaired.

In addition, the Assessment and Training Center (ATC) in Boise provides intensive instruction in skills needed for a blind or visually impaired person to participate fully in the mainstream of society. The Center's goal is to provide training which will allow the individual to perform any task, on the job or at home, as well as his or her sighted peers. Instruction is available in the following areas: activities of daily living, Braille and communications, industrial arts, keyboard and computer, and orientation and mobility/cane travel.

Commission for the Blind and Visually Impaired

Agency Profile

Analyst: Jessup

Fund Name & Description

1. General Fund (0001)

The General Fund consists of revenue from individual income tax, corporate income tax, sales tax, and miscellaneous sources.

2. Randolph Sheppard (0210, dedicated)

This fund receives moneys from blind managers of food service and vending businesses as an assessment against their net income. It also receives a percentage of receipts from vending machines located on federal property that are not operated by a person who is blind. The money is used to support the Business Enterprise Program.

3. Rehab Revenue and Refunds (0288, dedicated)

This fund receives moneys from federal sources, primarily the Social Security Administration, for the vocational rehabilitation of clients who are Social Security recipients. The money is often received on a reimbursement basis after the state successfully rehabilitates a client.

4. Miscellaneous Revenue (0349, dedicated)

Moneys from donations, sale of copies, and similar services, etc.

5. Adaptive Aids & Appliances (0426, dedicated)

Receipts to this fund come from the sale of low vision aids and appliances to clients of the agency and the general public.

6. Federal Funds (0348)

This fund receives federal grant moneys authorized by the Rehabilitation, Comprehensive Services and Developmental Disabilities Legislation. 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. Matching requirements vary from program to program.

Commission for the Blind and Visually Impaired

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	40.12	1,455,500	4,964,500	40.12	1,455,500	4,964,500
Removal of One-Time Expenditures	0.00	(22,200)	(78,600)	0.00	(22,200)	(78,600)
FY 2018 Base	40.12	1,433,300	4,885,900	40.12	1,433,300	4,885,900
Benefit Costs	0.00	13,000	49,900	0.00	9,200	33,400
Statewide Cost Allocation	0.00	100	200	0.00	100	200
Change in Employee Compensation	0.00	6,300	22,300	0.00	18,900	66,900
FY 2018 Program Maintenance	40.12	1,452,700	4,958,300	40.12	1,461,500	4,986,400
1. Project Coordinator	1.00	0	0	1.00	0	0
Cybersecurity Insurance	0.00	100	200	0.00	100	200
FY 2018 Total	41.12	1,452,800	4,958,500	41.12	1,461,600	4,986,600
Change from Original Appropriation	1.00	(2,700)	(6,000)	1.00	6,100	22,100
% Change from Original Appropriation		(0.2%)	(0.1%)		0.4%	0.4%

Commission for the Blind and Visually Impaired

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	40.12	1,455,500	327,700	3,181,300	4,964,500

Removal of One-Time Expenditures

Removes \$76,200 provided for the 27th payroll and \$2,400 for CEC related to the 27th payroll.

Agency Request	0.00	(22,200)	(500)	(55,900)	(78,600)
Governor's Recommendation	0.00	(22,200)	(500)	(55,900)	(78,600)

FY 2018 Base					
Agency Request	40.12	1,433,300	327,200	3,125,400	4,885,900
Governor's Recommendation	40.12	1,433,300	327,200	3,125,400	4,885,900

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	13,000	600	36,300	49,900
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

Governor's Recommendation	0.00	9,200	400	23,800	33,400
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$300, State Controller fees will decrease by \$900, Attorney General fees will increase by \$1,100, and State Treasurer fees will decrease by \$300, for a net increase of \$200.

Agency Request	0.00	100	0	100	200
Governor's Recommendation	0.00	100	0	100	200

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	6,300	100	15,900	22,300
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	18,900	300	47,700	66,900
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FY 2018 Program Maintenance					
Agency Request	40.12	1,452,700	327,900	3,177,700	4,958,300
Governor's Recommendation	40.12	1,461,500	327,900	3,197,000	4,986,400

1. Project Coordinator

The commission requests funding for 1.00 FTP and \$69,000 from the Federal Grant Fund for a project coordinator to provide pre-employment transition services to students. This position would be responsible for transition services and coordination in compliance with the Workforce Innovation and Opportunity Act, which requires a reserve of 15% of each Title I grant be used for pre-employment services. At present, vocational rehabilitation counselors face extensive caseloads. Counselors and clients would benefit from dedicated personnel to focus in transition services. The position would be paid for by transferring appropriated funds from trustee & benefit payments into personnel costs with no additional federal or matching funds required. [Ongoing]

Agency Request	1.00	0	0	0	0
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Transfer increased to \$71,200 to match 80% of policy on new pay schedule and health insurance costs reduced to recommended level.

Governor's Recommendation	1.00	0	0	0	0
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Commission for the Blind and Visually Impaired

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	100	0	100	200
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	100	0	100	200
FY 2018 Total					
Agency Request	41.12	1,452,800	327,900	3,177,800	4,958,500
Governor's Recommendation	41.12	1,461,600	327,900	3,197,100	4,986,600
Agency Request					
Change from Original App	1.00	(2,700)	200	(3,500)	(6,000)
% Change from Original App	2.5%	(0.2%)	0.1%	(0.1%)	(0.1%)
<i>Governor's Recommendation</i>					
Change from Original App	1.00	6,100	200	15,800	22,100
% Change from Original App	2.5%	0.4%	0.1%	0.5%	0.4%

Office of Drug Policy

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	303,000	285,100	320,700	318,900	321,900
Dedicated	18,500	15,000	3,500	24,500	24,500
Federal	3,933,100	3,340,000	4,336,400	4,334,200	4,337,300
Total:	4,254,600	3,640,100	4,660,600	4,677,600	4,683,700
Percent Change:		(14.4%)	28.0%	0.4%	0.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	505,700	491,600	525,700	521,400	527,500
Operating Expenditures	422,300	245,700	422,900	444,200	444,200
Capital Outlay	0	1,500	0	0	0
Trustee/Benefit	3,326,600	2,901,300	3,712,000	3,712,000	3,712,000
Total:	4,254,600	3,640,100	4,660,600	4,677,600	4,683,700
Full-Time Positions (FTP)	6.00	6.00	6.00	6.00	6.00

Division Description

The Office of Drug Policy was created during the 2007 legislative session. Section 67-821, Idaho Code, states that the Office of Drug Policy shall cooperate and consult with counties, cities, and local law enforcement on programs, policies, and issues in combating Idaho's illegal drug and substance abuse problem; serve as a repository of agreements, contracts, and plans concerning programs for combating illegal drug and substance abuse from community organizations and other relevant local, state, and federal agencies, and shall facilitate the exchange of this information and data with relevant interstate and intrastate entities; provide input and comment on community, tribal and federal plans, agreements, and policies relating to illegal drug and substance abuse; and coordinate public and private entities to develop, create, and promote statewide campaigns to reduce or eliminate substance abuse.

Office of Drug Policy

Comparative Summary

Analyst: Tatro

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	6.00	320,700	4,660,600	6.00	320,700	4,660,600
1. Rx Drug Overdose Grant	0.00	0	21,000	0.00	0	21,000
FY 2017 Total Appropriation	6.00	320,700	4,681,600	6.00	320,700	4,681,600
Removal of One-Time Expenditures	0.00	(8,000)	(16,200)	0.00	(8,000)	(16,200)
FY 2018 Base	6.00	312,700	4,665,400	6.00	312,700	4,665,400
Benefit Costs	0.00	3,700	7,400	0.00	2,600	5,200
Statewide Cost Allocation	0.00	200	300	0.00	200	300
Change in Employee Compensation	0.00	2,300	4,500	0.00	6,400	12,800
FY 2018 Total	6.00	318,900	4,677,600	6.00	321,900	4,683,700
Change from Original Appropriation	0.00	(1,800)	17,000	0.00	1,200	23,100
% Change from Original Appropriation		(0.6%)	0.4%		0.4%	0.5%

Office of Drug Policy

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	6.00	320,700	3,500	4,336,400	4,660,600

1. Rx Drug Overdose Grant

The Office of Drug Policy (ODP) requests \$21,000 in operating expenditures to implement the planning and data portion of a federal Prescription Drug Overdose Grant from the Center for Disease Control (CDC). The grant was awarded to Health and Welfare, and ODP will be a contracted partner. The overall goal for ODP is to assess and better understand the size and scope of the opioid epidemic in Idaho. Responsibilities for ODP are to: 1) perform a needs assessment; 2) convene strategic planning group and develop a strategic plan; 3) implement data-sharing agreements as needed; 4) identify, obtain, and coordinate routine ongoing data collection and analysis; and 5) report to stakeholders. Health and Welfare will be the primary grant contact, the Board of Pharmacy, Public Health Districts, and Idaho State University will handle the prevention in action piece; which is implementation, education, training, and evaluation. The total grant is awarded for three years and provides \$576,000 of federal funds into Idaho. It is expected that the \$21,000 will be removed from the base, upon completion of the grant in FY 2020. [Ongoing]

Agency Request	0.00	0	21,000	0	21,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>21,000</i>	<i>0</i>	<i>21,000</i>

FY 2017 Total Appropriation					
Agency Request	6.00	320,700	24,500	4,336,400	4,681,600
<i>Governor's Recommendation</i>	<i>6.00</i>	<i>320,700</i>	<i>24,500</i>	<i>4,336,400</i>	<i>4,681,600</i>

Removal of One-Time Expenditures

Agency Request	0.00	(8,000)	0	(8,200)	(16,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(8,000)</i>	<i>0</i>	<i>(8,200)</i>	<i>(16,200)</i>

FY 2018 Base					
Agency Request	6.00	312,700	24,500	4,328,200	4,665,400
<i>Governor's Recommendation</i>	<i>6.00</i>	<i>312,700</i>	<i>24,500</i>	<i>4,328,200</i>	<i>4,665,400</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	3,700	0	3,700	7,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,600</i>	<i>0</i>	<i>2,600</i>	<i>5,200</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$200, and State Controller fees will increase by \$100 for a net increase of \$300.

Agency Request	0.00	200	0	100	300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>200</i>	<i>0</i>	<i>100</i>	<i>300</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	2,300	0	2,200	4,500
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,400</i>	<i>0</i>	<i>6,400</i>	<i>12,800</i>

FY 2018 Total					
Agency Request	6.00	318,900	24,500	4,334,200	4,677,600
<i>Governor's Recommendation</i>	<i>6.00</i>	<i>321,900</i>	<i>24,500</i>	<i>4,337,300</i>	<i>4,683,700</i>

Office of Drug Policy

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	(1,800)	21,000	(2,200)	17,000
% Change from Original App	0.0%	(0.6%)	600.0%	(0.1%)	0.4%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	1,200	21,000	900	23,100
% Change from Original App	0.0%	0.4%	600.0%	0.0%	0.5%

Office of Energy and Mineral Resources

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	787,600	446,600	815,700	930,200	938,000
Federal	727,400	644,900	442,000	409,400	412,700
Total:	1,515,000	1,091,500	1,257,700	1,339,600	1,350,700
Percent Change:		(28.0%)	15.2%	6.5%	7.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	759,200	545,300	777,400	829,400	840,500
Operating Expenditures	481,100	266,700	447,400	448,700	448,700
Capital Outlay	4,700	2,800	2,900	3,500	3,500
Trustee/Benefit	270,000	276,700	30,000	58,000	58,000
Total:	1,515,000	1,091,500	1,257,700	1,339,600	1,350,700
Full-Time Positions (FTP)	8.00	8.00	8.00	8.00	8.00

Division Description

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. He replaced that with EO 2011-14 and again with EO 2012-08 on October 18, 2012. On October 11, 2016, Governor Otter changed the name to the Office of Energy and Mineral Resources effective for four more years.

The duties, powers and authorities of the Office of Energy and Mineral Resources shall include:

- a. Serve as Idaho's clearing house and first point of contact for energy and mineral information, including addressing policy inquires, and providing information regarding issues;
- b. Coordinating the State's energy and mineral planning development efforts;
- c. Advising the Governor, the Legislature and other public officials of the State's energy requirements, supply, transmission, management, conservation and efficiency efforts;
- d. Coordinating and cooperating with federal and state agencies, departments, and divisions and local governments on issues concerning the State's energy requirements, supply, transmission, management, conservation, and efficiency efforts;
- e. Pursuing and accepting federal delegation of responsibility and authority for matters that affect the energy supply, transmission, management, consumption, and conservation by the citizens of Idaho other than energy codes and standards for buildings and those matters under the jurisdiction of the Idaho Public Utilities Commission;
- f. Advising the Governor, the Legislature and other public officials of the State's mineral acquisition, exploration and production planning, and policy development efforts;
- g. Coordinating and cooperating with federal and state agencies, departments and divisions, and local governments on issues concerning the State's mineral supply and management;
- h. Pursuing and accepting federal delegation of responsibility and authority for matters that affect the mineral supply, management, acquisition, exploration, and development;
- i. Coordinating, supporting and overseeing the Idaho Strategic Energy Alliance;
- j. Assisting State agencies, departments, divisions, and local governments to secure funding where available for energy conservation projects and renewable energy resource opportunities;
- k. Administering energy loan programs and other forms of financial assistance for eligible projects;
- l. Entering into other agreements or contracts and do that which is necessary to carry out the provisions of this Executive Order and in the performance of other duties as may be directed by the Governor.

The Office of Energy and Mineral Resources may accept private contributions, state or federal funds, funds from other public agencies, or any other source. The moneys shall be expended solely for the purposes provided in the Executive Order and accounted for as provided by law.

Office of Energy and Mineral Resources

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	8.00	0	1,257,700	8.00	0	1,257,700
1. Energy Program Salaries	0.00	0	50,000	0.00	0	50,000
FY 2017 Total Appropriation	8.00	0	1,307,700	8.00	0	1,307,700
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	8.00	0	1,307,700	8.00	0	1,307,700
Removal of One-Time Expenditures	0.00	0	(52,700)	0.00	0	(52,700)
FY 2018 Base	8.00	0	1,255,000	8.00	0	1,255,000
Benefit Costs	0.00	0	9,600	0.00	0	6,700
Replacement Items	0.00	0	3,500	0.00	0	3,500
Statewide Cost Allocation	0.00	0	1,200	0.00	0	1,200
Change in Employee Compensation	0.00	0	7,000	0.00	0	21,000
FY 2018 Program Maintenance	8.00	0	1,276,300	8.00	0	1,287,400
1. Government Leading by Example Prgm	0.00	0	58,000	0.00	0	58,000
2. Paid Intern	0.00	0	5,200	0.00	0	5,200
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	8.00	0	1,339,600	8.00	0	1,350,700
Change from Original Appropriation	0.00	0	81,900	0.00	0	93,000
% Change from Original Appropriation			6.5%			7.4%

Office of Energy and Mineral Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	8.00	0	815,700	442,000	1,257,700

1. Energy Program Salaries

The Office of Energy and Mineral Resources (OEMR) requests a supplemental appropriation of \$50,000 in personnel costs from the Petroleum Price Violation (PPV) Fund for two reasons. First, the agency's FY 2017 budget was submitted in September of 2015 based on a projection of the annual State Energy Program (SEP) formula grant. The agency applied for the FY 2017 SEP Grant in May of 2016, and it was approved in late June of 2016. An increase of \$25,000 in personnel costs is requested due to the required match for the SEP grant budgeted in personnel costs. Second, the internal budget for personnel costs of the State and Local Policy Program, which is funded entirely with PPV moneys, is \$25,000 higher now than was anticipated when the budget was set. [Ongoing]

Agency Request	0.00	0	50,000	0	50,000
<i>Governor's Recommendation</i>	0.00	0	50,000	0	50,000

FY 2017 Total Appropriation					
Agency Request	8.00	0	865,700	442,000	1,307,700
<i>Governor's Recommendation</i>	8.00	0	865,700	442,000	1,307,700

Noncognizable Funds and Transfers

Adjusts 1.25 FTP between fund sources.

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2017 Estimated Expenditures					
Agency Request	8.00	0	865,700	442,000	1,307,700
<i>Governor's Recommendation</i>	8.00	0	865,700	442,000	1,307,700

Removal of One-Time Expenditures

Removes \$19,800 provided for the 27th payroll and related CEC, \$2,900 provided for replacement items, and \$30,000 provided for a Statewide Wood Energy Team Grant.

Agency Request	0.00	0	(14,900)	(37,800)	(52,700)
<i>Governor's Recommendation</i>	0.00	0	(14,900)	(37,800)	(52,700)

FY 2018 Base					
Agency Request	8.00	0	850,800	404,200	1,255,000
<i>Governor's Recommendation</i>	8.00	0	850,800	404,200	1,255,000

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	6,500	3,100	9,600
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	0.00	0	4,500	2,200	6,700
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Replacement Items

Replacement items include \$1,100 for a laptop computer; \$800 for a desktop computer; \$600 for two computer monitors; and \$1,000 for two office chairs for a total of \$3,500 from the Petroleum Price Violation Fund.

Agency Request	0.00	0	3,500	0	3,500
<i>Governor's Recommendation</i>	0.00	0	3,500	0	3,500

Office of Energy and Mineral Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$700 and risk management fees will increase by \$500 for a net increase of \$1,200.					
Agency Request	0.00	0	1,200	0	1,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,200</i>	<i>0</i>	<i>1,200</i>
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	4,900	2,100	7,000
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>14,700</i>	<i>6,300</i>	<i>21,000</i>
FY 2018 Program Maintenance					
Agency Request	8.00	0	866,900	409,400	1,276,300
<i>Governor's Recommendation</i>	<i>8.00</i>	<i>0</i>	<i>874,700</i>	<i>412,700</i>	<i>1,287,400</i>
1. Government Leading by Example Prgm					
The agency requests \$58,000 of additional appropriation in trustee & benefit payments from the Petroleum Price Violation Fund for the Government Leading by Example Program to pay for energy efficiency retrofit project costs. The agency evaluates submissions made by rural cities and counties for program eligibility. Once approved, the applicant benchmarks the approved public building in the online portfolio manager (with assistance from the agency) and receives a building audit from the University of Idaho Integrated Design Lab. Projects may be eligible for cost-share for energy efficiency retrofits. [Ongoing]					
Agency Request	0.00	0	58,000	0	58,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>58,000</i>	<i>0</i>	<i>58,000</i>
2. Paid Intern					
The agency requests \$5,200 in additional appropriation from the Petroleum Price Violation Fund in personnel costs for 520 intern hours per year. This is calculated at \$10 per hour including withholdings. The intern will assist with the Government Leading by Example Program. The program provides energy audits to rural cities and counties and offers cost-share for energy-saving retrofits. [Ongoing]					
Agency Request	0.00	0	5,200	0	5,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,200</i>	<i>0</i>	<i>5,200</i>
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	0	100	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100</i>	<i>0</i>	<i>100</i>
FY 2018 Total					
Agency Request	8.00	0	930,200	409,400	1,339,600
<i>Governor's Recommendation</i>	<i>8.00</i>	<i>0</i>	<i>938,000</i>	<i>412,700</i>	<i>1,350,700</i>
Agency Request					
Change from Original App	0.00	0	114,500	(32,600)	81,900
% Change from Original App	0.0%		14.0%	(7.4%)	6.5%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>122,300</i>	<i>(29,300)</i>	<i>93,000</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>15.0%</i>	<i>(6.6%)</i>	<i>7.4%</i>

Division of Financial Management

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	1,664,200	1,566,300	1,769,800	1,751,500	1,857,400
Dedicated	42,800	25,300	45,000	45,200	70,900
Total:	1,707,000	1,591,600	1,814,800	1,796,700	1,928,300
Percent Change:		(6.8%)	14.0%	(1.0%)	6.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,535,300	1,319,400	1,643,100	1,624,800	1,731,400
Operating Expenditures	171,700	254,700	171,700	171,900	196,900
Capital Outlay	0	17,500	0	0	0
Total:	1,707,000	1,591,600	1,814,800	1,796,700	1,928,300
Full-Time Positions (FTP)	15.00	15.00	15.00	15.00	15.00

Division Description

The mission of the Division of Financial Management is to support the Governor's vision of short and long-term policies through effective resource allocation. DFM seeks to improve agency service delivery at the point of citizen impact by developing, monitoring, and publicizing performance outcomes, facilitating the development of the executive budget recommendation, and providing a proactive policy resource for the Governor to shape Idaho's future. The division consists of three main administrative units: Budget, Economic Analysis, and Management Services.

[Statutory Authority: Sections 67-1910 - 1918, Idaho Code]

Division of Financial Management

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	15.00	1,769,800	1,814,800	15.00	1,769,800	1,814,800
Removal of One-Time Expenditures	0.00	(50,300)	(50,900)	0.00	(50,300)	(50,900)
FY 2018 Base	15.00	1,719,500	1,763,900	15.00	1,719,500	1,763,900
Benefit Costs	0.00	18,000	18,400	0.00	12,700	13,000
Statewide Cost Allocation	0.00	100	100	0.00	100	100
Change in Employee Compensation	0.00	13,800	14,200	0.00	41,400	42,600
FY 2018 Program Maintenance	15.00	1,751,400	1,796,600	15.00	1,773,700	1,819,600
1. Idaho Criminal Justice Commission	0.00	0	0	0.00	0	25,000
2. Senior Financial Management Analyst	0.00	0	0	0.00	83,600	83,600
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	15.00	1,751,500	1,796,700	15.00	1,857,400	1,928,300
Change from Original Appropriation	0.00	(18,300)	(18,100)	0.00	87,600	113,500
% Change from Original Appropriation		(1.0%)	(1.0%)		4.9%	6.3%

Division of Financial Management

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	15.00	1,769,800	45,000	0	1,814,800

Removal of One-Time Expenditures

Agency Request	0.00	(50,300)	(600)	0	(50,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(50,300)</i>	<i>(600)</i>	<i>0</i>	<i>(50,900)</i>

FY 2018 Base					
Agency Request	15.00	1,719,500	44,400	0	1,763,900
<i>Governor's Recommendation</i>	<i>15.00</i>	<i>1,719,500</i>	<i>44,400</i>	<i>0</i>	<i>1,763,900</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	18,000	400	0	18,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>12,700</i>	<i>300</i>	<i>0</i>	<i>13,000</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$200, State Controller fees will decrease by \$200, and Attorney General fees will increase by \$100, for a net increase of \$100.

Agency Request	0.00	100	0	0	100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>100</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	13,800	400	0	14,200
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>41,400</i>	<i>1,200</i>	<i>0</i>	<i>42,600</i>

FY 2018 Program Maintenance					
Agency Request	15.00	1,751,400	45,200	0	1,796,600
<i>Governor's Recommendation</i>	<i>15.00</i>	<i>1,773,700</i>	<i>45,900</i>	<i>0</i>	<i>1,819,600</i>

1. Idaho Criminal Justice Commission

Agency Request	0.00	0	0	0	0
<i>The Governor recommends that donations provided to the Idaho Criminal Justice Commission (ICJC) from participating agencies and departments related to ICJC for the operating expenses of the commission be transferred from the State Appellate Public Defender and appropriated to the Division of Financial Management. Traditionally, the spending authority has followed the chair of the commission or subsumed by existing spending authority within a state agency. Due to the changing nature of the chairmanship, the Governor recommends placing the appropriation for ICJC at the Division of Financial Management. There is a corresponding decrease in the recommendation for the State Appellate Public Defender.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>25,000</i>	<i>0</i>	<i>25,000</i>

Division of Financial Management

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Senior Financial Management Analyst					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends funding for a senior financial management analyst position at the Division of Financial Management. Despite eliminating a support position to increase salaries, DFM has struggled to recruit and retain analysts and has been unable to return to pre-recession staffing levels. At the same time, retirement of long-time employees, transparency initiatives, and changes in budget processes have increased the burden on newer analysts. An additional analyst will allow for a greater distribution of workload. The recommendation is for \$83,600 in personnel costs.</i>					
Governor's Recommendation	0.00	83,600	0	0	83,600
Cybersecurity Insurance					
<i>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage will begin on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total, \$333,300 of the ongoing request is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</i>					
Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	100	0	0	100
FY 2018 Total					
Agency Request	15.00	1,751,500	45,200	0	1,796,700
Governor's Recommendation	15.00	1,857,400	70,900	0	1,928,300
Agency Request					
Change from Original App	0.00	(18,300)	200	0	(18,100)
% Change from Original App	0.0%	(1.0%)	0.4%		(1.0%)
Governor's Recommendation					
Change from Original App	0.00	87,600	25,900	0	113,500
% Change from Original App	0.0%	4.9%	57.6%		6.3%

Executive Office of the Governor

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	2,009,400	1,900,300	2,137,300	2,123,400	2,144,900
Acting Governor Pay	18,200	8,700	18,200	18,400	18,200
Expense Allowance	5,000	5,700	5,000	5,000	5,000
Total:	2,032,600	1,914,700	2,160,500	2,146,800	2,168,100
BY FUND CATEGORY					
General	2,032,600	1,914,700	2,160,500	2,146,800	2,168,100
Percent Change:		(5.8%)	12.8%	(0.6%)	0.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,831,200	1,657,500	1,957,400	1,943,000	1,964,300
Operating Expenditures	201,400	245,600	203,100	203,800	203,800
Capital Outlay	0	11,600	0	0	0
Total:	2,032,600	1,914,700	2,160,500	2,146,800	2,168,100
Full-Time Positions (FTP)	22.00	22.00	22.00	22.00	22.00

Division Description

ADMINISTRATION: Exercise the powers and discharge the duties of the chief executive of the state of Idaho as delegated by the state constitution and laws of the state.

ACTING GOVERNOR PAY: The official acting as Governor is entitled to additional compensation calculated as the difference between the Governor's salary and the salary of the Lieutenant Governor. Section 67-809(2), Idaho Code.

EXPENSE ALLOWANCE: State law authorizes \$10,000 per biennium to be used by the Governor at his discretion to assist in defraying expenses relating to or resulting from the discharge of his official duties. Section 67-808d, Idaho Code.

Executive Office of the Governor

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	22.00	2,160,500	2,160,500	22.00	2,160,500	2,160,500
Removal of One-Time Expenditures	0.00	(58,400)	(58,400)	0.00	(58,400)	(58,400)
FY 2018 Base	22.00	2,102,100	2,102,100	22.00	2,102,100	2,102,100
Benefit Costs	0.00	26,900	26,900	0.00	19,000	19,000
Statewide Cost Allocation	0.00	600	600	0.00	600	600
Annualizations	0.00	1,100	1,100	0.00	1,100	1,100
Change in Employee Compensation	0.00	16,000	16,000	0.00	45,200	45,200
FY 2018 Program Maintenance	22.00	2,146,700	2,146,700	22.00	2,168,000	2,168,000
Cybersecurity Insurance	0.00	100	100	0.00	100	100
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	22.00	2,146,800	2,146,800	22.00	2,168,100	2,168,100
Change from Original Appropriation	0.00	(13,700)	(13,700)	0.00	7,600	7,600
% Change from Original Appropriation		(0.6%)	(0.6%)		0.4%	0.4%

Executive Office of the Governor

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	22.00	2,160,500	0	0	2,160,500

Removal of One-Time Expenditures

Agency Request	0.00	(58,400)	0	0	(58,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(58,400)</i>	<i>0</i>	<i>0</i>	<i>(58,400)</i>

FY 2018 Base	22.00	2,102,100	0	0	2,102,100
<i>Governor's Recommendation</i>	<i>22.00</i>	<i>2,102,100</i>	<i>0</i>	<i>0</i>	<i>2,102,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	26,900	0	0	26,900
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>19,000</i>	<i>0</i>	<i>0</i>	<i>19,000</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$1,000, and State Controller fees will decrease by \$400, for a net increase of \$600.

Agency Request	0.00	600	0	0	600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>600</i>	<i>0</i>	<i>0</i>	<i>600</i>

Annualizations

Annualizes the Governor's pay increase as authorized by the Legislature in Chapter 356, Laws of 2014. Commencing on the first Monday in January 2017, the Governor's pay increased by 1.5% from \$122,597 to \$124,436 per annum. This adjustment funds the increase from July 1, 2017, through December 31, 2017.

Agency Request	0.00	1,100	0	0	1,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,100</i>	<i>0</i>	<i>0</i>	<i>1,100</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. The total includes an additional \$1,100 for the Governor's pay increase as authorized by the Legislature in Chapter 356, Laws of 2014. Commencing on the first Monday in January 2018, the Governor's pay will increase by 1.5% from \$124,436 to \$126,302 per annum, and this adjustment will fund that increase from January through June 30, 2018.

Agency Request	0.00	16,000	0	0	16,000
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>45,200</i>	<i>0</i>	<i>0</i>	<i>45,200</i>

FY 2018 Program Maintenance	22.00	2,146,700	0	0	2,146,700
<i>Governor's Recommendation</i>	<i>22.00</i>	<i>2,168,000</i>	<i>0</i>	<i>0</i>	<i>2,168,000</i>

Executive Office of the Governor

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cybersecurity Insurance					Administration - Governor's Office
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage will begin on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total, \$333,300 of the ongoing request is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>100</i>
Budget Law Exceptions					Administration, Expense Allowance, Acting Governor Pay
LUMP SUM: The agency requests an appropriation that is not subject to state budget laws that restrict the transfer of money between programs and among personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2018 Total					
Agency Request	22.00	2,146,800	0	0	2,146,800
<i>Governor's Recommendation</i>	<i>22.00</i>	<i>2,168,100</i>	<i>0</i>	<i>0</i>	<i>2,168,100</i>
Agency Request					
Change from Original App	0.00	(13,700)	0	0	(13,700)
% Change from Original App	0.0%	(0.6%)			(0.6%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>7,600</i>	<i>0</i>	<i>0</i>	<i>7,600</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>0.4%</i>			<i>0.4%</i>

Division of Human Resources

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	1,732,800	1,693,600	1,808,200	2,249,900	2,263,800
Percent Change:		(2.3%)	6.8%	24.4%	25.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,081,300	882,400	1,158,400	1,388,200	1,402,100
Operating Expenditures	651,500	798,700	649,800	851,700	851,700
Capital Outlay	0	12,500	0	10,000	10,000
Total:	1,732,800	1,693,600	1,808,200	2,249,900	2,263,800
Full-Time Positions (FTP)	12.00	12.00	12.00	15.00	15.00

Division Description

The Division of Human Resources is organized within the Office of the Governor. Prior to FY 2000, it was organized within the Department of Administration as the Personnel Commission. The division is responsible for: employee recruitment, job classification, employee assessment and selection processes, compensation issues, workforce planning and development, employee relations, and providing human resource policy to comply with applicable laws and regulations. [Statutory Authority: Title 67, chapter 53, Idaho Code].

Most of the former powers and duties of the Personnel Commission were statutorily transferred to the administrator of the Division of Human Resources in FY 2000. This position is appointed by and reports to the Governor. The Personnel Commission still exists to hear appeals of dismissals, demotions, or suspensions by agency directors, or rulings made by the administrator. The commission is financially and administratively supported by the Division of Human Resources. [Statutory Authority: Section 67-5301, et seq., Idaho Code]

The Division of Human Resources contracts with the Department of Labor to provide programming services for the maintenance of the current Applicant Tracking System (ATS). This system allows state agencies to recruit, screen, and create hiring lists to fill state positions. The Division of Human Resources and the Department of Labor cooperate to provide data used to assist the compilation of annual salary and benefit surveys. The Division of Human Resources also contracts with the Division of Career & Technical Education to train state employees on human resource-related topics applicable to all state agencies, as mandated by Executive Order 2011-04.

This budget is funded with fees paid by all state agencies that have classified positions. The amount is equivalent to a portion of each classified position's gross salary (.5535% for agencies with non-delegated authority and .306% for agencies with delegated authority). Agencies do not contribute to the Division of Human Resources for non-classified positions.

Division of Human Resources

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	12.00	0	1,808,200	12.00	0	1,808,200
Removal of One-Time Expenditures	0.00	0	(35,900)	0.00	0	(35,900)
FY 2018 Base	12.00	0	1,772,300	12.00	0	1,772,300
Benefit Costs	0.00	0	14,500	0.00	0	10,200
Statewide Cost Allocation	0.00	0	(12,300)	0.00	0	(12,300)
Change in Employee Compensation	0.00	0	9,700	0.00	0	29,100
FY 2018 Program Maintenance	12.00	0	1,784,200	12.00	0	1,799,300
1. Transfer Employee Training to DHR	3.00	0	5,600	3.00	0	4,400
2. Applicant Tracking System Software	0.00	0	395,000	0.00	0	395,000
3. Statewide Cybersecurity Training	0.00	0	65,000	0.00	0	65,000
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	15.00	0	2,249,900	15.00	0	2,263,800
Change from Original Appropriation	3.00	0	441,700	3.00	0	455,600
% Change from Original Appropriation			24.4%			25.2%

Division of Human Resources

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	12.00	0	1,808,200	0	1,808,200

Removal of One-Time Expenditures

Agency Request	0.00	0	(35,900)	0	(35,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(35,900)</i>	<i>0</i>	<i>(35,900)</i>

FY 2018 Base	12.00	0	1,772,300	0	1,772,300
<i>Governor's Recommendation</i>	<i>12.00</i>	<i>0</i>	<i>1,772,300</i>	<i>0</i>	<i>1,772,300</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	14,500	0	14,500
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>10,200</i>	<i>0</i>	<i>10,200</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$200, State Controller fees will decrease by \$200, and Attorney General fees will decrease by \$12,300, for a net reduction of \$12,300.

Agency Request	0.00	0	(12,300)	0	(12,300)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(12,300)</i>	<i>0</i>	<i>(12,300)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	9,700	0	9,700
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>29,100</i>	<i>0</i>	<i>29,100</i>

FY 2018 Program Maintenance	12.00	0	1,784,200	0	1,784,200
<i>Governor's Recommendation</i>	<i>12.00</i>	<i>0</i>	<i>1,799,300</i>	<i>0</i>	<i>1,799,300</i>

1. Transfer Employee Training to DHR

The agency requests 3.00 FTP and an ongoing shift of \$235,900 from operating expenditures to personnel costs from the Division of Human Resources Fund. If approved, the agency will no longer transfer \$235,900 to the Division of Career & Technical Education (CTE) to pay for the Certified Public Manager (CPM) Program and the State Wellness Program. Instead, the Division of Human Resources will manage the programs in-house, and will pay directly for the health and wellness manager, the CPM program manager, and an administrative assistant within its own budget. The agency also requests \$5,600 for the increased cost of health and variable benefits for the FTP.

Under a written Memorandum of Understanding (MOU) between CTE and DHR, these positions were transferred in July 2016. The MOU expires in July 2017. The positions are currently working under the mandates established by Executive Order 2011-04, which expired in April 2015.

Agency Request	3.00	0	5,600	0	5,600
<i>Recommended by the Governor. Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>0</i>	<i>4,400</i>	<i>0</i>	<i>4,400</i>

Division of Human Resources

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Applicant Tracking System Software

The agency requests \$135,000 in ongoing operating expenditures and \$260,000 in one-time funds to procure a new Applicant Tracking System (ATS). The ATS is used by job applicants, current state employees, and state agencies. If approved, a new ATS will provide all of the current functions of applicant accounts, job posting announcements, exams, timed tests, scoring, and hiring lists. In addition, the ATS will have the ability to provide reporting analysis, for both internal and federal reporting requirement use, and will have an archive and retrieval system. All funds are being requested from the Division of Human Resources Fund. The ongoing portion of the funds (\$135,000) will pay for the annual maintenance agreement fee for software support and the one-time portion (\$260,000) will pay for the initial software purchase and contractor costs.

Agency Request	0.00	0	395,000	0	395,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>395,000</i>	<i>0</i>	<i>395,000</i>

3. Statewide Cybersecurity Training

The agency requests \$65,000 from the Division of Human Resources Fund for a statewide online cybersecurity training module. At this time, cybersecurity training is not a requirement for the state's issuance of the cybersecurity insurance policy. The agency believes statewide training could be a benefit for future pricing and that furthermore, any training which potentially mitigates a cybersecurity-breach will have a positive impact on state security. The training is intended to establish a minimum level of cybersecurity knowledge for all state employees. If specific agencies require heightened levels of training for certain state employees depending on their duties and access to sensitive electronic information, those agencies will provide that training within their own budgets.

The agency received a quote of \$2.10 per user to provide the training, based on an estimated 25,000 classified and non-classified state employees, so they request \$52,500 in ongoing operating expenditures from the Division of Human Resources Fund. They also request \$5,000 in one-time capital outlay for a server that will house the training module. The remaining \$7,500 in the request is for ongoing operating expenditures for administrative costs to install and support the server and the training module.

The agency expects it will take approximately three months to implement the training plan initially. The majority of time will be dedicated to establishing accounts and logins for each state employee. The Department of Administration is already helping maintain accounts for other agencies, so they are willing to provide IT services to the Division of Human Resources in their implementation of the cybersecurity training. The training software is then updated automatically depending on current risk or threat trends. The training time, on average, is 30 - 45 minutes and the agency recommends that employees take the training annually. Completion of the training will not result in any official certification, rather it will serve as a method to educate employees about appropriate actions to help ensure the security of the state.

Agency Request	0.00	0	65,000	0	65,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>65,000</i>	<i>0</i>	<i>65,000</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	100	0	100
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100</i>	<i>0</i>	<i>100</i>
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FY 2018 Total					
Agency Request	15.00	0	2,249,900	0	2,249,900
<i>Governor's Recommendation</i>	<i>15.00</i>	<i>0</i>	<i>2,263,800</i>	<i>0</i>	<i>2,263,800</i>

Division of Human Resources

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	3.00	0	441,700	0	441,700
% Change from Original App	25.0%		24.4%		24.4%
<i>Governor's Recommendation</i>					
Change from Original App	3.00	0	455,600	0	455,600
% Change from Original App	25.0%		25.2%		25.2%

State Liquor Division

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	18,593,200	18,327,300	19,670,900	20,886,500	20,943,800
Percent Change:		(1.4%)	7.3%	6.2%	6.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	11,890,500	11,577,700	12,975,900	13,549,100	13,606,400
Operating Expenditures	5,908,700	5,960,000	5,820,400	6,407,900	6,407,900
Capital Outlay	794,000	789,600	874,600	929,500	929,500
Total:	18,593,200	18,327,300	19,670,900	20,886,500	20,943,800
Full-Time Positions (FTP)	212.00	212.00	222.00	229.00	229.00

Division Description

The mission of the Idaho State Liquor Division 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 to the citizens of Idaho. The State Liquor Division has the following general powers and duties:

- (a) Regulation of Liquor Traffic: to permit, license, inspect, and regulate the manufacture, importation, transportation, storage, sale, and delivery of alcoholic liquor for purposes permitted by law;
- (b) Traffic in Liquor: to buy, import, transport, store, sell, and deliver alcoholic liquor;
- (c) Operation of Liquor Stores: to establish, maintain, and discontinue warehouses, state liquor stores and distribution stations;
- (d) Acquisition of Real Estate: to acquire, buy and lease real estate, and improve and equip the same for the conduct of its business;
- (e) Acquisition of Personal Property: to acquire, buy, and lease personal property necessary and convenient for the conduct of its business; and
- (f) Making Reports: to report to the Governor annually and at such other times as he may require, concerning the condition, management, and financial transactions of the agency.

The Liquor Division is charged with exercising its powers as to curtail the intemperate use of alcoholic beverages. It shall not attempt to stimulate the normal demands of temperate consumers of alcohol, irrespective of the effect on the revenue derived by the state from the resale of intoxicating liquor.

Statutory Authority: Section 23-203, Idaho Code.

State Liquor Division

Comparative Summary

Analyst: Sepich

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	222.00	0	19,670,900	222.00	0	19,670,900
Removal of One-Time Expenditures	0.00	0	(1,209,000)	0.00	0	(1,209,000)
FY 2018 Base	222.00	0	18,461,900	222.00	0	18,461,900
Benefit Costs	0.00	0	282,700	0.00	0	200,700
Inflationary Adjustments	0.00	0	102,700	0.00	0	102,700
Replacement Items	0.00	0	391,000	0.00	0	391,000
Statewide Cost Allocation	0.00	0	2,300	0.00	0	2,300
Change in Employee Compensation	0.00	0	98,200	0.00	0	266,700
FY 2018 Program Maintenance	222.00	0	19,338,800	222.00	0	19,425,300
1. Remodel & Add Additional Stores	4.00	0	1,153,800	4.00	0	1,126,800
2. FTP for Material Handlers	2.00	0	88,900	2.00	0	87,100
3. Standardized Operation Hours	0.00	0	42,000	0.00	0	42,000
4. Restore Deputy Director Position	1.00	0	129,000	1.00	0	128,600
5. Excel at Retail Initiative	0.00	0	31,400	0.00	0	31,400
6. Office Furnishings	0.00	0	27,500	0.00	0	27,500
7. RFP Software Consultant	0.00	0	75,000	0.00	0	75,000
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	229.00	0	20,886,500	229.00	0	20,943,800
Change from Original Appropriation	7.00	0	1,215,600	7.00	0	1,272,900
% Change from Original Appropriation			6.2%			6.5%

State Liquor Division

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	222.00	0	19,670,900	0	19,670,900
Removal of One-Time Expenditures					
Agency Request	0.00	0	(1,209,000)	0	(1,209,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(1,209,000)</i>	<i>0</i>	<i>(1,209,000)</i>
FY 2018 Base					
Agency Request	222.00	0	18,461,900	0	18,461,900
<i>Governor's Recommendation</i>	<i>222.00</i>	<i>0</i>	<i>18,461,900</i>	<i>0</i>	<i>18,461,900</i>
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	0	282,700	0	282,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>200,700</i>	<i>0</i>	<i>200,700</i>
Inflationary Adjustments					
Request for contract inflation is a 2.9% increase in liquor store lease rates and common area expense charges including insurance and property taxes.					
Agency Request	0.00	0	102,700	0	102,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>102,700</i>	<i>0</i>	<i>102,700</i>
Replacement Items					
Request for replacement items includes \$119,000 to re-floor 12 stores, \$52,500 for new signage at six stores, \$30,000 for lighting at three stores, \$19,000 for storage shelves at six stores, \$37,000 to replace two servers, \$45,000 to replace the division's warehouse management system, \$35,000 for a new fork lift, \$28,000 for two new pallet jacks, and \$25,500 for new attire for retail employees.					
Agency Request	0.00	0	391,000	0	391,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>391,000</i>	<i>0</i>	<i>391,000</i>
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$3,300, State Controller fees will decrease by \$1,800, Attorney General fees will increase by \$1,400, and State Treasurer fees will decrease by \$600, for a net increase of \$2,300.					
Agency Request	0.00	0	2,300	0	2,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,300</i>	<i>0</i>	<i>2,300</i>
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	98,200	0	98,200
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>266,700</i>	<i>0</i>	<i>266,700</i>
FY 2018 Program Maintenance					
Agency Request	222.00	0	19,338,800	0	19,338,800
<i>Governor's Recommendation</i>	<i>222.00</i>	<i>0</i>	<i>19,425,300</i>	<i>0</i>	<i>19,425,300</i>

State Liquor Division

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Remodel & Add Additional Stores					
The division requests a total appropriation of \$1,153,800 in Liquor Control Funds to remodel and/or relocate seven stores throughout Idaho and add two additional stores in the Treasure Valley. This request includes: one-time funds totaling \$546,000 for remodeling and furnishing existing liquor stores; ongoing personnel costs of \$271,800 and 4.00 FTP to hire two store managers and associated staff; and \$336,000 to adjust the base for the added operating expenditures of the two new stores.					
Agency Request	4.00	0	1,153,800	0	1,153,800
<i>Salary reduced to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	4.00	0	1,126,800	0	1,126,800
2. FTP for Material Handlers					
The division requests an appropriation of \$88,900 for personnel costs from the Liquor Control Fund and 2.00 FTP to hire two additional material handlers. These new hires would be full-time, pay grade G and would work in the liquor warehouse. Sales have doubled for the division since 2005, and much of the warehouse workload growth has been handled by capital improvements. However, more personnel are requested to keep up with projected growth.					
Agency Request	2.00	0	88,900	0	88,900
<i>Salary reduced to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	2.00	0	87,100	0	87,100
3. Standardized Operation Hours					
The division requests an ongoing appropriation of \$42,000 in personnel costs from the Liquor Control Fund to increase the hours of operation for ten stores in order to standardize hours. This would require funding for an additional 2,540 hours per year as well as four additional group hours per week at six high volume stores (total of 1,250 hours) to address sales growth. The agency estimates that the return on investment would exceed 100% based on forecasted sales.					
Agency Request	0.00	0	42,000	0	42,000
Governor's Recommendation	0.00	0	42,000	0	42,000
4. Restore Deputy Director Position					
The division requests an ongoing appropriation of 1.00 FTP, \$124,000 in personnel costs, and \$5,000 in operating expenditures from the Liquor Control Fund to hire a deputy director. Traditionally, the executive management team was comprised of one director and four deputy directors. Upon the resignation of the deputy director of retail operations in 2012, that role was combined with the deputy director for procurement and distribution. At the recommendation of the Division of Financial Management, the funds for the deputy position were used to cover the cost of converting temporary store clerks to classified employees in FY 2017. The division desires to reinstate the four deputy director structure because of industry trends and operational complexity.					
Agency Request	1.00	0	129,000	0	129,000
<i>Health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	1.00	0	128,600	0	128,600
5. Excel at Retail Initiative					
The agency is requesting an ongoing appropriation of \$31,400 in operating expenditures from the Liquor Control Fund to cover the costs of retail improvement initiatives. These initiatives are designed to improve store operations through better training and more efficient labor usage. The division seeks to implement an automated cloud-based scheduling program, continue funding the ongoing licensing fees for a cloud-based learning management program that has already been purchased, create a secret shopper program to analyze in-store customer service, and fund a third party internal compliance ID checking program.					
Agency Request	0.00	0	31,400	0	31,400
Governor's Recommendation	0.00	0	31,400	0	31,400

State Liquor Division

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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6. Office Furnishings

The agency is requesting a one-time appropriation of \$27,500 in capital outlay from the Liquor Control Fund to furnish new office space at the Liquor Division central office. A portion of the division's second story storage area is being converted for meetings, training, and traditional office space and is scheduled to be completed in late FY 2017. This request would fund the furniture and technology needed to make the converted space useable.

Agency Request	0.00	0	27,500	0	27,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>27,500</i>	<i>0</i>	<i>27,500</i>

7. RFP Software Consultant

The agency requests a one-time appropriation of \$75,000 in operating expenditures from the Liquor Control Fund to retain a consultant for a new enterprise resource planning package. The consultant will help the division develop an assessment, write a request for proposal, and select a solution to consolidate the current accounting system, warehouse management systems, and point of sale systems into a unified platform. According to the division, the current system is outdated, inefficient, and very limited in capabilities as it is written in a programming language that is now defunct (FoxPro). The lack of flexibility in the current system requires expensive programming changes to keep up with business functions as few engineers know the program language. The division is forced to put restrictions on database size, requiring constant maintenance, and putting limitations on data processing and reporting capabilities. A new system would be easier to maintain, upgrade, and would enhance functionality.

Agency Request	0.00	0	75,000	0	75,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>75,000</i>	<i>0</i>	<i>75,000</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	100	0	100
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100</i>	<i>0</i>	<i>100</i>
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FY 2018 Total

Agency Request	229.00	0	20,886,500	0	20,886,500
<i>Governor's Recommendation</i>	<i>229.00</i>	<i>0</i>	<i>20,943,800</i>	<i>0</i>	<i>20,943,800</i>

Agency Request

Change from Original App	7.00	0	1,215,600	0	1,215,600
% Change from Original App	3.2%		6.2%		6.2%

Governor's Recommendation

<i>Change from Original App</i>	<i>7.00</i>	<i>0</i>	<i>1,272,900</i>	<i>0</i>	<i>1,272,900</i>
<i>% Change from Original App</i>	<i>3.2%</i>		<i>6.5%</i>		<i>6.5%</i>

Military Division

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Military Management	3,149,400	2,929,800	7,275,900	7,508,500	7,433,300
Federal/State Agreements	39,321,300	38,914,300	37,121,800	65,184,000	65,036,100
Office of Emergency Management	28,942,700	13,912,800	25,288,000	19,724,300	19,534,600
Total:	71,413,400	55,756,900	69,685,700	92,416,800	92,004,000
BY FUND CATEGORY					
General	6,340,900	6,353,200	6,661,500	7,204,300	6,805,100
Dedicated	6,231,500	4,697,300	6,337,400	6,369,800	6,376,400
Federal	58,841,000	44,706,400	56,686,800	78,842,700	78,822,500
Total:	71,413,400	55,756,900	69,685,700	92,416,800	92,004,000
Percent Change:		(21.9%)	25.0%	32.6%	32.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	28,135,800	23,908,200	30,217,600	30,717,900	30,473,800
Operating Expenditures	27,386,300	23,000,400	23,401,800	27,390,700	27,229,000
Capital Outlay	703,400	3,155,500	828,400	22,782,600	22,775,600
Trustee/Benefit	15,187,900	5,692,800	15,237,900	11,525,600	11,525,600
Total:	71,413,400	55,756,900	69,685,700	92,416,800	92,004,000
Full-Time Positions (FTP)	317.80	317.80	319.80	325.80	322.80

Division Description

The Military Division is headed by the Adjutant General, who is appointed by and reports to the Governor. The division serves as the state's National Guard, the Bureau of Homeland Security, Public Safety Communications, and the Idaho Emergency Communications Commission. Military Division's programs are as follows:

MILITARY MANAGEMENT: The purpose of the Military Management Program is to provide effective and responsive overall management and support to the Idaho National Guard, Idaho Office of Emergency Management, Public Safety Communications, and Idaho Emergency Communications programs to ensure mission capability and to meet the goals of the state and federal governments. Under the Military Management program is the Public Safety Communications group. The mission of Public Safety Communications (PSC) is to provide interoperable communications capabilities between systems and jurisdictions throughout the state. PSC manages provider services and maintains the state's microwave system. PSC is also mandated to oversee and coordinate procurement of standardized communication equipment by all state agencies, and must maintain and inventory all communication equipment.

FEDERAL/STATE COOPERATIVE AGREEMENTS: 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.

IDAHO OFFICE OF EMERGENCY MANAGEMENT: Through statewide planning, the Idaho Office of Emergency Management (IOEM), formerly known as the Idaho Bureau of Homeland Security, helps to mitigate, prepare, respond, and recover from the effects of all hazards. The office creates and orchestrates with county and local jurisdictions training in disaster response and recovery. A master plan for procurement and placement of appropriate response and recovery equipment with county and local first responders has been implemented and is funded by federal funds granted for this purpose. Under the Office of Emergency Management is the Idaho Emergency Communications Commission. The Idaho Emergency Communications Commission (E-911) was established in Section 31-4816, Idaho Code, to assist emergency communications and response professionals in the establishment, management, operations, and accountability of consolidated emergency communications systems.

Military Division

Comparative Summary

Analyst: Sepich

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	319.80	6,661,500	69,685,700	319.80	6,661,500	69,685,700
1. Military Construction Projects	0.00	0	4,400,000	0.00	0	4,400,000
HAZMAT Deficiency Warrants	0.00	38,400	38,400	0.00	38,400	38,400
Cash Transfers & Adjustments	0.00	(38,400)	(38,400)	0.00	(38,400)	(38,400)
FY 2017 Total Appropriation	319.80	6,661,500	74,085,700	319.80	6,661,500	74,085,700
Noncognizable Funds and Transfers	(1.00)	0	0	(1.00)	0	0
FY 2017 Estimated Expenditures	318.80	6,661,500	74,085,700	318.80	6,661,500	74,085,700
Removal of One-Time Expenditures	0.00	(449,300)	(6,125,400)	0.00	(449,300)	(6,125,400)
FY 2018 Base	318.80	6,212,200	67,960,300	318.80	6,212,200	67,960,300
Benefit Costs	0.00	64,900	426,100	0.00	47,800	311,800
Inflationary Adjustments	0.00	200	2,600	0.00	200	2,600
Replacement Items	0.00	211,700	755,000	0.00	204,700	748,000
Statewide Cost Allocation	0.00	10,000	9,800	0.00	10,000	9,800
Change in Employee Compensation	0.00	38,300	247,600	0.00	114,300	711,600
Military Compensation	0.00	49,900	310,700	0.00	0	0
FY 2018 Program Maintenance	318.80	6,587,200	69,712,100	318.80	6,589,200	69,744,100
1. Tuition Assistance Program	0.00	50,000	50,000	0.00	50,000	50,000
2. Youth ChalleNGe Program Support Staff	0.00	78,600	78,600	0.00	0	0
3. Gowen Field Security Police	0.00	64,300	64,300	0.00	63,800	63,800
4. Smartnet Warranty Services	0.00	90,000	90,000	0.00	90,000	90,000
5. Emergency Alert System Funding	0.00	47,200	47,200	0.00	0	0
6. Public Alert & Warning Software	0.00	60,000	60,000	0.00	0	0
7. Program Assistant FTP	1.00	58,200	58,200	0.00	0	0
8. Statewide Interoperability Coordinator	1.00	87,100	87,100	0.00	0	0
9. FTP for Contracts Manager	1.00	43,600	87,200	0.00	0	0
10. Data Storage Drives	0.00	12,000	12,000	0.00	12,000	12,000
11. Network Site Monitors	0.00	0	32,000	0.00	0	32,000
12. Microwave GPS Calibration Units	0.00	0	12,000	0.00	0	12,000
13. Orchard Combat Training Center	0.00	0	22,000,000	0.00	0	22,000,000
14. Object Transfer Operating to T&B	0.00	0	0	0.00	0	0
15. Transfer to Align Fed Funds	0.00	0	0	0.00	0	0
16. Native American Outreach	0.00	5,000	5,000	0.00	0	0
17. ESGR Support	0.00	5,000	5,000	0.00	0	0
18. Civil Support Team Uniforms	0.00	16,000	16,000	0.00	0	0
20. OCTC Safety and Maint FTP	4.00	0	0	4.00	0	0
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	325.80	7,204,300	92,416,800	322.80	6,805,100	92,004,000
Change from Original Appropriation	6.00	542,800	22,731,100	3.00	143,600	22,318,300
% Change from Original Appropriation		8.1%	32.6%		2.2%	32.0%

Military Division

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	319.80	6,661,500	6,337,400	56,686,800	69,685,700

1. Military Construction Projects

Federal/State Agreements

This request is a one-time supplemental appropriation of \$4,400,000 in federal funds for military construction and maintenance projects. The increase in federal awards for military facilities in Idaho include \$1,900,000 for architectural and engineering fees paid prior to the start of construction on the Orchard Combat Training Complex (OCTC) and \$2,500,000 for Army facility maintenance and repair costs. Of the Army facility maintenance and repair costs, \$600,000 will be used for a Lewiston military facility, \$1,100,000 will be used for repair and maintenance of the Armor Regional Training Institute at Gowen Field, and \$800,000 will be for general maintenance at Gowen Field. The request is 100% federally reimbursed.

Agency Request	0.00	0	0	4,400,000	4,400,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>4,400,000</i>	<i>4,400,000</i>

HAZMAT Deficiency Warrants

The agency requests a \$38,400 General Fund appropriation to cover expenses incurred in FY 2016 through the deficiency warrant process that has neither been paid up front nor recovered from the perpetrators of hazardous materials incidents. These programs are carried out under the deficiency warrant authority provided in Chapter 71, Title 39, Idaho Code. The total amount of the hazardous materials incidents total \$74,151.03 for 26 cases. The net amount charged to the deficiency warrant account was \$47,006.24. There was a beginning balance of \$8,623.80, adjusting the request for deficiency warrant costs to \$38,400.

Agency Request	0.00	38,400	0	0	38,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>38,400</i>	<i>0</i>	<i>0</i>	<i>38,400</i>

Cash Transfers & Adjustments

This request moves funding from the General Fund to the continuously appropriated Hazardous Substance Emergency Response fund to offset deficiency warrants issued for hazmat incidents.

Agency Request	0.00	(38,400)	0	0	(38,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(38,400)</i>	<i>0</i>	<i>0</i>	<i>(38,400)</i>

FY 2017 Total Appropriation

Agency Request	319.80	6,661,500	6,337,400	61,086,800	74,085,700
<i>Governor's Recommendation</i>	<i>319.80</i>	<i>6,661,500</i>	<i>6,337,400</i>	<i>61,086,800</i>	<i>74,085,700</i>

Noncognizable Funds and Transfers

Adjusts five positions from a 25% non-federally funded, 75% federally funded positions to 100% non-federally funded for a net of zero.

Adjusts 1.00 FTP that is vacant-unfunded from the Federal Grant Fund (0348) to the Miscellaneous Revenue Fund (0349) for a net of zero.

Adjusts FTP allocation of 1.00 vacant and unfunded FTP from the Federal/State Agreements-Youth Challenge Program to the Military Management Program for a net of zero.

Removes 1.00 FTP that was appropriated last year, yet is continuously appropriated under the E911 Fund.

Agency Request	(1.00)	0	0	0	0
<i>Governor's Recommendation</i>	<i>(1.00)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures

Agency Request	318.80	6,661,500	6,337,400	61,086,800	74,085,700
<i>Governor's Recommendation</i>	<i>318.80</i>	<i>6,661,500</i>	<i>6,337,400</i>	<i>61,086,800</i>	<i>74,085,700</i>

Removal of One-Time Expenditures

Agency Request	0.00	(449,300)	(695,100)	(4,981,000)	(6,125,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(449,300)</i>	<i>(695,100)</i>	<i>(4,981,000)</i>	<i>(6,125,400)</i>

Military Division

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Base					
Agency Request	318.80	6,212,200	5,642,300	56,105,800	67,960,300
<i>Governor's Recommendation</i>	<i>318.80</i>	<i>6,212,200</i>	<i>5,642,300</i>	<i>56,105,800</i>	<i>67,960,300</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	64,900	57,100	304,100	426,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>47,800</i>	<i>41,900</i>	<i>222,100</i>	<i>311,800</i>

Inflationary Adjustments

This request is to account for 3% inflation for the Department of Lands lease for public safety telecommunication sites on Endowment Lands.

Agency Request	0.00	200	2,400	0	2,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>200</i>	<i>2,400</i>	<i>0</i>	<i>2,600</i>

Replacement Items

Includes \$43,500 for computers and laptops, \$123,000 for servers and network equipment, \$45,200 for computer equipment, \$106,000 for microwave battery banks and microwave testing and monitoring equipment, \$357,300 for microwave communication equipment, and \$80,000 for two vehicles.

Agency Request	0.00	211,700	543,300	0	755,000
<i>The Governor removes \$7,000 from the General Fund.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>204,700</i>	<i>543,300</i>	<i>0</i>	<i>748,000</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$11,300, State Controller fees will decrease by \$2,100, Attorney General fees will increase by \$1,300, and State Treasurer fees will decrease by \$700 for a net increase of \$9,800.

Agency Request	0.00	10,000	(1,900)	1,700	9,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,000</i>	<i>(1,900)</i>	<i>1,700</i>	<i>9,800</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	38,300	34,900	174,400	247,600
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>114,300</i>	<i>104,400</i>	<i>492,900</i>	<i>711,600</i>

Military Compensation

Funding is requested to provide step increases for 157 employees that were scheduled for an increase in FY 2016, as authorized by Section 59-1603(9), Idaho Code, which states in part that: "The adjutant general shall determine schedules of salary and compensation which are, to the extent possible, comparable to the schedules used for federal civil service employees of the national guard and those employees serving in military status." Of the 157 employees, 33 have a state match requirement and 30 have a dedicated match requirement. An additional 71 employees are 100% federally reimbursed.

Agency Request	0.00	49,900	47,700	213,100	310,700
<i>The Governor recommends changes in military compensation be achieved through the 3% CEC.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Military Division

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Program Maintenance					
Agency Request	318.80	6,587,200	6,325,800	56,799,100	69,712,100
<i>Governor's Recommendation</i>	<i>318.80</i>	<i>6,589,200</i>	<i>6,332,400</i>	<i>56,822,500</i>	<i>69,744,100</i>

1. Tuition Assistance Program

Military Management

The agency requests ongoing funding from the General Fund to supplement the Military Division's State Tuition Assistance Program to increase education benefits for members of the Idaho National Guard. This line item was approved in FY 2017 as one-time, and the agency is requesting to make this support ongoing. The request would include \$50,000 of ongoing trustee & benefit payments to help pay tuition for approximately 98 Guardsmen enrolled in higher education classes across the state.

Agency Request	0.00	50,000	0	0	50,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>50,000</i>	<i>0</i>	<i>0</i>	<i>50,000</i>

2. Youth ChalleNGe Program Support Staff

Federal/State Agreements

The agency requests an ongoing \$78,600 General Fund appropriation for eight National Guardsmen to assist the Youth ChalleNGe Staff in the acclimation phase of new cadets. The agency requests \$50,100 in personnel costs and \$28,500 in operating expenditures for the eight guardsmen to participate in classes twice a year during the first two weeks of the program.

Agency Request	0.00	78,600	0	0	78,600
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

3. Gowen Field Security Police

Military Management

The agency requests an ongoing appropriation of \$64,300 from the General Fund for security services of non-military personnel at Gowen Field. These personnel costs will cover one of the 33 security police that are assigned to Gowen Field that are required to be on the base for 24/7 security. Current funding for the 33 positions are paid out of federal funds, however the United States Property Fiscal Office has determined that the state should pay for increased staff to cover security requirements for non-military personnel.

Agency Request	0.00	64,300	0	0	64,300
<i>Salary adjusted to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>63,800</i>	<i>0</i>	<i>0</i>	<i>63,800</i>

4. Smartnet Warranty Services

Military Management

The agency requests \$90,000 in operating expenditures from the General Fund to purchase an extended warranty and support services for network equipment through CISCO. Funding would provide the Idaho Military Division IT department with next-day replacement parts for faulty equipment, helpdesk support, and critical network monitoring and security updates.

Agency Request	0.00	90,000	0	0	90,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>90,000</i>	<i>0</i>	<i>0</i>	<i>90,000</i>

5. Emergency Alert System Funding

Office of Emergency Management

The agency requests an ongoing General Fund appropriation of \$47,200 in operating expenditures to provide additional funding for leases and maintenance of the statewide Emergency Alert System (EAS). The total number of repeater sites in the state has increased from eight to 11 and the annual lease has increased from \$2,500 per site to \$3,900. This request includes \$31,200 for the increased lease expense as well as \$16,000 for maintenance. The EAS system is the primary means for providing the public with emergency alerts for local, state, and national emergencies. Programs such as the AMBER Alert System utilize the EAS as a primary point of origination.

Agency Request	0.00	47,200	0	0	47,200
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Military Division

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. Public Alert & Warning Software					Office of Emergency Management
The agency requests an ongoing General Fund appropriation of \$60,000 in operating expenditures for Idaho's State Alert and Warning System (ISAWS) software contract. This request comes as the Homeland Security Grant Program funding from the federal government has waned. The AlertSense software used by ISAWS is able to interact with FEMA's Integrated Public Alert and Warning System. This integration allows for alerts to flow between agencies quickly and efficiently.					
Agency Request	0.00	60,000	0	0	60,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
7. Program Assistant FTP					Military Management
The agency requests an appropriation of 1.00 FTP and \$58,200 in personnel costs for an administrative support assistant in the accounting office. Over the last four years, accounting transactions have increased 22.5% and annual payments and deposits are over \$31,000,000. As a result, the office's four accounting technicians are required to work on mail services, filing, and other administrative tasks that could be done by the requested position. The new FTP, at a lower compensation rate, would allow the accounting technicians to focus on increased accounting transactions.					
Agency Request	1.00	58,200	0	0	58,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
8. Statewide Interoperability Coordinator					Office of Emergency Management
The agency requests 1.00 FTP and \$87,100 in ongoing General Funds to hire a statewide interoperability coordinator. This coordinator will act as a central outreach point and liaison between the Idaho Public Safety Communications Commission, federal, local, tribal, county, and state entities for public safety communications.					
Agency Request	1.00	87,100	0	0	87,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
9. FTP for Contracts Manager					Federal/State Agreements
The agency requests 1.00 FTP and \$87,200 to hire a contracts manager to manage increased workload due to increases in funding for Federal/State Agreements. The state will match \$43,600 in General Funds for the personnel costs with a 50% federal match from the Army Operations and Maintenance Agreement. The workload for the Office of State Purchasing & Contracting (OSPC) has doubled due to military construction projects from the federal government such as the Orchard Combat Training Center.					
Agency Request	1.00	43,600	0	43,600	87,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
10. Data Storage Drives					Military Management
The agency requests a one-time appropriation of \$12,000 in General Funds for 24 disk array space enhancement drives at \$500 per unit to increase server and data storage capabilities.					
Agency Request	0.00	12,000	0	0	12,000
Governor's Recommendation	0.00	12,000	0	0	12,000
11. Network Site Monitors					Military Management
The agency requests a \$32,000 one-time appropriation in capital outlay from the Administration and Accounting Services Fund for Simple Network Management Protocol (SNMP) site monitors to monitor conditions at remote communication sites for Public Safety Communications. This request will provide 20 SNMP site monitors used to assess the status of remote communications sites. These monitors will allow staff to resolve some issues remotely, diagnose easily fixable problems before they become total failures, reduce communications outages, and take the correct replacement parts on the first repair trip.					
Agency Request	0.00	0	32,000	0	32,000
Governor's Recommendation	0.00	0	32,000	0	32,000

Military Division

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Microwave GPS Calibration Units			Military Management		
The agency requests a one-time Administration and Accounting Services Fund appropriation of \$12,000 to provide ten additional microwave calibration units to synchronize and maintain accuracy at Public Safety Communication (PSC) sites. While the agency is in the process of purchasing ten units currently, additional calibration units are requested due to maintenance demands on the PSC.					
Agency Request	0.00	0	12,000	0	12,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>12,000</i>	<i>0</i>	<i>12,000</i>
13. Orchard Combat Training Center			Federal/State Agreements		
The agency requests a one-time appropriation of \$22,000,000 in capital outlay from the Federal Military Grants Fund for additional construction on the Orchard Combat Training Center under the terms of Military Construction Cooperative Agreement # W912J7-16-2-2001. The project is the first state-run military construction project in 20 years and includes a two lane Digital Air/Ground Integration Range (DAGIR), range control tower, latrines, mess, and other facilities. Traditionally, military construction projects are managed by the federal government directly. The project will be contracted out and upon completion of the construction project there will be an additional one-time federally reimbursable appropriation of approximately \$8,000,000 for furnishing the newly constructed areas. This additional federal grant is anticipated to occur in FY 2019 or FY 2020.					
This facility will bring in brigade-sized units of all types from Idaho and surrounding Northwest states for training.					
Agency Request	0.00	0	0	22,000,000	22,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>22,000,000</i>	<i>22,000,000</i>
14. Object Transfer Operating to T&B			Office of Emergency Management		
The agency requests to transfer \$3,712,300 in Federal Military Grants from trustee & benefit to operating expenditures. These converted operating expenditures will then be transferred to the Federal/State Agreements Program in Decision Unit 12.15, and will cover construction and maintenance costs for the OCTC as it expands.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
15. Transfer to Align Fed Funds			Federal/State Agreements, Bureau of Homeland Security		
The agency requests an ongoing transfer of \$5,760,900 in operating expenditures from Federal Military Grants to transfer from the Idaho Bureau of Homeland Security/Idaho Office of Emergency Management (IOEM) to Federal/State Agreements Program. Federal funding through the Department of Homeland Security has been decreasing, while funding to the Federal/State Agreements Program has been increasing. This transfer will help to align funds and accurately track where federal funding is received. These funds cover the repair, maintenance, and operational costs for the OCTC and other military facilities in Idaho.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
16. Native American Outreach			Military Management		
The agency requests an ongoing \$5,000 in operating expenditures from the General Fund to promote the Idaho National Guard's mission to Idaho Native American youth. This will primarily come in the form of bringing young Native Americans to Gowen Field to educate them on the National Guard's mission and opportunities through the Idaho Youth ChalleNGe Academy.					
Agency Request	0.00	5,000	0	0	5,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Military Division

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
17. ESGR Support					Military Management
<p>The agency requests an ongoing appropriation of \$5,000 in operating expenditures from the General Fund to provide additional resources to the Idaho Employer Support of the Guard and Reserve (ESGR) program. This program encourages employers to support and/or hire military service members. This program also helps support the Hero2Hired (H2H) program that provides free resources to service members seeking employment.</p>					
Agency Request	0.00	5,000	0	0	5,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
18. Civil Support Team Uniforms					Military Management
<p>The agency requests \$16,000 of General Funds for a one-time appropriation to purchase "soft uniforms" for the Civil Support Teams (CST) to aide in their operational duties. The CST was established to provide local assistance at the direction of the Governor for domestic chemical, biological, radiological, and nuclear incidents.</p>					
Agency Request	0.00	16,000	0	0	16,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
20. OCTC Safety and Maint FTP					Federal/State Agreements
<p>The agency requests approval for 4.00 federally reimbursed FTP to help facilitate range operations, safety, and maintenance in the Orchard Combat Training Center (OCTC). Currently, the range has three full-time range maintenance workers and one full-time range operations and safety technician. This request will add two full-time maintenance workers and two full-time safety technicians to assist in the increased year-round training needs for the OCTC. The request brings the total to five range maintenance workers and three safety technicians.</p>					
Agency Request	4.00	0	0	0	0
Governor's Recommendation	4.00	0	0	0	0
Cybersecurity Insurance					Military Management
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
Governor's Recommendation	0.00	100	0	0	100
FY 2018 Total					
Agency Request	325.80	7,204,300	6,369,800	78,842,700	92,416,800
Governor's Recommendation	322.80	6,805,100	6,376,400	78,822,500	92,004,000
Agency Request					
Change from Original App	6.00	542,800	32,400	22,155,900	22,731,100
% Change from Original App	1.9%	8.1%	0.5%	39.1%	32.6%
Governor's Recommendation					
Change from Original App	3.00	143,600	39,000	22,135,700	22,318,300
% Change from Original App	0.9%	2.2%	0.6%	39.0%	32.0%

Public Employee Retirement System

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Retirement Administration	6,462,200	5,978,300	6,856,700	6,926,900	6,974,100
Portfolio Investment	922,300	921,500	969,100	1,063,900	975,700
Total:	7,384,500	6,899,800	7,825,800	7,990,800	7,949,800
BY FUND CATEGORY					
Dedicated	7,384,500	6,899,800	7,825,800	7,990,800	7,949,800
Percent Change:		(6.6%)	13.4%	2.1%	1.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,505,300	4,064,900	4,879,300	5,023,300	4,982,300
Operating Expenditures	2,724,700	2,565,700	2,723,600	2,781,000	2,781,000
Capital Outlay	154,500	269,200	222,900	186,500	186,500
Total:	7,384,500	6,899,800	7,825,800	7,990,800	7,949,800
Full-Time Positions (FTP)	65.00	65.00	66.00	67.00	67.00

Division Description

The mission of the Public Employee Retirement System of Idaho (PERSI) is to provide members and their beneficiaries with reliable, secure, long-term retirement, survivor, and disability benefits as specified by law, and to assist members in planning a secure retirement by providing high quality, friendly service, retirement education and information. Public employees and employers make contributions to PERSI. In order to maximize the return on investment of these contributions, only a minimum amount of money is kept on deposit at the State Treasurer's Office. The total source of funds held by the PERSI trust at the master custodian bank is made up of contributions and investment earnings. Money is wired from PERSI's master custodian bank only when funds are needed to pay administrative expenses or other authorized expenses. All moneys transferred to the Administrative Fund are available to the board for the payment of administrative expenses only to the extent so appropriated by the Legislature.

The RETIREMENT ADMINISTRATION program administers the PERSI Base Plan, a defined benefit retirement plan, that is mandatory for all eligible state and school district employees, and for employees of political subdivisions which have elected to participate, and provides separation, disability, death, and survivor benefits. PERSI also administers the Sick Leave Reserve Fund for state and school district retirees, from which monthly medical insurance premiums are paid, as well as the former Firemen's Retirement Fund and the Idaho Falls and Boise City Police Retirement Funds.

The PERSI Choice Plan is a defined contribution retirement plan which provides a 401(k) plan option to all 68,000 eligible active PERSI members in addition to, and separate from, the defined benefit plan. PERSI established the PERSI Choice Plan as part of the gain sharing program adopted by the 2000 Legislature.

The PORTFOLIO INVESTMENT program is responsible for the management of PERSI assets to ensure secure long-term returns on investments while minimizing investment costs. Administrative costs of the portfolio investment come under a fixed appropriation and the remaining investment costs continue to operate under a perpetual appropriation as provided in Section 59-1311, Idaho Code. Although this section provides that all moneys in this program are perpetually appropriated, pursuant to Section 67-3514, Idaho Code, the Joint Finance-Appropriations Committee appropriates certain administrative expenses and portfolio-related administrative expenses. All other funds are perpetually appropriated and are used as directed by the PERSI Board.

All money in the Judges Retirement Fund (JRF) is perpetually appropriated to pay retired justices and judges and the allowances to surviving spouses (Section 1-2002, Idaho Code). The JRF was moved into PERSI beginning in FY 2015; previous administration of the fund was under the Judicial Branch. Currently, the JRF has approximately 150 active and retired members.

Public Employee Retirement System

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	66.00	0	7,825,800	66.00	0	7,825,800
Removal of One-Time Expenditures	0.00	0	(455,800)	0.00	0	(455,800)
FY 2018 Base	66.00	0	7,370,000	66.00	0	7,370,000
Benefit Costs	0.00	0	80,500	0.00	0	56,800
Replacement Items	0.00	0	300,700	0.00	0	300,700
Statewide Cost Allocation	0.00	0	18,100	0.00	0	18,100
Change in Employee Compensation	0.00	0	39,500	0.00	0	120,900
FY 2018 Program Maintenance	66.00	0	7,808,800	66.00	0	7,866,500
1. Internal Training Specialist	1.00	0	74,700	1.00	0	76,000
2. Pay Increase for Portfolio Staff	0.00	0	100,000	0.00	0	0
Cybersecurity Insurance	0.00	0	7,300	0.00	0	7,300
FY 2018 Total	67.00	0	7,990,800	67.00	0	7,949,800
Change from Original Appropriation	1.00	0	165,000	1.00	0	124,000
% Change from Original Appropriation			2.1%			1.6%

Public Employee Retirement System

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	66.00	0	7,825,800	0	7,825,800

Removal of One-Time Expenditures

Agency Request	0.00	0	(455,800)	0	(455,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(455,800)</i>	<i>0</i>	<i>(455,800)</i>

FY 2018 Base					
Agency Request	66.00	0	7,370,000	0	7,370,000
<i>Governor's Recommendation</i>	<i>66.00</i>	<i>0</i>	<i>7,370,000</i>	<i>0</i>	<i>7,370,000</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	0	80,500	0	80,500
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>56,800</i>	<i>0</i>	<i>56,800</i>

Replacement Items

The Retirement Administration Program requests \$117,000 in one-time operating expenditures from the PERSI Administrative Fund for three software license agreements that are renewed annually. They also request \$163,500 in one-time capital outlay for two network load balancers (\$7,000), nine servers (\$100,000), and other standard office equipment including computers, phone, printers, and a scanner. (\$56,500).

The Portfolio Investment Program requests \$2,200 in one-time operating expenditures from the PERSI Special Fund for ten desktop software license agreements that are renewed annually. They also request \$18,000 in capital outlay for three desktop computers, three laptops, three flat panel monitors, and one printer.

Agency Request	0.00	0	300,700	0	300,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>300,700</i>	<i>0</i>	<i>300,700</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$2,300, State Controller fees will decrease by \$1,100, Attorney General fees will increase by \$20,500, and State Treasurer fees will decrease by \$3,600, for a net increase of \$18,100.

Agency Request	0.00	0	18,100	0	18,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>18,100</i>	<i>0</i>	<i>18,100</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	39,500	0	39,500
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 3% and includes \$2,400 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>120,900</i>	<i>0</i>	<i>120,900</i>

FY 2018 Program Maintenance					
Agency Request	66.00	0	7,808,800	0	7,808,800
<i>Governor's Recommendation</i>	<i>66.00</i>	<i>0</i>	<i>7,866,500</i>	<i>0</i>	<i>7,866,500</i>

Public Employee Retirement System

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Internal Training Specialist

Retirement Administration

The agency requests funding for one training specialist position to augment its current training unit. The request includes 1.00 FTP, \$69,700 in personnel costs, and \$5,000 in capital outlay from the PERSI Administrative Fund. The capital outlay portion of the request will establish an office area for the position and includes office furniture, a laptop with a docking station and monitor, a phone, and a projector.

The specialist will work with PERSI's staff. The agency states that due to recent retirements and increased requests from members for more immediate assistance, they need to prepare staff to be better prepared to do their jobs with additional employee training. The position will focus on several areas:

- 1) Internal training so that staff provide consistent external communications that accurately reflects agency rule and law;
- 2) Train new staff more quickly to be proficient due to turnover generated by retirements of long-time staff;
- 3) Train staff to use all of the features of the new pension management software that PERSI has recently rolled out; and
- 4) Design new curriculum to train staff.

Currently, there are three employees that conduct training at PERSI, but they primarily provide assistance to individual members about their retirement and to employers who offer PERSI (approximately 140,000 individual and 765 employers). In addition to those training tasks, they are involved in employer benefit fairs and recruitment fairs. According to the agency, there is minimal opportunity for the current training department to focus internally on PERSI staff training and development.

Agency Request	1.00	0	74,700	0	74,700
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
Governor's Recommendation	1.00	0	76,000	0	76,000

Public Employee Retirement System

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Pay Increase for Portfolio Staff

Portfolio Investment

The agency requests \$100,000 in personnel costs to raise the pay of its five portfolio staff who manage a \$15 billion portfolio. The agency states that current market conditions are making it more difficult to retain qualified employees and there is insufficient appropriation in this program to support pay increases. The staff provide assurance that investments are made in accordance with the PERSI Board, as well as state and federal law. The current staff and salary levels are: chief investment officer (\$300,000), investment officer (\$124,600), two senior financial specialists (\$54,900 and \$42,100), and one administrative assistant (\$44,000).

The pay in surrounding states is significantly higher than what PERSI is paying and this is putting pressure on the agency's ability to retain qualified staff. For example, Washington's public salary database shows investment officers with a pay range of \$214,000 to \$294,500 and chief investment officers at \$358,000 to \$548,000. Finally, the agency's current financial specialists are about \$10,000 below other market comparisons.

ANALYST COMMENT: In FY 2016, the agency used the excess appropriation in the Administration Program to pay \$45,300 of the salary and benefit costs for staff appropriated in the Portfolio Investment Program without following the provisions of Section 67-3511(2), Idaho Code, that requires the Division of Financial Management to approve a transfer of appropriation between budgeted programs. At this point the agency is overcommitted in personnel costs in the Portfolio Investment Program and any additional appropriation will go toward this shortfall before being available for pay increases.

Section 67-3511(2), Idaho Code: "Legislative appropriations may be transferred from one program to another within an agency upon application duly made by the head of any department, office or institution of the state and approval of the application by the administrator of the division of financial management and the board of examiners provided the requested transfer is not more than ten percent (10%) cumulative change from the appropriated amount for any program affected by the transfer. Requests for transfers above ten percent (10%) cumulative change must, in addition to the above, be approved by legislative appropriation. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the legislature."

Agency Request	0.00	0	100,000	0	100,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	7,300	0	7,300
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>7,300</i>	<i>0</i>	<i>7,300</i>

FY 2018 Total					
Agency Request	67.00	0	7,990,800	0	7,990,800
<i>Governor's Recommendation</i>	<i>67.00</i>	<i>0</i>	<i>7,949,800</i>	<i>0</i>	<i>7,949,800</i>

Agency Request					
Change from Original App	1.00	0	165,000	0	165,000
% Change from Original App	1.5%		2.1%		2.1%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>0</i>	<i>124,000</i>	<i>0</i>	<i>124,000</i>
<i>% Change from Original App</i>	<i>1.5%</i>		<i>1.6%</i>		<i>1.6%</i>

Office of Species Conservation

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	1,004,800	924,300	538,100	1,292,200	1,288,400
Dedicated	15,000	6,600	515,000	15,000	15,000
Federal	12,785,700	12,270,300	12,825,300	12,821,300	12,828,100
Total:	13,805,500	13,201,200	13,878,400	14,128,500	14,131,500
Percent Change:		(4.4%)	5.1%	1.8%	1.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,029,400	1,023,000	1,101,900	1,092,300	1,105,300
Operating Expenditures	776,100	614,800	776,500	1,036,200	1,026,200
Capital Outlay	0	2,800	0	0	0
Trustee/Benefit	12,000,000	11,560,600	12,000,000	12,000,000	12,000,000
Total:	13,805,500	13,201,200	13,878,400	14,128,500	14,131,500
Full-Time Positions (FTP)	12.00	12.00	12.63	12.63	12.63

Division Description

The Office of Species Conservation was created in 2000 with the addition of Section 67-818, Idaho Code. The new 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 delisted under the ESA; and 6) facilitating the development and use of federal and state programs and incentives to provide protections for nonfederal landowners willing to assist in the management of federally listed endangered species, threatened species, and petitioned species.

THE OFFICE OF SPECIES CONSERVATION STRATEGIC PLAN STATES:

MISSION

To coordinate policies and programs related to the conservation of threatened, endangered, and candidate species in Idaho.

VISION

The Governor's Office of Species Conservation is dedicated to planning, coordinating, and implementing the state's actions to preserve, protect, and restore species listed as threatened and endangered under the federal ESA. This work will be done through coordination with the state natural resource agencies and with the input of the citizens of Idaho, while taking into consideration the economic vitality of the state.

PRINCIPLES AND VALUES

1. Rely upon science and common sense in developing conservation programs.
2. Involve all parties impacted by recovery decisions.
3. Understand and incorporate Idaho values into conservation measures.
4. Incorporate the state's need for economic vitality into considerations for species recovery.

GOALS

1. Coordinate federal ESA programs with state agencies.
2. Solicit, provide oversight, and delegate funding for ESA programs.
3. Negotiate agreements with federal agencies concerning endangered species.
4. Establish superior constituent services for state, federal, and private stakeholders seeking assistance with ESA issues.

Office of Species Conservation

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	12.63	538,100	13,878,400	12.63	538,100	13,878,400
Removal of One-Time Expenditures	0.00	(15,700)	(533,300)	0.00	(15,700)	(533,300)
FY 2018 Base	12.63	522,400	13,345,100	12.63	522,400	13,345,100
Benefit Costs	0.00	6,100	14,600	0.00	4,300	10,300
Statewide Cost Allocation	0.00	(400)	(400)	0.00	(400)	(400)
Change in Employee Compensation	0.00	4,000	9,100	0.00	12,000	26,400
FY 2018 Program Maintenance	12.63	532,100	13,368,400	12.63	538,300	13,381,400
1. Sage-Steppe Ecosystem Conservation	0.00	750,000	750,000	0.00	750,000	750,000
2. Outreach and Coordination	0.00	10,000	10,000	0.00	0	0
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	12.63	1,292,200	14,128,500	12.63	1,288,400	14,131,500
Change from Original Appropriation	0.00	754,100	250,100	0.00	750,300	253,100
% Change from Original Appropriation		140.1%	1.8%		139.4%	1.8%

Office of Species Conservation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	12.63	538,100	515,000	12,825,300	13,878,400

Removal of One-Time Expenditures

Removes \$33,300 in personnel costs provided for the 27th payroll and related CEC, and removes \$500,000 provided one-time from the Economic Recovery Reserve Fund for sage-grouse conservation projects.

Agency Request	0.00	(15,700)	(500,000)	(17,600)	(533,300)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(15,700)</i>	<i>(500,000)</i>	<i>(17,600)</i>	<i>(533,300)</i>

FY 2018 Base					
Agency Request	12.63	522,400	15,000	12,807,700	13,345,100
<i>Governor's Recommendation</i>	<i>12.63</i>	<i>522,400</i>	<i>15,000</i>	<i>12,807,700</i>	<i>13,345,100</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	6,100	0	8,500	14,600
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,300</i>	<i>0</i>	<i>6,000</i>	<i>10,300</i>
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100, State Controller fees will decrease by \$400, and State Treasurer fees will decrease by \$100 for a net reduction of \$400.

Agency Request	0.00	(400)	0	0	(400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(400)</i>	<i>0</i>	<i>0</i>	<i>(400)</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	4,000	0	5,100	9,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>12,000</i>	<i>0</i>	<i>14,400</i>	<i>26,400</i>
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FY 2018 Program Maintenance					
Agency Request	12.63	532,100	15,000	12,821,300	13,368,400
<i>Governor's Recommendation</i>	<i>12.63</i>	<i>538,300</i>	<i>15,000</i>	<i>12,828,100</i>	<i>13,381,400</i>

Office of Species Conservation

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Sage-Steppe Ecosystem Conservation					
<p>The Office of Species Conservation (OSC) requests \$750,000 from the General Fund in ongoing operating expenditures for sage-steppe ecosystem conservation actions, which includes continued implementation of Governor Otter's sage-grouse conservation strategy. Similar to the requests in the last three years, funding will be allocated toward sage-grouse population surveys, fire prevention, fire suppression, rangeland restoration actions on state and private lands, and completing a mitigation strategy for sage grouse, as outlined in the Governor's strategy. In addition, OSC will begin to transition to a more ecosystem-based conservation approach, rather than a single-species focus. This funding will allow the office to better leverage other funding for sage-steppe ecosystem conservation in southern Idaho, which encompasses 16 million acres and is home to more than 300 species of fish and wildlife. Many of these species are often the subject of listing petitions and federal actions, which can lead to curtailment of land use activities and economic consequences. Despite the not-warranted finding for greater sage-grouse in 2015, the U.S. Fish and Wildlife Service will be conducting a species status review in 2020 to assess whether state and federal land management plans are adequately protecting sage-grouse. It is important that the state continue to implement state-based conservation actions. Transitioning to a more ecosystem-based approach will enable the state to be more proactive with conservation of other sage-steppe species. [Ongoing]</p>					
Agency Request	0.00	750,000	0	0	750,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>750,000</i>	<i>0</i>	<i>0</i>	<i>750,000</i>
2. Outreach and Coordination					
<p>OSC requests \$10,000 from the General Fund for costs related to coordination and outreach across Idaho. The agency states that the current allocation for coordination and travel is insufficient for species with little or no federal funding. There has been an increase in ESA petitions for species occurring in central and northern Idaho, including Northern Rocky Mountain Fisher and North American wolverine. Outreach for these species would be in addition to the outreach required for species already listed in those regions, including, Canada lynx, caribou, and grizzly bears. The agency states that it is limited in its ability to coordinate with county, state, and federal partners due to lack of operating budget. This funding would be directed toward in-state and out-of-state travel for regional efforts to cooperatively address endangered species issues. In FY 2015, the office spent \$47,500 for employee travel. In FY 2016, the office spent \$35,700 for employee travel. Several constituencies in northern Idaho and other parts of the state have asked that OSC play a larger role in conservation issues that have a direct impact on rural Idaho communities. [Ongoing]</p>					
Agency Request	0.00	10,000	0	0	10,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cybersecurity Insurance					
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>100</i>
FY 2018 Total					
Agency Request	12.63	1,292,200	15,000	12,821,300	14,128,500
<i>Governor's Recommendation</i>	<i>12.63</i>	<i>1,288,400</i>	<i>15,000</i>	<i>12,828,100</i>	<i>14,131,500</i>
Agency Request					
Change from Original App	0.00	754,100	(500,000)	(4,000)	250,100
% Change from Original App	0.0%	140.1%	(97.1%)	0.0%	1.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>750,300</i>	<i>(500,000)</i>	<i>2,800</i>	<i>253,100</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>139.4%</i>	<i>(97.1%)</i>	<i>0.0%</i>	<i>1.8%</i>

STEM Action Center

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	547,300	509,000	2,420,700	4,485,600	4,489,500
Dedicated	100,000	49,200	2,100,000	2,100,300	2,100,300
Total:	647,300	558,200	4,520,700	6,585,900	6,589,800
Percent Change:		(13.8%)	709.9%	45.7%	45.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	229,800	183,100	329,700	391,400	395,300
Operating Expenditures	409,500	362,000	4,187,000	4,189,900	4,189,900
Capital Outlay	8,000	13,100	4,000	4,600	4,600
Trustee/Benefit	0	0	0	2,000,000	2,000,000
Total:	647,300	558,200	4,520,700	6,585,900	6,589,800
Full-Time Positions (FTP)	2.00	2.00	3.00	4.00	4.00

Division Description

The Science, Technology, Engineering, and Math (STEM) Action Center was created under the Office of the Governor through H302 (2015 session) to promote the expansion of student engagement in STEM activities. The requirements, goals, and objectives of the STEM Action Center include: 1) coordination of all state departments and divisions on STEM-related activities; 2) promotion of STEM through best practices in education; 3) support of high-quality professional development for educators; 4) facilitation of STEM-related competitions, science fairs, camps, and student programs; and 5) engagement of private industry in the development and maintenance of STEM Action Center projects. [Statutory Authority: §67-823, Idaho Code.]

The STEM Action Center utilizes the following funds:

1. GENERAL FUNDS (0001). Moneys from the General Funds are used for personnel costs, operating expenditures, and as match for non-state funding opportunities.
2. STEM EDUCATION FUND (0240). Fund was created by the 2017 Legislature to support the programs and priorities of the state in advancing Science, Technology, Engineering, and Math (STEM) education in public schools and Idaho post-secondary institutions. The STEM education fund may accept private contributions, moneys from other public agencies or moneys from any other source. The moneys shall be used solely for the purposes provided in Section 67-823, Idaho Code.
3. MISCELLANEOUS REVENUE FUND (0349). Consists of non-federal grants and contracts, private contributions, and fees.

STEM Action Center

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	3.00	2,420,700	4,520,700	3.00	2,420,700	4,520,700
Removal of One-Time Expenditures	0.00	(512,300)	(512,300)	0.00	(512,300)	(512,300)
FY 2018 Base	3.00	1,908,400	4,008,400	3.00	1,908,400	4,008,400
Benefit Costs	0.00	3,800	3,800	0.00	2,700	2,700
Statewide Cost Allocation	0.00	300	500	0.00	300	500
Change in Employee Compensation	0.00	2,700	2,700	0.00	6,600	6,600
FY 2018 Program Maintenance	3.00	1,915,200	4,015,400	3.00	1,918,000	4,018,200
1. Grant, Project, and Administration Costs	0.00	500,000	500,000	0.00	500,000	500,000
2. Computer Science Grants and Programs	0.00	2,000,000	2,000,000	0.00	2,000,000	2,000,000
3. Grants and Contracts Analyst	1.00	70,400	70,400	1.00	71,500	71,500
Cybersecurity Insurance	0.00	0	100	0.00	0	100
FY 2018 Total	4.00	4,485,600	6,585,900	4.00	4,489,500	6,589,800
Change from Original Appropriation	1.00	2,064,900	2,065,200	1.00	2,068,800	2,069,100
% Change from Original Appropriation		85.3%	45.7%		85.5%	45.8%

STEM Action Center

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	3.00	2,420,700	2,100,000	0	4,520,700

Removal of One-Time Expenditures

Removes \$8,000 provided one-time for the 27th payroll, \$300 for one-time CEC related to the 27th payroll, \$4,000 for one-time capital outlay for new office set-up, and \$500,000 one-time appropriation for STEM grants.

Agency Request	0.00	(512,300)	0	0	(512,300)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(512,300)</i>	<i>0</i>	<i>0</i>	<i>(512,300)</i>

FY 2018 Base					
Agency Request	3.00	1,908,400	2,100,000	0	4,008,400
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>1,908,400</i>	<i>2,100,000</i>	<i>0</i>	<i>4,008,400</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	3,800	0	0	3,800
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,700</i>	<i>0</i>	<i>0</i>	<i>2,700</i>
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. State Controller fees will increase by \$400 and State Treasurer fees will increase by \$100, for a net increase of \$500.

Agency Request	0.00	300	200	0	500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>300</i>	<i>200</i>	<i>0</i>	<i>500</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	2,700	0	0	2,700
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,600</i>	<i>0</i>	<i>0</i>	<i>6,600</i>
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FY 2018 Program Maintenance					
Agency Request	3.00	1,915,200	2,100,200	0	4,015,400
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>1,918,000</i>	<i>2,100,200</i>	<i>0</i>	<i>4,018,200</i>

1. Grant, Project, and Administration Costs

The STEM Action Center requests \$500,000 from the General Fund to support educator grants, workforce and professional development grants, competitions, community awareness events, outreach to educators and industry partners, and research. In FY 2016, over 10,000 students and 1,200 educators received services from the STEM Action Center and 36 STEM events were hosted throughout the state. Based on requests, the center was only able to fill approximately 30% of the requests for funding and professional development. In FY 2017, the center anticipates providing services to over 80,000 students and 4,000 educators, supporting 80 STEM and computer science community events, and launching a new project-based, mentorship platform. This expansion will satisfy approximately 50% of the requests for funding. The center believes that this request would support continued efforts to fulfil its legislative charge and grow STEM education. [Ongoing]

Agency Request	0.00	500,000	0	0	500,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>500,000</i>	<i>0</i>	<i>0</i>	<i>500,000</i>

STEM Action Center

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Computer Science Grants and Programs

With the passage of Section 33-1633, Idaho Code, Computer Science Initiative, the STEM Action Center is requesting \$2 million in ongoing funding to support continued educator education, industry outreach, and computer science projects throughout the state. During FY 2017, the center anticipates that 2,000 educators and 35,000 students will be impacted in the area of computer science through the center's work, multiple pilot projects have been launched, and public awareness about careers in computer science has increased. The center is currently partnering with Idaho postsecondary institutions to expand the computer science teaching endorsement program across the state in order to build capacity within K12 and is working to increase online dual credit computer science options for all students. This request is made to support the center's efforts to expand current outreach efforts and grow those computer science projects undertaken in FY 2017. [Ongoing]

Agency Request	0.00	2,000,000	0	0	2,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,000,000</i>	<i>0</i>	<i>0</i>	<i>2,000,000</i>

3. Grants and Contracts Analyst

The STEM Action Center requests 1.00 FTP and \$70,400 from the General Fund for a grants and contracts analyst. Of this amount, \$63,500 is ongoing personnel costs, \$1,000 is ongoing operating expenditures, \$1,300 is one-time operating expenditures, and \$4,600 is one-time capital outlay. This position would focus on the oversight and administration of grants and contracts and seek to identify additional federal, non-profit, and industry funding sources and be tasked with working with center program managers to support grant applications. At present, the STEM Action Center does not have an in-house financial officer to oversee the administration of nearly \$2.5 million dollars in competitive grants, professional development opportunities, and student scholarships for STEM camps/competitions. The center believes that the addition of an analyst would ensure the timely and efficient flow of funding out of the center and proper documentation related to outcomes and impacts. [Ongoing & One-time]

Agency Request	1.00	70,400	0	0	70,400
<i>Salary increased to 80% of policy on new pay schedule and health insurance costs reduced to recommended level.</i>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>71,500</i>	<i>0</i>	<i>0</i>	<i>71,500</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	0	100	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100</i>	<i>0</i>	<i>100</i>

FY 2018 Total					
Agency Request	4.00	4,485,600	2,100,300	0	6,585,900
<i>Governor's Recommendation</i>	<i>4.00</i>	<i>4,489,500</i>	<i>2,100,300</i>	<i>0</i>	<i>6,589,800</i>
Agency Request					
Change from Original App	1.00	2,064,900	300	0	2,065,200
% Change from Original App	33.3%	85.3%	0.0%		45.7%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>2,068,800</i>	<i>300</i>	<i>0</i>	<i>2,069,100</i>
<i>% Change from Original App</i>	<i>33.3%</i>	<i>85.5%</i>	<i>0.0%</i>		<i>45.8%</i>

Wolf Depredation Control Board

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	0	412,300	0	0	0
Percent Change:			(100.0%)		
BY OBJECT OF EXPENDITURE					
Operating Expenditures	0	412,300	0	0	0

Division Description

The Legislature passed H470aS of 2014 to recognize 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. H470aS established fees from sportsmen and the livestock industry to be allocated into the subaccounts with the expectation that the General Fund would also contribute. The responsibility of the Wolf Control Board is to allocate the money for control actions approved by the Idaho Fish and Game Commission. The board has a cooperative services agreement and a work plan with Wildlife Services (Section 22-5301, Idaho Code).

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. The Fish and Game Commission requires that expenditures from the Fish and Game Transfer Subaccount be spent for the benefit of wild ungulates (hooved animals).

Because this chapter sunsets on June 30, 2019, transfers have been treated as one-time. There is no base budget.

Wolf Depredation Control Board

Analyst: Houston

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	0	0	0.00	0	0
Noncognizable Funds and Transfers	0.00	0	1,104,100	0.00	0	1,104,100
FY 2017 Estimated Expenditures	0.00	0	1,104,100	0.00	0	1,104,100
Removal of One-Time Expenditures	0.00	0	(1,104,100)	0.00	0	(1,104,100)
FY 2018 Base	0.00	0	0	0.00	0	0
1. Wolf Control Program	0.00	400,000	400,000	0.00	400,000	400,000
Cash Transfer to Wolf Control Fund	0.00	(400,000)	(400,000)	0.00	(400,000)	(400,000)
FY 2018 Total	0.00	0	0	0.00	0	0
Change from Original Appropriation	0.00	0	0	0.00	0	0
% Change from Original Appropriation						

Wolf Depredation Control Board

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	0	0	0	0

Noncognizable Funds and Transfers

H470aS of 2014 established fees of up to \$110,000 per year for the livestock industry to be matched by sportsmen and allocated into the Wolf Control Fund subaccounts with the expectation that the General Fund would also contribute. All moneys are transferred into continuously appropriated funds for disbursement. The fund balance at the end of FY 2016 was \$609,800. Accounting for FY 2017 transfers of \$400,000 from the General Fund, \$95,800 from the livestock industry, \$95,800 from sportsmen, and accounting for interest and estimated ending balances, the department could expend \$1,104,100.

Agency Request	0.00	0	1,104,100	0	1,104,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,104,100</i>	<i>0</i>	<i>1,104,100</i>

FY 2017 Estimated Expenditures					
Agency Request	0.00	0	1,104,100	0	1,104,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,104,100</i>	<i>0</i>	<i>1,104,100</i>

Removal of One-Time Expenditures

Removes the estimated expenditures to reset the base to zero.

Agency Request	0.00	0	(1,104,100)	0	(1,104,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(1,104,100)</i>	<i>0</i>	<i>(1,104,100)</i>

FY 2018 Base					
Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

1. Wolf Control Program

The Wolf Depredation Control Board requests \$400,000 one-time from the General Fund for FY 2018. The responsibility of the board is to use the money for control actions approved by the Idaho Fish and Game Commission when there is a depredation conflict between wolves and wildlife or between wolves and livestock. 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. [One-time]

Agency Request	0.00	400,000	0	0	400,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>400,000</i>	<i>0</i>	<i>0</i>	<i>400,000</i>

Cash Transfer to Wolf Control Fund

The request is to transfer the cash to the continuously appropriated Wolf Control Fund Other Money Subaccount (Section 22-5305, Idaho Code). Pending legislative approval.

Agency Request	0.00	(400,000)	0	0	(400,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(400,000)</i>	<i>0</i>	<i>0</i>	<i>(400,000)</i>

FY 2018 Total					
Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Agency Request					
Change from Original App	0.00	0	0	0	0
% Change from Original App					
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	0	0	0
% Change from Original App					

Idaho Legislative Budget Book

Legislative Branch

2017 Legislative Session

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Legislative Branch

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Legislature	6,755,000	6,755,000	6,755,000	6,755,000	6,755,000
Legislative Services Office	7,876,200	6,008,700	7,692,800	7,725,400	7,808,500
Performance Evaluations, Office of	818,800	818,800	889,200	875,900	886,500
Total:	15,450,000	13,582,500	15,337,000	15,356,300	15,450,000
BY FUND CATEGORY					
General	12,268,200	12,156,500	12,756,700	12,790,500	12,865,600
Dedicated	3,181,800	1,426,000	2,580,300	2,565,800	2,584,400
Total:	15,450,000	13,582,500	15,337,000	15,356,300	15,450,000
Percent Change:		(12.1%)	12.9%	0.1%	0.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	7,030,200	6,248,900	7,174,200	7,201,100	7,294,800
Operating Expenditures	1,662,900	572,800	1,367,600	1,398,700	1,398,700
Capital Outlay	1,900	5,800	40,200	1,500	1,500
Lump Sum	6,755,000	6,755,000	6,755,000	6,755,000	6,755,000
Total:	15,450,000	13,582,500	15,337,000	15,356,300	15,450,000
Full-Time Positions (FTP)	72.00	72.00	72.00	73.00	73.00

Department Description

The Legislative Branch consists of the Senate, House of Representatives, and their nonpartisan staff offices managed by the Legislative Council and the Joint Legislative Oversight Committee. The Legislative Council consists of the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the majority and minority floor leaders of each house, two senators and two representatives selected by members of the majority party, and two senators and two representatives selected by members of the minority party. The Council is the governing body over the year-round nonpartisan legislative staff, and has broad powers to conduct research and studies that relate to a legislative purpose. The budgeted divisions under Legislative Council are the Legislative Services Office, Legislative Technology, and the Redistricting Commission. The Office of Performance Evaluations reports to the Joint Legislative Oversight Committee.

Legislature

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	6,755,000	6,755,000	6,755,000	6,755,000	6,755,000
Percent Change:		0.0%	0.0%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Lump Sum	6,755,000	6,755,000	6,755,000	6,755,000	6,755,000

Division Description

Senate and House: The Idaho Legislature is composed of thirty-five senators and seventy representatives from Idaho's thirty-five legislative districts. The membership is elected for two-year terms and meets annually.

The Legislature is funded through a continuing appropriation as provided in Section 67-451, Idaho Code. Section 67-451, Idaho Code, directs the State Controller to transfer money from the General Fund to the Legislative Fund, and provides for a continuing appropriation of these funds. Because these dollars are a direct transfer of General Fund moneys and because the Joint Finance-Appropriations Committee does not appropriate these dollars, the summary data shown above is for informational purposes only.

Section 67-3506, Idaho Code, states that the Governor shall transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Legislature

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	6,755,000	6,755,000	0.00	6,755,000	6,755,000
FY 2018 Base	0.00	6,755,000	6,755,000	0.00	6,755,000	6,755,000
FY 2018 Total	0.00	6,755,000	6,755,000	0.00	6,755,000	6,755,000
Change from Original Appropriation	0.00	0	0	0.00	0	0
% Change from Original Appropriation		0.0%	0.0%		0.0%	0.0%

Legislature

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	6,755,000	0	0	6,755,000
FY 2018 Base					
Agency Request	0.00	6,755,000	0	0	6,755,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,755,000</i>	<i>0</i>	<i>0</i>	<i>6,755,000</i>
FY 2018 Total					
Agency Request	0.00	6,755,000	0	0	6,755,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,755,000</i>	<i>0</i>	<i>0</i>	<i>6,755,000</i>
Agency Request					
Change from Original App	0.00	0	0	0	0
% Change from Original App		0.0%			0.0%
<i>Governor's Recommendation</i>					
Change from Original App	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
% Change from Original App		<i>0.0%</i>			<i>0.0%</i>

Legislative Services Office

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	4,694,400	4,582,700	5,112,500	5,159,600	5,224,100
Dedicated	3,181,800	1,426,000	2,580,300	2,565,800	2,584,400
Total:	7,876,200	6,008,700	7,692,800	7,725,400	7,808,500
Percent Change:		(23.7%)	28.0%	0.4%	1.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	6,302,700	5,565,800	6,383,300	6,417,400	6,500,500
Operating Expenditures	1,573,500	442,900	1,274,400	1,306,500	1,306,500
Capital Outlay	0	0	35,100	1,500	1,500
Total:	7,876,200	6,008,700	7,692,800	7,725,400	7,808,500
Full-Time Positions (FTP)	64.00	64.00	64.00	65.00	65.00

Division Description

The mission of the Legislative Services Office is to provide efficient, non-partisan support services to Idaho's citizen legislators, to carry out legislative policies so as to strengthen the Legislature's management as a separate branch of government, and to assist the Legislature in carrying out its Constitutional responsibilities. The Legislative Services Office strives to modernize the provision of professional staff services to the Legislature, to provide committees and legislators with professional staff support, to increase communication and efficiency, and enhance coordination and productivity within the Legislative Branch of government. Under the direction of the Director of Legislative Services, the office consists of the Division of Research and Legislation, Division of Budget and Policy Analysis, the Legislative Audit Division, and the Information Technology Division.

Section 67-3506, Idaho Code, states that the Governor shall transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Legislative Services Office

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	64.00	5,112,500	7,692,800	64.00	5,112,500	7,692,800
Reappropriation	0.00	0	835,300	0.00	0	835,300
FY 2017 Total Appropriation	64.00	5,112,500	8,528,100	64.00	5,112,500	8,528,100
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2017 Estimated Expenditures	64.00	5,112,500	8,528,100	64.00	5,112,500	8,528,100
Removal of One-Time Expenditures	0.00	(179,700)	(1,068,900)	0.00	(179,700)	(1,068,900)
FY 2018 Base	64.00	4,932,800	7,459,200	64.00	4,932,800	7,459,200
Benefit Costs	0.00	58,300	77,700	0.00	41,100	54,800
Replacement Items	0.00	21,800	29,300	0.00	21,800	29,300
Statewide Cost Allocation	0.00	(500)	(600)	0.00	(500)	(600)
Change in Employee Compensation	0.00	41,500	54,100	0.00	123,600	160,500
FY 2018 Program Maintenance	64.00	5,053,900	7,619,700	64.00	5,118,800	7,703,200
1. Budget & Policy Analyst Position	1.00	105,600	105,600	1.00	105,200	105,200
Cybersecurity Insurance	0.00	100	100	0.00	100	100
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	65.00	5,159,600	7,725,400	65.00	5,224,100	7,808,500
Change from Original Appropriation	1.00	47,100	32,600	1.00	111,600	115,700
% Change from Original Appropriation		0.9%	0.4%		2.2%	1.5%

Legislative Services Office

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	64.00	5,112,500	2,580,300	0	7,692,800

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance in the Professional Services Fund from FY 2016 into FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	835,300	0	835,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>835,300</i>	<i>0</i>	<i>835,300</i>

FY 2017 Total Appropriation					
Agency Request	64.00	5,112,500	3,415,600	0	8,528,100
<i>Governor's Recommendation</i>	<i>64.00</i>	<i>5,112,500</i>	<i>3,415,600</i>	<i>0</i>	<i>8,528,100</i>

Noncognizable Funds and Transfers

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2017 Estimated Expenditures					
Agency Request	64.00	5,112,500	3,415,600	0	8,528,100
<i>Governor's Recommendation</i>	<i>64.00</i>	<i>5,112,500</i>	<i>3,415,600</i>	<i>0</i>	<i>8,528,100</i>

Removal of One-Time Expenditures

Agency Request	0.00	(179,700)	(889,200)	0	(1,068,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(179,700)</i>	<i>(889,200)</i>	<i>0</i>	<i>(1,068,900)</i>

FY 2018 Base					
Agency Request	64.00	4,932,800	2,526,400	0	7,459,200
<i>Governor's Recommendation</i>	<i>64.00</i>	<i>4,932,800</i>	<i>2,526,400</i>	<i>0</i>	<i>7,459,200</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	58,300	19,400	0	77,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>41,100</i>	<i>13,700</i>	<i>0</i>	<i>54,800</i>

Replacement Items

The agency requests \$19,500 to replace computers and \$2,300 to replace printers from the General Fund. In addition, \$7,500 is requested from the Professional Services Fund to match the General Fund for replacement laptops for the Audit Division.

Agency Request	0.00	21,800	7,500	0	29,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>21,800</i>	<i>7,500</i>	<i>0</i>	<i>29,300</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. State Controller fees will decrease by \$500 and State Treasurer fees will decrease by \$100, for a net reduction of \$600.

Agency Request	0.00	(500)	(100)	0	(600)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(500)</i>	<i>(100)</i>	<i>0</i>	<i>(600)</i>

Legislative Services Office

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	41,500	12,600	0	54,100
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	123,600	36,900	0	160,500
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FY 2018 Program Maintenance					
Agency Request	64.00	5,053,900	2,565,800	0	7,619,700
Governor's Recommendation	64.00	5,118,800	2,584,400	0	7,703,200

1. Budget & Policy Analyst Position

Legislative Services Office requests funding for an additional budget & policy analyst position. The request includes authorization for an FTP, \$100,800 for personnel costs, \$3,300 for operating expenditures for travel, training, and office supplies, and \$1,500 for a desktop computer, printer, and tablet. Over the course of 12 months the Budget & Policy Analysis Division will lose just less than 90 years of budgeting experience with scheduled retirements. In addition, the workload and expectations are increasing along with the complexity of the issues analysts are working on. The division currently has nine analysts including the division manager and the deputy manager; and one IT data development manager for a total of 10.0 FTP.

Agency Request	1.00	105,600	0	0	105,600
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The Governor makes no recommendation regarding this request but submits it to the Legislature as presented as required by Idaho Code. The health insurance costs have been reduced to the recommended level.

Governor's Recommendation	1.00	105,200	0	0	105,200
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Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage will begin on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total, \$333,300 of the ongoing request is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
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The Governor recommends all funding be ongoing.

Governor's Recommendation	0.00	100	0	0	100
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Budget Law Exceptions

LUMP SUM: The agency requests an appropriation that is not subject to state budget laws that restrict the transfer of money between programs and among personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. This authority requires legislative approval.

CARRYOVER: The agency requests authority to carry over its unencumbered and unspent appropriation balances in the Professional Services Fund from FY 2017 into FY 2018. Carryover requires legislative approval.

Agency Request	0.00	0	0	0	0
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The Governor makes no recommendation regarding this request but submits it to the Legislature as presented as required by Idaho Code.

Governor's Recommendation	0.00	0	0	0	0
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FY 2018 Total					
Agency Request	65.00	5,159,600	2,565,800	0	7,725,400
Governor's Recommendation	65.00	5,224,100	2,584,400	0	7,808,500

Legislative Services Office

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	1.00	47,100	(14,500)	0	32,600
% Change from Original App	1.6%	0.9%	(0.6%)		0.4%
<i>Governor's Recommendation</i>					
Change from Original App	1.00	111,600	4,100	0	115,700
% Change from Original App	1.6%	2.2%	0.2%		1.5%

Office of Performance Evaluations

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	818,800	818,800	889,200	875,900	886,500
Percent Change:		0.0%	8.6%	(1.5%)	(0.3%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	727,500	683,100	790,900	783,700	794,300
Operating Expenditures	89,400	129,900	93,200	92,200	92,200
Capital Outlay	1,900	5,800	5,100	0	0
Total:	818,800	818,800	889,200	875,900	886,500
Full-Time Positions (FTP)	8.00	8.00	8.00	8.00	8.00

Division Description

The Office of Performance Evaluations (OPE) is a nonpartisan legislative office that promotes accountability and confidence in state government (Sections 67-457 through 67-464, Idaho Code). OPE staff works under the general direction of the Joint Legislative Oversight Committee (JLOC), which consists of an equal number of legislators from both political parties and both houses.

The office conducts independent, objective, in-depth, and timely performance evaluations of state agencies, programs, and functions. OPE staff reports evaluation results and its recommendations to:

- JLOC and other legislative committees to assist them in making policy and budgetary decisions, and
- State agencies to help them improve their operational efficiency and program effectiveness.

OPE evaluations help:

- Ensure compliance with state laws and legislative intent,
- Improve government performance and accountability to the public, and
- Identify cost savings and opportunities to avoid unnecessary future costs.

Section 67-3506, Idaho Code, states that the Governor shall transmit the budget requests of the legislative and judicial departments to the Legislature as they were submitted by the departments.

Office of Performance Evaluations

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	8.00	889,200	889,200	8.00	889,200	889,200
Removal of One-Time Expenditures	0.00	(30,800)	(30,800)	0.00	(30,800)	(30,800)
FY 2018 Base	8.00	858,400	858,400	8.00	858,400	858,400
Benefit Costs	0.00	9,700	9,700	0.00	6,900	6,900
Change in Employee Compensation	0.00	6,700	6,700	0.00	20,100	20,100
FY 2018 Program Maintenance	8.00	874,800	874,800	8.00	885,400	885,400
Cybersecurity Insurance	0.00	1,100	1,100	0.00	1,100	1,100
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	8.00	875,900	875,900	8.00	886,500	886,500
Change from Original Appropriation	0.00	(13,300)	(13,300)	0.00	(2,700)	(2,700)
% Change from Original Appropriation		(1.5%)	(1.5%)		(0.3%)	(0.3%)

Office of Performance Evaluations

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	8.00	889,200	0	0	889,200

Removal of One-Time Expenditures

Agency Request	0.00	(30,800)	0	0	(30,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(30,800)</i>	<i>0</i>	<i>0</i>	<i>(30,800)</i>

FY 2018 Base	8.00	858,400	0	0	858,400
<i>Governor's Recommendation</i>	<i>8.00</i>	<i>858,400</i>	<i>0</i>	<i>0</i>	<i>858,400</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	9,700	0	0	9,700
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,900</i>	<i>0</i>	<i>0</i>	<i>6,900</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	6,700	0	0	6,700
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>20,100</i>	<i>0</i>	<i>0</i>	<i>20,100</i>

FY 2018 Program Maintenance	8.00	874,800	0	0	874,800
<i>Governor's Recommendation</i>	<i>8.00</i>	<i>885,400</i>	<i>0</i>	<i>0</i>	<i>885,400</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	1,100	0	0	1,100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,100</i>	<i>0</i>	<i>0</i>	<i>1,100</i>

Budget Law Exceptions

LUMP SUM: The agency requests an appropriation that is not subject to state budget laws that restrict the transfer of money between programs and among personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. This authority requires legislative approval.

Agency Request	0.00	0	0	0	0
<i>The Governor makes no recommendation regarding this request but submits it to the Legislature as presented as required by Idaho Code.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Total	8.00	875,900	0	0	875,900
<i>Governor's Recommendation</i>	<i>8.00</i>	<i>886,500</i>	<i>0</i>	<i>0</i>	<i>886,500</i>

Office of Performance Evaluations

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	(13,300)	0	0	(13,300)
% Change from Original App	0.0%	(1.5%)			(1.5%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	(2,700)	0	0	(2,700)
% Change from Original App	0.0%	(0.3%)			(0.3%)

Lieutenant Governor

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	163,600	162,900	170,000	172,300	172,900
Percent Change:		(0.4%)	4.4%	1.4%	1.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	151,500	143,100	157,800	159,900	160,500
Operating Expenditures	12,100	19,800	12,200	12,400	12,400
Total:	163,600	162,900	170,000	172,300	172,900
Full-Time Positions (FTP)	3.00	3.00	3.00	3.00	3.00

Department Description

The Lieutenant Governor is one of seven statewide elected officials in Idaho and serves as the presiding officer of the Idaho State Senate. He serves as Acting Governor when the Governor is absent from the state and is first in line for the governorship if the Governor is unable to continue in office. The Lieutenant Governor also serves as the Governor's chief appointment officer and assists in facilitating economic development across Idaho. He participates on several commissions and task forces, including chairing the Governor's Cybersecurity Task Force and the Idaho Military Advocacy Commission, and serving on the Leadership in Nuclear Energy (LINE) 2.0 Commission and the Capitol Commission.

Lieutenant Governor

Comparative Summary

Analyst: Headlee

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	3.00	170,000	170,000	3.00	170,000	170,000
Removal of One-Time Expenditures	0.00	(1,900)	(1,900)	0.00	(1,900)	(1,900)
FY 2018 Base	3.00	168,100	168,100	3.00	168,100	168,100
Benefit Costs	0.00	2,400	2,400	0.00	1,700	1,700
Statewide Cost Allocation	0.00	100	100	0.00	100	100
Annualizations	0.00	400	400	0.00	400	400
Change in Employee Compensation	0.00	1,200	1,200	0.00	2,500	2,500
FY 2018 Program Maintenance	3.00	172,200	172,200	3.00	172,800	172,800
Cybersecurity Insurance	0.00	100	100	0.00	100	100
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	3.00	172,300	172,300	3.00	172,900	172,900
Change from Original Appropriation	0.00	2,300	2,300	0.00	2,900	2,900
% Change from Original Appropriation		1.4%	1.4%		1.7%	1.7%

Lieutenant Governor

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	3.00	170,000	0	0	170,000

Removal of One-Time Expenditures

Removes one-time funding for the 27th payroll.

Agency Request	0.00	(1,900)	0	0	(1,900)
<i>Governor's Recommendation</i>	0.00	(1,900)	0	0	(1,900)

FY 2018 Base					
Agency Request	3.00	168,100	0	0	168,100
<i>Governor's Recommendation</i>	3.00	168,100	0	0	168,100

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	2,400	0	0	2,400
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	1,700	0	0	1,700

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100.

Agency Request	0.00	100	0	0	100
<i>Governor's Recommendation</i>	0.00	100	0	0	100

Annualizations

Annualizes the salary of the Lieutenant Governor's pay increase as authorized by the Legislature in Chapter 356, Laws of 2014. This adjustment funds the increase from July 1, 2017, through December 31, 2017.

Agency Request	0.00	400	0	0	400
<i>Governor's Recommendation</i>	0.00	400	0	0	400

Change in Employee Compensation

For calculation purposes agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. It also includes an additional \$400, plus benefits, for the Lieutenant Governor's pay increase as authorized by the Legislature in Chapter 356, Laws of 2014. Commencing on the first Monday in January 2018, the Lieutenant Governor's pay will increase by 1.8% from \$43,553 to \$44,206 per annum. This increase funds the period from January 1, 2018 to June 30, 2018.

Agency Request	0.00	1,200	0	0	1,200
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	0.00	2,500	0	0	2,500

FY 2018 Program Maintenance					
Agency Request	3.00	172,200	0	0	172,200
<i>Governor's Recommendation</i>	3.00	172,800	0	0	172,800

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	0.00	100	0	0	100

Lieutenant Governor

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Budget Law Exceptions					
LUMP SUM: The agency requests an appropriation that is not subject to state budget laws that restrict the transfer of money between programs and among personnel costs, operating expenditures, capital outlay, or trustee & benefit payments. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2018 Total					
Agency Request	3.00	172,300	0	0	172,300
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>172,900</i>	<i>0</i>	<i>0</i>	<i>172,900</i>
Agency Request					
Change from Original App	0.00	2,300	0	0	2,300
% Change from Original App	0.0%	1.4%			1.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>2,900</i>	<i>0</i>	<i>0</i>	<i>2,900</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>1.7%</i>			<i>1.7%</i>

Idaho Legislative Budget Book

Department of Revenue and Taxation

2017 Legislative Session

Tax Appeals, Board of	6 - 137
Tax Commission, State	6 - 143

Department of Revenue and Taxation

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
Tax Appeals, Board of	534,400	489,000	565,300	601,200	606,700
Tax Commission, State	39,124,600	38,621,800	42,663,400	43,119,500	43,399,000
Total:	39,659,000	39,110,800	43,228,700	43,720,700	44,005,700
BY FUND CATEGORY					
General	32,709,900	32,554,800	35,727,900	36,183,500	36,420,800
Dedicated	6,941,100	6,556,000	7,492,800	7,529,200	7,576,900
Federal	8,000	0	8,000	8,000	8,000
Total:	39,659,000	39,110,800	43,228,700	43,720,700	44,005,700
Percent Change:		(1.4%)	10.5%	1.1%	1.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	29,463,000	29,265,300	31,791,800	31,932,900	32,263,300
Operating Expenditures	9,494,600	9,095,600	11,083,500	11,122,200	11,097,200
Capital Outlay	701,400	749,900	353,400	665,600	645,200
Total:	39,659,000	39,110,800	43,228,700	43,720,700	44,005,700
Full-Time Positions (FTP)	452.00	452.00	456.00	460.00	460.00

Department Description

The Department of Revenue and Taxation consists of two agencies: the Board of Tax Appeals and the State Tax Commission. The Board of Tax Appeals is a single program, and the State Tax Commission has five budgeted programs: General Services, Audit, Collections, Revenue Operations, and Property Tax.

Board of Tax Appeals

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	534,400	489,000	565,300	601,200	606,700
Percent Change:		(8.5%)	15.6%	6.4%	7.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	458,600	404,500	488,100	511,600	517,100
Operating Expenditures	75,800	80,600	77,200	86,700	86,700
Capital Outlay	0	3,900	0	2,900	2,900
Total:	534,400	489,000	565,300	601,200	606,700
Full-Time Positions (FTP)	5.00	5.00	5.00	5.00	5.00

Division Description

The Board of Tax Appeals (Section 63-3801, Idaho Code) 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.

Board of Tax Appeals Agency Profile

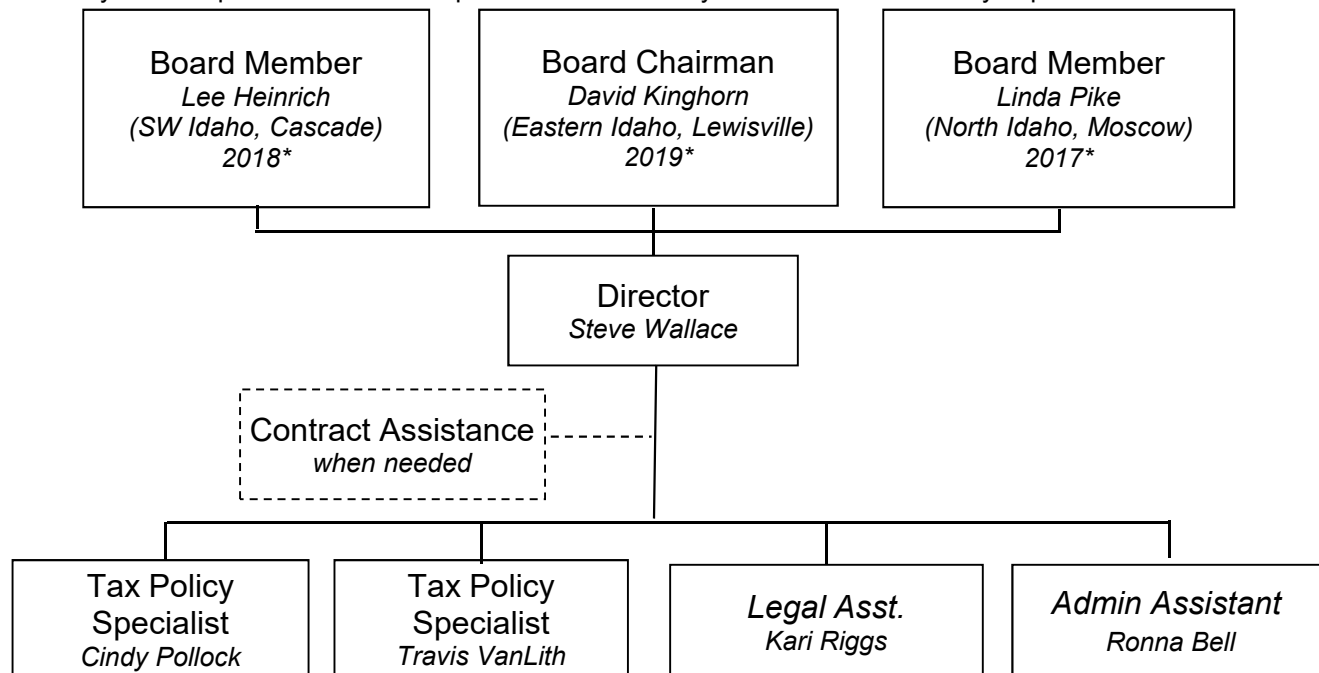
Analyst: Bybee

	FY 2013	FY 2014	FY 2015	FY 2016
Key Services Provided				
1. Number of Tax Appeals Filed	719	277	205	293
2. Appeals Settled/Withdrawn/Dismissed	261	158	95	174
3. Decisions Rendered	458	119	110	119
4. Reconsideration Motions Filed	18	14	7	15
5. Appeals taken to District Court	3	7	1	4

Selected Performance Measures				
6. Hearings held within 90 days of appeal benchmark is 100%	74%	92%	97%	94%
7. Decisions issued within 105 days of hearing benchmark is 100%	24%	46%	39%	42%
8. Tax Com. related decisions within 180 days benchmark is 100%	23%	43%	43%	83%
9. Ad valorem related decisions by May 1 benchmark is 100%	100%	100%	97%	99%

Organizational Chart

* 3 yr term expires June 30. Compensation is \$200/day + actual and necessary expenses



Board of Tax Appeals

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	5.00	565,300	565,300	5.00	565,300	565,300
Removal of One-Time Expenditures	0.00	(13,500)	(13,500)	0.00	(13,500)	(13,500)
FY 2018 Base	5.00	551,800	551,800	5.00	551,800	551,800
Benefit Costs	0.00	6,100	6,100	0.00	4,300	4,300
Inflationary Adjustments	0.00	2,300	2,300	0.00	2,300	2,300
Replacement Items	0.00	2,900	2,900	0.00	2,900	2,900
Statewide Cost Allocation	0.00	4,900	4,900	0.00	4,900	4,900
Change in Employee Compensation	0.00	4,100	4,100	0.00	11,400	11,400
FY 2018 Program Maintenance	5.00	572,100	572,100	5.00	577,600	577,600
1. Increase Board Honoraria	0.00	26,800	26,800	0.00	26,800	26,800
2. Travel Per Diem Increase	0.00	2,200	2,200	0.00	2,200	2,200
Cybersecurity Insurance	0.00	100	100	0.00	100	100
FY 2018 Total	5.00	601,200	601,200	5.00	606,700	606,700
Change from Original Appropriation	0.00	35,900	35,900	0.00	41,400	41,400
% Change from Original Appropriation		6.4%	6.4%		7.3%	7.3%

Board of Tax Appeals

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	5.00	565,300	0	0	565,300
Removal of One-Time Expenditures					
Removes the one-time personnel costs associated with the 27th pay period.					
Agency Request	0.00	(13,500)	0	0	(13,500)
<i>Governor's Recommendation</i>	0.00	(13,500)	0	0	(13,500)
FY 2018 Base					
Agency Request	5.00	551,800	0	0	551,800
<i>Governor's Recommendation</i>	5.00	551,800	0	0	551,800
Benefit Costs					
Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.					
Agency Request	0.00	6,100	0	0	6,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	4,300	0	0	4,300
Inflationary Adjustments					
Includes a \$500 adjustment for the office lease in contract inflation, and an \$1,800 or 4% increase for Office of the Chief Information Officer (OCIO) charges which include internet and Voice Over Internet Protocol (VOIP) service for general inflation.					
Agency Request	0.00	2,300	0	0	2,300
<i>Governor's Recommendation</i>	0.00	2,300	0	0	2,300
Replacement Items					
Request includes digital hearing recorders and a laser printer.					
Agency Request	0.00	2,900	0	0	2,900
<i>Governor's Recommendation</i>	0.00	2,900	0	0	2,900
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100, State Controller fees will decrease by \$100, and Attorney General fees will increase by \$4,900, for a net increase of \$4,900.					
Agency Request	0.00	4,900	0	0	4,900
<i>Governor's Recommendation</i>	0.00	4,900	0	0	4,900
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	4,100	0	0	4,100
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>Governor's Recommendation</i>	0.00	11,400	0	0	11,400
FY 2018 Program Maintenance					
Agency Request	5.00	572,100	0	0	572,100
<i>Governor's Recommendation</i>	5.00	577,600	0	0	577,600

Board of Tax Appeals

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Increase Board Honoraria					
This request includes \$26,800 in ongoing personnel costs from the General Fund to increase the board member honoraria from \$200 to \$300 per day. Section 63-3804, Idaho Code, would need to be amended by the Legislature before this increase could take effect. The current per diem rate of \$200 was increased to this level for FY 1999.					
Agency Request	0.00	26,800	0	0	26,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>26,800</i>	<i>0</i>	<i>0</i>	<i>26,800</i>
2. Travel Per Diem Increase					
As a result of the State Board of Examiners increasing the per diem reimbursement rates for state employees, the agency is requesting an increase in operating expenditures to cover higher expected costs in FY 2018. In FY 2015, the board spent \$17,300 for travel costs, which includes lodging, meals, and any reimbursement for travel. The board anticipates an additional \$2,200 for meals based on 335 estimated appeals for FY 2018.					
Agency Request	0.00	2,200	0	0	2,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,200</i>	<i>0</i>	<i>0</i>	<i>2,200</i>
Cybersecurity Insurance					
Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.					
Agency Request	0.00	100	0	0	100
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>100</i>
FY 2018 Total					
Agency Request	5.00	601,200	0	0	601,200
<i>Governor's Recommendation</i>	<i>5.00</i>	<i>606,700</i>	<i>0</i>	<i>0</i>	<i>606,700</i>
Agency Request					
Change from Original App	0.00	35,900	0	0	35,900
% Change from Original App	0.0%	6.4%			6.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>41,400</i>	<i>0</i>	<i>0</i>	<i>41,400</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>7.3%</i>			<i>7.3%</i>

State Tax Commission

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
General Services	9,401,600	9,299,400	11,479,100	12,490,200	12,554,300
Audit Division	11,684,900	11,210,500	12,447,300	12,584,900	12,700,700
Collections Division	7,683,500	7,636,100	8,178,200	7,441,100	7,494,000
Revenue Operations	6,858,800	6,986,900	6,846,600	6,844,800	6,851,800
Property Tax	3,495,800	3,488,900	3,712,200	3,758,500	3,798,200
Total:	39,124,600	38,621,800	42,663,400	43,119,500	43,399,000
BY FUND CATEGORY					
General	32,175,500	32,065,800	35,162,600	35,582,300	35,814,100
Dedicated	6,941,100	6,556,000	7,492,800	7,529,200	7,576,900
Federal	8,000	0	8,000	8,000	8,000
Total:	39,124,600	38,621,800	42,663,400	43,119,500	43,399,000
Percent Change:		(1.3%)	10.5%	1.1%	1.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	29,004,400	28,860,800	31,303,700	31,421,300	31,746,200
Operating Expenditures	9,418,800	9,015,000	11,006,300	11,035,500	11,010,500
Capital Outlay	701,400	746,000	353,400	662,700	642,300
Total:	39,124,600	38,621,800	42,663,400	43,119,500	43,399,000
Full-Time Positions (FTP)	447.00	447.00	451.00	455.00	455.00

Division Description

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 front-line 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.

State Tax Commission

Analyst: Bybee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	451.00	35,162,600	42,663,400	451.00	35,162,600	42,663,400
Removal of One-Time Expenditures	0.00	(1,122,700)	(1,407,100)	0.00	(1,122,700)	(1,407,100)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	451.00	34,039,900	41,256,300	451.00	34,039,900	41,256,300
Benefit Costs	0.00	450,700	528,500	0.00	317,800	372,800
Inflationary Adjustments	0.00	10,800	11,700	0.00	10,800	11,700
Replacement Items	0.00	299,500	453,600	0.00	256,600	408,200
Statewide Cost Allocation	0.00	(16,900)	(18,900)	0.00	(16,900)	(18,900)
Change in Employee Compensation	0.00	207,900	245,500	0.00	599,400	707,400
FY 2018 Program Maintenance	451.00	34,991,900	42,476,700	451.00	35,207,600	42,737,500
1. Reorg - Taxpayer Resource Program	0.00	0	0	0.00	0	0
2. IT Programmer	1.00	76,800	76,800	1.00	78,300	78,300
3. New Auditors	3.00	199,600	199,600	3.00	203,300	203,300
4. New Storage Technology	0.00	255,000	300,000	0.00	255,000	300,000
5. Commissioner CEC	0.00	0	0	0.00	10,900	13,500
Cybersecurity Insurance	0.00	59,000	66,400	0.00	59,000	66,400
FY 2018 Total	455.00	35,582,300	43,119,500	455.00	35,814,100	43,399,000
Change from Original Appropriation	4.00	419,700	456,100	4.00	651,500	735,600
% Change from Original Appropriation		1.2%	1.1%		1.9%	1.7%

State Tax Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	451.00	35,162,600	7,492,800	8,000	42,663,400

Removal of One-Time Expenditures

Removes \$932,800 in one-time personnel costs which are associated with the 27th pay period, removes one-time software replacement, IT equipment, computers, server space, and batteries.

Agency Request	0.00	(1,122,700)	(284,400)	0	(1,407,100)
<i>Governor's Recommendation</i>	0.00	(1,122,700)	(284,400)	0	(1,407,100)

Base Adjustments

This base adjustment moves one FTP from the General Services Division to the the Audit Division. The Legislature approved additional personnel costs to hire a paralegal for the Office of the Attorney General at the Tax Commission. However, there was not an FTP associated with the personnel costs. This will algin FTP by division.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

FY 2018 Base					
Agency Request	451.00	34,039,900	7,208,400	8,000	41,256,300
<i>Governor's Recommendation</i>	451.00	34,039,900	7,208,400	8,000	41,256,300

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	450,700	77,800	0	528,500
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	0.00	317,800	55,000	0	372,800

Inflationary Adjustments

Contract inflation includes an \$8,900 or 16.5% increase for office leases in Lewiston and Idaho Falls, and a \$2,800 or 2% increase for Manatron software in the Property Tax Division.

Agency Request	0.00	10,800	900	0	11,700
<i>Governor's Recommendation</i>	0.00	10,800	900	0	11,700

Replacement Items

Items include three vehicles, laptops, servers, other IT equipment, security software, and software for W-2 processing.

Agency Request	0.00	299,500	154,100	0	453,600
<i>The Governor recommends three of the four vehicles and half of the E-flow W-2 processing upgrade.</i>					
<i>Governor's Recommendation</i>	0.00	256,600	151,600	0	408,200

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$2,200, State Controller fees will increase by \$12,100, Attorney General fees will decrease by \$12,900, and State Treasurer fees will decrease by \$20,300, for a net reduction of \$18,900.

Agency Request	0.00	(16,900)	(2,000)	0	(18,900)
<i>Governor's Recommendation</i>	0.00	(16,900)	(2,000)	0	(18,900)

State Tax Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	207,900	37,600	0	245,500
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	599,400	108,000	0	707,400

FY 2018 Program Maintenance					
Agency Request	451.00	34,991,900	7,476,800	8,000	42,476,700
Governor's Recommendation	451.00	35,207,600	7,521,900	8,000	42,737,500

1. Reorg - Taxpayer Resource Program

General Services, Collections Division

In FY 2017, the agency reorganized staff under the Collections Division Program to the General Services Program to create a consolidated taxpayer support and outreach efforts into a centralized taxpayer resource program. All these positions are supported from the General Fund. In FY 2017 the Tax Commission are continuing to pay for these positions from the Collections Division Program to comply with the provisions of Section 67-3511, Idaho Code that limit transfers between budgeted programs. For FY 2018 the agency requests to transfer 11.00 FTP and \$718,500 in personnel costs from the Collections Division to the General Services Program.

The primary goal of the reorganization is to efficiently use existing resources to increase voluntary compliance by communicating more effectively, with an emphasis on taxpayer education. The other stated benefit of the restructure is to improve overall customer service and provide taxpayers with clear and accurate information in more timely, convenient, and technologically current methods. These positions are the front line employees that staff the walk-in counters in Boise, and answer the majority of general calls that the agency receives. The new unit combines this function with the existing Communications Division staff, as well as more seasoned tax specialists in tax policy, to coordinate and improve overall effectiveness and accuracy of information provided to taxpayers and stakeholders.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

2. IT Programmer

Property Tax

This request includes 1.00 FTP and \$76,800 in ongoing personnel costs from the General Fund for a full-time programmer to assist in the development and implementation of Phase 1 to modernize the property tax software. Phase 1 was initially approved by the Legislature for FY 2015. The original Phase 1 included two IT systems analysts, two servers, two desktop computers, and two laptop computers. Additionally it included operating expenditures for contractors and professional services, training and travel, and software. This additional programmer is budgeted at pay grade M with \$52,300 in salary and \$24,500 for benefits, which is 80% of policy. The current property tax software is over 30 years old. Because it is very outdated, only 22 counties currently use the software, while other counties have gone on to develop their own property tax software. Phase 1 will modernize and update the current property tax software in-house. Phase 2 will add functionality that will include the ability to store and show pictures, scan and store deeds, legal documents, and other pertinent information. It will also include a sketching tool that will integrate the dimensions of the sketch into the application and calculate square footage and cost. By providing an updated system, county assessors and treasurers will utilize a more accurate and efficient way to calculate and track property values, exemptions, and levy taxes. This request will move the timeline for completing Phase 1 up by 12 months.

Agency Request	1.00	76,800	0	0	76,800
<i>The Governor adds \$1,500. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i>					
Governor's Recommendation	1.00	78,300	0	0	78,300

State Tax Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. New Auditors					Audit Division
<p>This request is for 3.00 FTP and \$199,600 in ongoing personnel costs from the General Fund for additional auditors to help alleviate backlog created by increased incidence of identity theft cases. These auditors will be stationed in the Tax Discovery Bureau and follow leads on non-compliant taxpayers. The request includes funding for salary and benefits at pay grade K with salary at \$40,000, which is 80% of policy, and \$22,300 for benefits. Additionally, there is a remaining \$9,500 for a part-time technical records specialist that is budgeted at 800 hours at pay grade H. This position will provide administrative support for the new auditors.</p>					
Agency Request	3.00	199,600	0	0	199,600
<p><i>The Governor adds \$3,700. All position costs have been adjusted for the lower health insurance increase, and have been adjusted to 80% of the recommended payroll.</i></p>					
Governor's Recommendation	3.00	203,300	0	0	203,300
4. New Storage Technology					General Services
<p>This one-time capital outlay request is for \$255,000 from the General Fund, \$15,000 from the Multistate Tax Compact Fund, and \$30,000 from the Administrative Services for Transportation Fund to replace the current platter data storage technology with flash array technology storage. Flash array storage will increase capacity up to 40 times faster than current platter equipment, and is forecast to reduce the nightly processing time from an average of 7.5 hours to 3.0 hours. Peak processing time has hit 13.5 hours on occasion, causing significant inconvenience and loss of productivity. The new technology would also allow the agency to improve its functional testing capacity within GenTax by providing the speed and storage room for another test environment.</p>					
Agency Request	0.00	255,000	45,000	0	300,000
Governor's Recommendation	0.00	255,000	45,000	0	300,000
5. Commissioner CEC					General Services, Audit Division
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends a 3% salary increase for commissioners, increasing their annual salary to \$96,191. Legislation is required to make this change.</i></p>					
Governor's Recommendation	0.00	10,900	2,600	0	13,500
Cybersecurity Insurance					General Services
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	59,000	7,400	0	66,400
<p><i>The Governor recommends all funding be ongoing.</i></p>					
Governor's Recommendation	0.00	59,000	7,400	0	66,400
FY 2018 Total					
Agency Request	455.00	35,582,300	7,529,200	8,000	43,119,500
Governor's Recommendation	455.00	35,814,100	7,576,900	8,000	43,399,000
Agency Request					
Change from Original App	4.00	419,700	36,400	0	456,100
% Change from Original App	0.9%	1.2%	0.5%	0.0%	1.1%
Governor's Recommendation					
Change from Original App	4.00	651,500	84,100	0	735,600
% Change from Original App	0.9%	1.9%	1.1%	0.0%	1.7%

Secretary of State

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY PROGRAM					
Administration	5,672,700	5,204,700	3,127,900	3,837,400	3,859,600
Commission on Uniform State Laws	44,600	44,600	47,700	49,600	49,600
Total:	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
BY FUND CATEGORY					
General	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
Percent Change:		(8.2%)	(39.5%)	22.4%	23.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,834,500	1,675,400	1,960,200	2,145,600	2,167,800
Operating Expenditures	1,882,800	1,628,400	1,215,400	1,741,400	1,741,400
Trustee/Benefit	2,000,000	1,945,500	0	0	0
Total:	5,717,300	5,249,300	3,175,600	3,887,000	3,909,200
Full-Time Positions (FTP)	27.00	27.00	27.00	29.00	29.00

Department Description

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. There are two budgeted programs and one continuously appropriated program in the Office of the Secretary of State:

ADMINISTRATION

The Administration Program performs all the constitutional and statutory functions of the Office of the Secretary of State, including registering the official acts of the Legislature and the Governor; administering and certifying elections; maintaining a registry of tort claims, extraditions, deeds, official oaths, and gubernatorial appointments; administering the Sunshine Law; and maintaining and operating the Centralized Uniform Commercial Code as it relates to state, commercial, and farm product filings. [Statutory Authority: Section 67-901, Idaho Code]

COMMISSION ON UNIFORM STATE LAWS

The Commission on Uniform State Laws is composed of four members who are appointed by the Governor. The commission studies proposed uniform laws and drafts legislation for consideration by the Idaho Legislature where uniformity among state laws is desirable. [Statutory Authority: Section 67-1701, Idaho Code]

IDAHO CODE COMMISSION

The budget for the Idaho Code Commission is continuously appropriated. The three-member commission, of which the Secretary of State is the ex-officio secretary, is responsible for compiling the Idaho Code annually. [Statutory Authority: Section 73-201, Idaho Code]

Secretary of State

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	27.00	3,175,600	3,175,600	27.00	3,175,600	3,175,600
Reappropriation	0.00	258,000	258,000	0.00	258,000	258,000
1. Business Entities IT Upgrade	1.00	2,222,200	2,222,200	1.00	2,222,200	2,222,200
FY 2017 Total Appropriation	28.00	5,655,800	5,655,800	28.00	5,655,800	5,655,800
Removal of One-Time Expenditures	0.00	(2,801,600)	(2,801,600)	0.00	(2,801,600)	(2,801,600)
FY 2018 Base	28.00	2,854,200	2,854,200	28.00	2,854,200	2,854,200
Benefit Costs	0.00	31,800	31,800	0.00	22,500	22,500
Statewide Cost Allocation	0.00	(400)	(400)	0.00	(400)	(400)
Annualizations	0.00	60,000	60,000	0.00	60,000	60,000
Change in Employee Compensation	0.00	16,000	16,000	0.00	47,800	47,800
FY 2018 Program Maintenance	28.00	2,961,600	2,961,600	28.00	2,984,100	2,984,100
1. Business Entities IT Maintenance	0.00	18,500	18,500	0.00	18,500	18,500
2. IT Support Staff	1.00	92,300	92,300	1.00	92,000	92,000
3. Elections Software Upgrade	0.00	660,000	660,000	0.00	660,000	660,000
4. Publication of Idaho Blue Book	0.00	40,000	40,000	0.00	40,000	40,000
5. Conference Costs	0.00	8,600	8,600	0.00	8,600	8,600
Cybersecurity Insurance	0.00	106,000	106,000	0.00	106,000	106,000
FY 2018 Total	29.00	3,887,000	3,887,000	29.00	3,909,200	3,909,200
Change from Original Appropriation	2.00	711,400	711,400	2.00	733,600	733,600
% Change from Original Appropriation		22.4%	22.4%		23.1%	23.1%

Secretary of State

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	27.00	3,175,600	0	0	3,175,600

Reappropriation

Secretary of State

Pursuant to S1418 (2016), the Secretary of State was authorized to reappropriate or carryover the unencumbered and unspent appropriation of \$258,000 provided to implement the online voter registration system, as authorized by S1297a (2016). Of the total amount, \$258,000 in operating expenditures was reappropriated for FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	258,000	0	0	258,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>258,000</i>	<i>0</i>	<i>0</i>	<i>258,000</i>

1. Business Entities IT Upgrade

Secretary of State

The Secretary of State requests \$2,222,200 from the General Fund to begin implementation of an 18-month project to upgrade the IT system that runs the business entities office and manages filings for corporate entities, Uniform Commercial Code, notaries, trademarks, and apostilles. The current system was designed prior to 2005, and is operating on a server base and software that is no longer supported. The upgrades will create new functionality for consumers, allowing them to file documents online, while also reducing the risk of offline downtime and service interruption issues from system failures. To coincide with the system upgrade, and to enhance its capabilities, the Secretary of State also requests to replace its existing unsupported phone system, move its software to a cloud-based system, and redesign its website to provide access to the new online functions. Costs include \$1,650,000 for development; \$300,000 for the associated software license; \$70,000 for the redesign and development of the website; \$17,800 for phones; \$20,000 for cloud-based software migration; \$105,000 for a contract project manager; \$20,000 for a contract network architect; and 1.00 FTP and \$39,400 to hire a new IT manager for four months in FY 2017. Of the total amount requested, \$2,182,800 in operating expenditures is one-time and \$39,400 in personnel costs is ongoing. The Secretary of State expects this phase of the project to be completed during FY 2018 and plans to encumber portions of the one-time operating expenditures that are not expended during FY 2017. The annualized personnel costs of this phase of the project are requested as an FY 2018 annualization.

Agency Request	1.00	2,222,200	0	0	2,222,200
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>2,222,200</i>	<i>0</i>	<i>0</i>	<i>2,222,200</i>

FY 2017 Total Appropriation					
Agency Request	28.00	5,655,800	0	0	5,655,800
<i>Governor's Recommendation</i>	<i>28.00</i>	<i>5,655,800</i>	<i>0</i>	<i>0</i>	<i>5,655,800</i>

Removal of One-Time Expenditures

Agency Request	0.00	(2,801,600)	0	0	(2,801,600)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(2,801,600)</i>	<i>0</i>	<i>0</i>	<i>(2,801,600)</i>

FY 2018 Base					
Agency Request	28.00	2,854,200	0	0	2,854,200
<i>Governor's Recommendation</i>	<i>28.00</i>	<i>2,854,200</i>	<i>0</i>	<i>0</i>	<i>2,854,200</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	31,800	0	0	31,800
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The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>22,500</i>	<i>0</i>	<i>0</i>	<i>22,500</i>
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Secretary of State

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$100, State Controller fees will decrease by \$600 and State Treasurer fees will increase by \$100, for a net reduction of \$400.					
Agency Request	0.00	(400)	0	0	(400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(400)</i>	<i>0</i>	<i>0</i>	<i>(400)</i>

Annualizations

Personnel costs in the amount of \$1,000 from the General Fund are requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The Secretary of State's pay increased on January 1, 2017 by 1.5%, from \$104,207 to \$105,771 annually, and this adjustment funds the increase from July 1, 2017 through December 31, 2017.

Also requested is \$59,000 to cover the annualized personnel costs associated with the IT manager position requested as a supplemental appropriation for FY 2017.

Agency Request	0.00	60,000	0	0	60,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>60,000</i>	<i>0</i>	<i>0</i>	<i>60,000</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. Of the total amount, \$1,000 is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The Secretary of State's pay will increase on January 1, 2018 by 1.5%, from \$105,771 to \$107,357 annually.

Agency Request	0.00	16,000	0	0	16,000
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>47,800</i>	<i>0</i>	<i>0</i>	<i>47,800</i>
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FY 2018 Program Maintenance					
Agency Request	28.00	2,961,600	0	0	2,961,600
<i>Governor's Recommendation</i>	<i>28.00</i>	<i>2,984,100</i>	<i>0</i>	<i>0</i>	<i>2,984,100</i>

1. Business Entities IT Maintenance

Secretary of State

This is a request for the ongoing costs associated with the Secretary of State's supplemental request to upgrade its Business Entities IT system. Total ongoing costs of the project amount to \$214,700 in operating expenditures from the General Fund, which include \$84,200 for system maintenance, \$71,200 for web hosting, \$52,800 for infrastructure management, and \$6,500 for licensing. Of this amount, however, only \$18,500 is needed in FY 2018, leaving the remaining ongoing amount of \$196,200 to be included as an annualization in the Secretary of State's FY 2019 budget request.

Agency Request	0.00	18,500	0	0	18,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>18,500</i>	<i>0</i>	<i>0</i>	<i>18,500</i>

2. IT Support Staff

Secretary of State

Ongoing personnel costs in the amount of \$92,300 from the General Fund and 1.00 FTP are requested to hire a network administrator to provide staff support for the Secretary of State's technology projects. The network administrator would be responsible for the management and maintenance of the agency's IT infrastructure and network connectivity.

Agency Request	1.00	92,300	0	0	92,300
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Health insurance costs were reduced to recommended level.

<i>Governor's Recommendation</i>	<i>1.00</i>	<i>92,000</i>	<i>0</i>	<i>0</i>	<i>92,000</i>
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Secretary of State

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Elections Software Upgrade					Secretary of State
<p>This request is for \$660,000 in operating expenditures from the General Fund to replace software modules used by the elections division for campaign finance reporting and lobbyist registration and management. According to the agency, the existing software was developed in-house. Whereas the new systems would be modifiable, off-the-shelf products that would increase turnaround time on reporting, decrease inputting time, and provide greater transparency for Idaho residents. Of the total amount requested, \$60,000 is ongoing for hosting, infrastructure management, and maintenance; and \$600,000 is one-time for the addition of modules for the elections division (\$300,000) and campaign finance reporting and lobbyist registration (\$300,000).</p>					
Agency Request	0.00	660,000	0	0	660,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>660,000</i>	<i>0</i>	<i>0</i>	<i>660,000</i>
4. Publication of Idaho Blue Book					Secretary of State
<p>The Secretary of State is requesting \$40,000 in one-time operating expenditures from the General Fund to offset the cost of publishing the Idaho Blue Book. The Secretary of State is required to publish the Blue Book biennially pursuant to Section 67-915, Idaho Code. The Idaho Blue Book is a comprehensive reference of Idaho civic history used by schools, citizens, and legislators.</p>					
Agency Request	0.00	40,000	0	0	40,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>40,000</i>	<i>0</i>	<i>0</i>	<i>40,000</i>
5. Conference Costs					Commission on Uniform State Laws
<p>The Secretary of State requests \$8,600 in one-time operating expenditures from the General Fund for the 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 San Diego, California. Costs include \$2,400 for registration, \$2,048 for meals, \$7,532 for hotel, \$2,000 for airfare, \$320 for ground transportation, \$35,150 for annual dues, and \$150 for workers' compensation. The commission has a base appropriation of \$41,000 for conference costs, so this request reflects the additional amount needed to meet the projected costs of attending the conference this year.</p>					
Agency Request	0.00	8,600	0	0	8,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>8,600</i>	<i>0</i>	<i>0</i>	<i>8,600</i>
Cybersecurity Insurance					Secretary of State
<p>Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.</p>					
Agency Request	0.00	106,000	0	0	106,000
<i>The Governor recommends all funding be ongoing.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>106,000</i>	<i>0</i>	<i>0</i>	<i>106,000</i>
FY 2018 Total					
Agency Request	29.00	3,887,000	0	0	3,887,000
<i>Governor's Recommendation</i>	<i>29.00</i>	<i>3,909,200</i>	<i>0</i>	<i>0</i>	<i>3,909,200</i>
Agency Request					
Change from Original App	2.00	711,400	0	0	711,400
% Change from Original App	7.4%	22.4%			22.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>2.00</i>	<i>733,600</i>	<i>0</i>	<i>0</i>	<i>733,600</i>
<i>% Change from Original App</i>	<i>7.4%</i>	<i>23.1%</i>			<i>23.1%</i>

Idaho Legislative Budget Book

State Treasurer

2017 Legislative Session

State Treasurer 6 - 157

Idaho Millennium Fund 6 - 163

State Treasurer

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY DIVISION					
State Treasurer	3,839,700	3,619,700	4,035,800	4,179,600	4,208,900
Idaho Millennium Fund	1,926,900	1,876,900	2,588,200	10,860,100	9,536,700
Total:	5,766,600	5,496,600	6,624,000	15,039,700	13,745,600
BY FUND CATEGORY					
General	1,415,300	1,319,000	1,405,600	1,404,000	1,414,100
Dedicated	4,351,300	4,177,600	5,218,400	13,635,700	12,331,500
Total:	5,766,600	5,496,600	6,624,000	15,039,700	13,745,600
Percent Change:		(4.7%)	20.5%	127.0%	107.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,303,300	2,053,200	2,449,800	2,436,900	2,466,200
Operating Expenditures	1,534,800	1,505,500	1,586,000	1,742,700	1,742,700
Capital Outlay	1,600	61,000	0	0	0
Lump Sum	1,926,900	1,876,900	2,588,200	10,860,100	9,536,700
Total:	5,766,600	5,496,600	6,624,000	15,039,700	13,745,600
Full-Time Positions (FTP)	26.00	26.00	26.00	26.00	26.00

Department Description

STATE TREASURER: The State Treasurer is one of seven statewide elected officials in Idaho. It is the responsibility of the State Treasurer to serve as the banker for all Idaho agencies and to act as custodian of the public school endowment funds. The constitutional and statutory duties of the office include: (1) receiving all revenues and fees due to the state; (2) depositing funds in banks throughout Idaho; (3) paying all accounts; (4) investing surplus moneys not needed for day-to-day operations; and (5) administering Idaho's unclaimed property statutes. [Statutory Authority: Section 67-1201 et seq., Idaho Code]

IDAHO MILLENNIUM FUND: The Idaho Millennium Fund is the repository of all funds received by the state of Idaho under the Master Tobacco Settlement Agreement reached between states and tobacco product manufacturers. These three funds are managed and invested by the State Treasurer.

(1) The Idaho Millennium Permanent Endowment Fund consists of eighty percent of moneys received each year by the state of Idaho on and after January 1, 2007, pursuant to the master settlement agreement entered into between tobacco product manufacturers and the state, and any other moneys that may be appropriated or otherwise directed to the fund. Each year the State Treasurer is to distribute five percent (5%) of the fund's average monthly fair market value for the first twelve months of the preceding twenty-four months, to the Idaho Millennium Income Fund, providing that the distribution does not exceed the fund's fair market value on the first business day of July.

(2) The Idaho Millennium Fund consists of twenty percent (20%) of moneys received each year by the state of Idaho on and after January 1, 2007 pursuant to the master settlement agreement entered into between tobacco product manufacturers and the state, and any other moneys that may be appropriated or otherwise directed to the fund. Each year the State Treasurer is to distribute five percent (5%) of the fund's average monthly fair market value for the first twelve months of the preceding twenty-four months, to the Idaho Millennium Income Fund, providing that the distribution does not exceed the fund's fair market value on the first business day of July. The balance in this fund is never to exceed \$100 million and any amount in excess is to be transferred to the permanent endowment.

(3) The Idaho Millennium Income Fund consists of distributions from the Idaho Millennium Permanent Endowment Fund, the Idaho Millennium Fund and such moneys that may be provided by legislative appropriations. The income fund is managed by the State Treasurer and retains its own earnings. The uses of this fund are determined by legislative appropriation.

State Treasurer

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
General	1,415,300	1,319,000	1,405,600	1,404,000	1,414,100
Dedicated	2,424,400	2,300,700	2,630,200	2,775,600	2,794,800
Total:	3,839,700	3,619,700	4,035,800	4,179,600	4,208,900
Percent Change:		(5.7%)	11.5%	3.6%	4.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,303,300	2,053,200	2,449,800	2,436,900	2,466,200
Operating Expenditures	1,534,800	1,505,500	1,586,000	1,742,700	1,742,700
Capital Outlay	1,600	61,000	0	0	0
Total:	3,839,700	3,619,700	4,035,800	4,179,600	4,208,900
Full-Time Positions (FTP)	26.00	26.00	26.00	26.00	26.00

Division Description

The State Treasurer is one of seven statewide elected officials in Idaho. The State Treasurer serves as the banker for all Idaho agencies and acts as custodian of the public school endowment funds. The constitutional and statutory duties of the office include: (1) receiving all revenues and fees due to the state; (2) depositing funds in banks throughout Idaho; (3) paying all accounts; (4) investing surplus moneys not needed for day-to-day operations; and (5) administering Idaho's unclaimed property statutes. [Statutory Authority: Section 67-1201 et seq., Idaho Code]

State Treasurer

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	26.00	1,405,600	4,035,800	26.00	1,405,600	4,035,800
Reappropriation	0.00	0	46,400	0.00	0	46,400
FY 2017 Total Appropriation	26.00	1,405,600	4,082,200	26.00	1,405,600	4,082,200
Removal of One-Time Expenditures	0.00	(21,100)	(111,700)	0.00	(21,100)	(111,700)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2018 Base	26.00	1,384,500	3,970,500	26.00	1,384,500	3,970,500
Benefit Costs	0.00	9,200	31,100	0.00	6,500	21,800
Statewide Cost Allocation	0.00	0	500	0.00	0	500
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	7,400	20,300	0.00	20,200	58,900
FY 2018 Program Maintenance	26.00	1,402,100	4,023,400	26.00	1,412,200	4,052,700
1. UCP Management System	0.00	0	135,900	0.00	0	135,900
Cybersecurity Insurance	0.00	1,900	20,300	0.00	1,900	20,300
Budget Law Exceptions	0.00	0	0	0.00	0	0
FY 2018 Total	26.00	1,404,000	4,179,600	26.00	1,414,100	4,208,900
Change from Original Appropriation	0.00	(1,600)	143,800	0.00	8,500	173,100
% Change from Original Appropriation		(0.1%)	3.6%		0.6%	4.3%

State Treasurer

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation					
	26.00	1,405,600	2,630,200	0	4,035,800

Reappropriation

The State Treasurer was authorized to reappropriate or carryover the unencumbered and unspent appropriation balance in the Local Government Investment Pool (LGIP) Fund from FY 2016 into FY 2017. Of the total amount, \$20,900 in personnel costs, \$23,900 in operating expenditures, and \$1,600 in capital outlay was reappropriated for FY 2017. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	0	46,400	0	46,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>46,400</i>	<i>0</i>	<i>46,400</i>

FY 2017 Total Appropriation					
Agency Request	26.00	1,405,600	2,676,600	0	4,082,200
<i>Governor's Recommendation</i>	<i>26.00</i>	<i>1,405,600</i>	<i>2,676,600</i>	<i>0</i>	<i>4,082,200</i>

Removal of One-Time Expenditures

Agency Request	0.00	(21,100)	(90,600)	0	(111,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(21,100)</i>	<i>(90,600)</i>	<i>0</i>	<i>(111,700)</i>

Base Adjustments

This adjustment reallocates personnel costs among fund sources for a net-zero impact on appropriation amounts. Through this decision unit, \$6,500 in personnel costs is removed from the Local Government Investment Pool (LGIP) Fund and added to the Professional Services Fund to align the appropriation with the actual workload associated with the management of two investment pools, the LGIP and Idle Pool, respectively.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Base					
Agency Request	26.00	1,384,500	2,586,000	0	3,970,500
<i>Governor's Recommendation</i>	<i>26.00</i>	<i>1,384,500</i>	<i>2,586,000</i>	<i>0</i>	<i>3,970,500</i>

Benefit Costs

Employer-paid benefit changes including a 10% increase (or \$1,220 per eligible FTP) for health insurance, bringing the total annual cost to \$13,460 per FTP, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	9,200	21,900	0	31,100
<i>The Governor recommends \$13,100 per eligible FTP for health insurance, an increase of \$860 or 7%, and proposes to reduce the health insurance benefit from 30 to six months for employees on disability status.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,500</i>	<i>15,300</i>	<i>0</i>	<i>21,800</i>

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management fees will increase by \$300, State Controller fees will increase by \$800, and State Treasurer fees will decrease by \$600, for a net increase of \$500.

Agency Request	0.00	0	500	0	500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>500</i>	<i>0</i>	<i>500</i>

State Treasurer

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Annualizations					
Funding is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The State Treasurer's pay increased on January 1, 2017 by 1.5%, from \$104,207 to \$105,771 annually, and this adjustment funds the increase from July 1, 2017 through December 31, 2017.					
Agency Request	0.00	1,000	0	0	1,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,000</i>	<i>0</i>	<i>0</i>	<i>1,000</i>

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. Of the total amount, \$1,000 is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The State Treasurer's pay will increase on January 1, 2018 by 1.5%, from \$105,771 to \$107,357 annually.

Agency Request	0.00	7,400	12,900	0	20,300
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>20,200</i>	<i>38,700</i>	<i>0</i>	<i>58,900</i>
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FY 2018 Program Maintenance					
Agency Request	26.00	1,402,100	2,621,300	0	4,023,400
<i>Governor's Recommendation</i>	<i>26.00</i>	<i>1,412,200</i>	<i>2,640,500</i>	<i>0</i>	<i>4,052,700</i>

1. UCP Management System

State Treasurer

This request is for \$135,900 in ongoing operating expenditures from the Unclaimed Property Fund to purchase unclaimed property management software. The current software is no longer supported and will not be upgraded by the vendor. The new software will support all aspects of the unclaimed property program, including the processing and management of inquiries, business reporting, receipts, claims, securities and safe deposit contents, and audits. The State Treasurer has an ongoing base appropriation of \$46,600 for its current system. The new system requested here has an annual cost of \$182,500, and this request would fund the \$135,900 difference.

Agency Request	0.00	0	135,900	0	135,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>135,900</i>	<i>0</i>	<i>135,900</i>

Cybersecurity Insurance

Risk Management in the Department of Administration is acquiring \$25 million of cybersecurity liability insurance for state government. The coverage began on December 1, 2016, and the one-time cost of \$330,000 for FY 2017 will be spread amongst agencies, with an additional \$903,300 requested as ongoing for FY 2018. Of the total for FY 2018, \$333,300 is to build a premium reserve fund for future deductibles, and \$570,000 will be for the premium.

Agency Request	0.00	1,900	18,400	0	20,300
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The Governor recommends all funding be ongoing.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,900</i>	<i>18,400</i>	<i>0</i>	<i>20,300</i>
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State Treasurer

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Budget Law Exceptions

The agency requests the following legislative intent language to be included in its FY 2018 appropriation bill:

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 2017, to be used for nonrecurring expenditures, for the period July 1, 2017, through June 30, 2018.

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, 2017, through June 30, 2018.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Total					
Agency Request	26.00	1,404,000	2,775,600	0	4,179,600
<i>Governor's Recommendation</i>	<i>26.00</i>	<i>1,414,100</i>	<i>2,794,800</i>	<i>0</i>	<i>4,208,900</i>

Agency Request					
Change from Original App	0.00	(1,600)	145,400	0	143,800
% Change from Original App	0.0%	(0.1%)	5.5%		3.6%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>8,500</i>	<i>164,600</i>	<i>0</i>	<i>173,100</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>0.6%</i>	<i>6.3%</i>		<i>4.3%</i>

Idaho Millennium Fund

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2016 Total App	FY 2016 Actual	FY 2017 Approp	FY 2018 Request	FY 2018 Gov Rec
BY FUND CATEGORY					
Dedicated	1,926,900	1,876,900	2,588,200	10,860,100	9,536,700
Percent Change:		(2.6%)	37.9%	319.6%	268.5%
BY OBJECT OF EXPENDITURE					
Lump Sum	1,926,900	1,876,900	2,588,200	10,860,100	9,536,700

Division Description

TOBACCO SETTLEMENT BACKGROUND

In 1998, 46 states reached an agreement with the largest tobacco manufacturers ending a legal battle between the states and the industry that began in 1994. Although the payments are expected in perpetuity, the agreement requires the tobacco manufacturers to pay Idaho approximately \$790 million over the first 25 years.

MILLENNIUM FUND ENABLING LEGISLATION

The Idaho Millennium Fund was established by the Legislature in 2000 to receive, invest, and disburse funds received by the state of Idaho under the Tobacco Master Settlement Agreement reached between participating states and tobacco product manufacturers. This fund preserves the long-term capital value of these moneys through a distribution rule which provides that five percent of the fund's average market value is made available for legislative appropriation each fiscal year. Fund investments are managed by the State Treasurer.

CONSTITUTIONAL AMENDMENT

Senate Joint Resolution 107, approved by voters in November 2006, amended the state Constitution to establish a permanent Idaho Millennium Endowment Fund and mandated that 80% of future tobacco settlement payments be placed into the permanent endowment fund and that the remaining 20% be placed into the existing Idaho Millennium Fund. Annual distributions from both of these funds are made to the Idaho Millennium Income Fund, which is subject to appropriation. The amendment also established a cap of \$100 million on the Idaho Millennium Fund. Once the cap is reached, tobacco settlement receipts and earnings in excess of the \$100 million cap will be transferred annually to the Idaho Millennium Permanent Endowment Fund.

MILLENNIUM INCOME FUND GRANTS

In 2002, HB 486a created the Joint Millennium Fund Committee, made up of five members of the Senate and five members of the House of Representatives and charged it with reviewing grant applications and providing a funding recommendation to the Legislature. There is no specification in law with regard to how the moneys in the Millennium Fund shall be used, but the Joint Millennium Fund Committee has chosen to only consider applications for programs and projects directly related to one or more of the following: (1) tobacco cessation or prevention; (2) substance abuse cessation or prevention; or (3) tobacco or substance abuse related disease treatment. In addition, the committee has determined that funds may not be used for permanent capital improvements or organizational start-up costs.

APPROPRIATIONS/ACTUAL EXPENDITURES

The appropriated amount in the Millennium Fund budget only represents moneys appropriated to and expended by non-state organizations. Millennium Fund moneys appropriated to state agencies are transferred by the State Controller from the Millennium Income Fund to the agency, and are reflected in each individual agency budget.

Idaho Millennium Fund

Agency Profile

Analyst: Tatro

Idaho Millennium Permanent Endowment Fund (0545) Analysis

Fiscal Year	Beginning Market Value	Settlement Deposits	Transfers from Other Funds	Transfers to Income Fund (0499)	Net Interest & Earnings/Losses	Ending Market Value
2000	0	0	0	0	0	0
2001	0	0	0	0	0	0
2002	0	0	0	0	0	0
2003	0	0	0	0	0	0
2004	0	0	0	0	0	0
2005	0	0	0	0	0	0
2006	0	0	0	0	0	0
2007	0	17,640,532	10,000,000	0	454,070	28,094,602
2008	28,094,602	22,802,728	0	0	2,296	50,899,626
2009	50,899,626	24,771,612	0	(474,559)	(8,181,051)	67,015,628
2010	67,015,628	20,791,657	0	(1,729,866)	5,530,576	91,607,995
2011	91,607,995	19,555,587	0	(2,374,778)	21,399,579	130,188,383
2012	130,188,383	19,937,780	161,000	(3,950,037)	1,043,075	147,380,201
2013	147,380,201	19,929,915	0	(5,457,980)	17,887,327	179,739,463
2014	179,739,463	21,960,475	0	(6,446,586)	31,773,318	227,026,669
2015	227,026,669	19,346,216	4,112,658	(7,948,571)	3,587,924	246,124,897
2016	246,124,897	20,237,815	2,378,485	(9,836,840)	1,335,118	260,239,476
2017 *	260,239,476	20,000,000	0	(11,478,493)	10,308,150	279,069,133
2018 *	279,069,133	20,000,000	0	(11,837,572)	11,061,911	298,293,472
2019 *	298,293,472	20,000,000	0	(12,963,644)	11,803,156	317,132,984
2020 *	317,132,984	20,000,000	0	(13,907,491)	12,535,517	335,761,010
2021 *	335,761,010	20,000,000	0	(14,832,443)	13,259,965	354,188,533
2022 *	354,188,533	20,000,000	0	(15,747,013)	13,976,632	372,418,152
2023 *	372,418,152	20,000,000	0	(16,651,738)	14,685,603	390,452,018
2024 *	390,452,018	20,000,000	0	(17,546,747)	15,386,961	408,292,232
2025 *	408,292,232	20,000,000	0	(18,432,145)	16,080,788	425,940,875
TOTAL		386,974,317	16,652,143	(171,616,503)	193,930,917	

*SETTLEMENT DEPOSITS. The State Treasurer's Office projects tobacco settlement cash receipts of around \$25 million per year; deposits from the Master Settlement Agreement are expected in perpetuity. Of that amount, \$20 million is to be deposited into the Millennium Permanent Endowment Fund (0545) and \$5 million into the Millennium Fund (0540), per Idaho Code.

INTEREST & EARNINGS. Projected earnings assume a 4.0% return on investment from FY 2013 forward.

The Idaho Millennium Permanent Endowment Fund consists of 80% of moneys received each year by the state of Idaho on and after January 1, 2007, pursuant to the Master Settlement Agreement entered into between tobacco product manufacturers and the state, and any other moneys that may be appropriated or otherwise directed to the fund.

Each year, the State Treasurer is to distribute 5% of the fund's average monthly fair market value for the first 12 months of the preceding 24 months, to the Idaho Millennium Income Fund, providing that the distribution does not exceed the fund's fair market value on the first business day of July.

Idaho Millennium Fund

Agency Profile

Analyst: Tatro

Idaho Millennium Fund (0540) Analysis

Fiscal Year	Beginning Market Value	Settlement Deposits	Transfers to/from Other Funds	Transfers to Income Fund (0499)	Net Interest & Earnings/Losses	Ending Market Value
2000	0	29,728,524	0	(386,959)	495,789	29,837,354
2001	29,837,354	22,751,124	0	(1,729,535)	966,577	51,825,520
2002	51,825,520	26,602,063	(19,335,604)	(2,438,933)	(7,327,501)	49,325,545
2003	49,325,545	26,653,835	(70,311,509)	(4,943,065)	(724,805)	0
2004	0	22,818,949	0	0	(61,929)	22,757,020
2005	22,757,020	23,151,453	0	(1,941,119)	621,571	44,588,925
2006	44,588,925	21,253,142	0	(284,669)	2,138,244	67,695,642
2007	67,695,642	4,605,075	(10,000,000)	(1,360,348)	3,418,332	64,358,701
2008	64,358,701	5,700,682	0	(2,533,638)	2,840,943	70,366,688
2009	70,366,688	6,192,903	0	(3,553,869)	1,200,821	74,206,543
2010	74,206,543	5,197,914	0	(3,247,393)	809,811	76,966,875
2011	76,966,875	4,888,897	(4,898,000)	(3,467,581)	1,098,409	74,588,601
2012	74,588,601	4,984,445	(63,088,100)	(3,627,698)	1,298,662	14,155,910
2013	14,155,910	4,982,479	0	(3,700,511)	54,362	15,492,239
2014	15,492,239	5,490,119	15,051	(791,804)	44,462	20,250,067
2015	20,250,067	4,836,554	(15,051)	(586,631)	(59,159)	25,409,396
2016	25,409,396	5,059,454	0	(804,775)	122,515	29,786,589
2017	* 29,786,589	5,000,000	0	(1,047,813)	272,876	34,011,653
2018	* 34,011,653	5,000,000	0	(1,296,388)	338,083	38,053,348
2019	* 38,053,348	5,000,000	0	(1,506,095)	376,756	41,924,009
2020	* 41,924,009	5,000,000	0	(1,707,257)	413,789	45,630,540
2021	* 45,630,540	5,000,000	0	(1,899,906)	449,251	49,179,885
2022	* 49,179,885	5,000,000	0	(2,084,387)	483,209	52,578,708
2023	* 52,578,708	5,000,000	0	(2,261,043)	515,728	55,833,392
2024	* 55,833,392	5,000,000	0	(2,430,208)	546,867	58,950,050
2025	* 58,950,050	5,000,000	0	(2,592,199)	576,686	61,934,537
TOTAL		269,897,612	(167,633,213)	(52,223,826)	10,910,347	

*SETTLEMENT DEPOSITS. The State Treasurer's Office projects tobacco settlement cash receipts of around \$25 million per year; deposits from the Master Settlement Agreement are expected in perpetuity. Of that amount, \$20 million is to be deposited into the Millennium Permanent Endowment Fund (0545) and \$5 million into the Millennium Fund (0540), per Idaho Code.

INTEREST & EARNINGS. Return assumptions for FY 2013 through FY 2025 are set at a 1% estimated rate of return.

The Idaho Millennium Fund consists of 20% of moneys received each year by the state of Idaho on and after January 1, 2007, pursuant to the Master Settlement Agreement entered into between tobacco product manufacturers and the state, and any other moneys that may be appropriated or otherwise directed to the fund.

Each year, the State Treasurer is to distribute 5% of the fund's average monthly fair market value for the first 12 months of the preceding 24 months, to the Idaho Millennium Income Fund, providing that the distribution does not exceed the fund's fair market value on the first business day of July. The balance in this fund is never to exceed \$100 million and any amount in excess is to be transferred to the permanent endowment fund.

Idaho Millennium Fund

Agency Profile

Analyst: Tatro

FY 2018 Millennium Income Fund (0499)

FY 2018 BEGINNING CASH BALANCE **\$3,124,700**

5% Revenue Distribution to Millennium Income Fund

1. July 1, 2016: Millennium Permanent Endowment Fund (0545)	11,837,572	
2. July 1, 2016: Idaho Millennium Fund (0540)	1,296,388	
Total Distributions		\$13,133,960
LESS: Investment Management Consulting Fees		(\$80,000)
LESS: Transfer to Endowment Fund at end of FY 2017 per S1420		(\$3,124,700)
TOTAL MONEYS AVAILABLE FOR FY 2018		\$13,054,000

APPLICANT	Requested Amount
1. Department of Health & Welfare	\$2,706,700
<i>Project Filter Tobacco Cessation Services</i>	
2. Department of Correction	\$1,859,200
<i>Community-Based Substance Abuse Treatment Services</i>	
3. Office of Drug Policy	\$871,200
<i>Prescription Drug Abuse Prevention</i>	
4. Public Health Districts	\$750,000
<i>Tobacco Cessation Programs</i>	
5. Idaho State Police	\$187,100
<i>Tobacco Compliance Checks</i>	
6. Lewis-Clark State College	\$152,900
<i>Fresh Mouth Campaign</i>	
7. Department of Juvenile Corrections	\$747,000
<i>Youth Prevention and Cessation</i>	
8. American Cancer Society	\$194,200
<i>Cancer Screening Awareness</i>	
9. Idaho Association of Counties	\$300,000
<i>Recovery Community Centers</i>	
10. Boys & Girls Clubs	\$159,000
<i>Teen Empowerment Project</i>	
11. Community Coalitions of Idaho	\$24,000
<i>Substance Abuse Prevention Coalitions</i>	
12. Idaho Drug Free Youth	\$205,100
<i>iDFY Project</i>	
13. Idaho Academy of Family Physicians	\$83,000
<i>Tar Wars Program</i>	
14. Idaho Youth Ranch	\$100,000
<i>Family Therapy & Support Center</i>	
15. American Lung Association	\$229,000
<i>Prevent Tobacco Use Among Youth</i>	
16. Idaho Meth Project	\$649,900
<i>Meth Prevention</i>	
17. Truth208	\$495,300
<i>Prescription Drug Abuse Awareness</i>	
18. Nez Perce Tribe	\$90,600
<i>Supporting Fathers Supporting Children</i>	

Idaho Millennium Fund Agency Profile

Analyst: Tatro

APPLICANT		Requested Amount
19.	Phoenix Multisport <i>Boise: A Sober Active Community</i>	\$177,700
20.	Recovery 4 Life <i>Serial Inebriate Program</i>	\$437,600
21.	Shoshone Bannock Tribe <i>Peer Recovery Support Services</i>	\$161,400
22.	Foundation for the ID Conference on Alcohol & Drug Dependence <i>Recovery Coach Scholarships</i>	\$58,000
23.	Benchmark Research & Safety <i>Addictions Electronic Clearinghouse</i>	\$221,200
TOTAL APPLICANT REQUESTS		\$10,860,100
FY 2018 ENDING BALANCE (Revenue less Applicant Requests)		\$2,193,900

Idaho Millennium Fund

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2017 Original Appropriation	0.00	0	2,588,200	0.00	0	2,588,200
Removal of One-Time Expenditures	0.00	0	(2,588,200)	0.00	0	(2,588,200)
FY 2018 Base	0.00	0	0	0.00	0	0
1. Project Filter	0.00	0	2,706,700	0.00	0	2,706,700
2. Low Risk Offender Programs	0.00	0	747,000	0.00	0	747,000
3. Prescription Drug Abuse Prevention	0.00	0	871,200	0.00	0	871,200
4. Tobacco Cessation Programs	0.00	0	750,000	0.00	0	750,000
5. Tobacco Compliance Checks	0.00	0	187,100	0.00	0	187,100
6. Fresh Mouth Campaign	0.00	0	152,900	0.00	0	0
7. Substance Abuse Treatment	0.00	0	1,859,200	0.00	0	1,859,200
8. Recovery Centers	0.00	0	300,000	0.00	0	300,000
9. Cancer Screening Awareness	0.00	0	194,200	0.00	0	194,200
10. Teen Empowerment Project	0.00	0	159,000	0.00	0	159,000
11. Substance Abuse Prevention Coalitions	0.00	0	24,000	0.00	0	0
12. iDFY Project	0.00	0	205,100	0.00	0	205,100
13. TAR WARS	0.00	0	83,000	0.00	0	83,000
14. Family Therapy & Support Center	0.00	0	100,000	0.00	0	100,000
15. Tobacco Prevention and Cessation	0.00	0	229,000	0.00	0	229,000
16. Meth Prevention	0.00	0	649,900	0.00	0	649,900
17. Truth208 - Rx Drug Abuse Awareness	0.00	0	495,300	0.00	0	495,300
18. Supporting Fathers Supporting Children	0.00	0	90,600	0.00	0	0
19. Boise: A Sober Active Community	0.00	0	177,700	0.00	0	0
20. Serial Inebriate Program	0.00	0	437,600	0.00	0	0
21. Peer Recovery Support Services	0.00	0	161,400	0.00	0	0
22. Recovery Coach Scholarship	0.00	0	58,000	0.00	0	0
23. Addictions Electronic Clearinghouse	0.00	0	221,200	0.00	0	0
FY 2018 Total	0.00	0	10,860,100	0.00	0	9,536,700
Change from Original Appropriation	0.00	0	8,271,900	0.00	0	6,948,500
% Change from Original Appropriation			319.6%			268.5%

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2017 Original Appropriation	0.00	0	2,588,200	0	2,588,200
Removal of One-Time Expenditures					
Agency Request	0.00	0	(2,588,200)	0	(2,588,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(2,588,200)</i>	<i>0</i>	<i>(2,588,200)</i>
FY 2018 Base					
Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

1. Project Filter

Department of Health and Welfare

The Department of Health & Welfare requests \$2,706,700 for three different purposes under Project Filter. The first is for \$1,256,700 to contract with the Quitline vendor. This contract will provide telephone, print, and online cessation services, including free nicotine replacement therapy medication (nicotine patches, gum, and lozenges). The second part of the request is for \$1.1 million to contract for media and marketing services. The third part is for \$350,000 to sponsor local athletes and various events around the state. Overall, these funds are intended to encourage residents to quit tobacco use and support those that try to quit with services and medications that are typically unaffordable.

Agency Request	0.00	0	2,706,700	0	2,706,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,706,700</i>	<i>0</i>	<i>2,706,700</i>

2. Low Risk Offender Programs

Department of Juvenile Corrections

The Idaho Department of Juvenile Corrections requests \$747,000 to provide support for youth that have entered the juvenile justice system, but whose assessment scores do not warrant treatment through the department's substance use disorder program. Funds will be used with a focus on early intervention for low-level offenders. Eighty-one percent of the request, or \$600,000, will be sub-granted to other entities through a secondary grant application process. In FY 2016, the department sub-granted to 22 programs. The sub-granting process is overseen by the Idaho Juvenile Justice Commission. Planning and oversight is done in partnership with the Juvenile Justice Commission and the eight local Juvenile Justice Councils. The department has incorporated a sustainability requirement for sub-grantees that funding will be reduced 15% each year for five years, at which point the entity is expected to sustain its program without money from the Millennium Fund. Included in the request is \$95,000 to pay Boise State University for program evaluation, \$20,000 for the eight Juvenile Justice Councils, and \$10,000 for agency overhead.

Agency Request	0.00	0	747,000	0	747,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>747,000</i>	<i>0</i>	<i>747,000</i>

3. Prescription Drug Abuse Prevention

Office of Drug Policy

The Office of Drug Policy (ODP) requests \$871,200 in partnership with the Board of Pharmacy and Truth208 to prevent prescription drug abuse. The program has three goals: 1) decrease the amount of prescription medications available in the community; 2) create awareness of prescription drug abuse with youth; and 3) create awareness among adults that youth may be abusing prescription medications. This request would be implemented through advertising campaigns and mini-grants to selected pharmacies. Advertising would occur through radio, television, and online ads. Thirty mini-grants will be awarded to different pharmacies to place prescription disposal drop-boxes for unused and unwanted medications. The request includes \$676,500, or 78%, to be subgranted to Truth208. The mini-grants will be distributed by ODP in partnership with the Board of Pharmacy. Each of the 30 grants will be for \$5,600 for a net total of \$168,000. It is the intent that selected pharmacies will continue the program after the first year of receiving the requested funds. The remainder of \$26,700 will stay with ODP to cover costs of the program.

Analyst Comment: Truth208 is also requesting \$495,300 from the Millennium Fund for a prescription drug abuse awareness program.

Agency Request	0.00	0	871,200	0	871,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>871,200</i>	<i>0</i>	<i>871,200</i>

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Tobacco Cessation Programs					Public Health Districts
<p>Public Health Districts are requesting \$750,000 for tobacco cessation programs. This request is targeted toward reaching at least 2,000 individuals in at least 89% of Idaho's counties, with a primary focus on pregnant women and youth. In FY 2018, the Health Districts will continue their initiative with four measures: 1) increase the number of classes offered and/or participants in rural and outlying areas; 2) provide ongoing support/education to pregnant women to encourage them to quit/stay quit; 3) incorporate social media to encourage all class participants to quit/stay quit; and 4) work with local pharmacies and medical facilities to refer smoking patients to cessation classes. The request includes the equivalent of 6.06 FTP and \$418,600 in personnel costs and \$331,400 for operating expenditures, which includes \$150,700 to contract with individuals to provide cessation classes, \$49,200 for program evaluation, and \$93,300 for miscellaneous indirect costs.</p>					
Agency Request	0.00	0	750,000	0	750,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>750,000</i>	<i>0</i>	<i>750,000</i>
5. Tobacco Compliance Checks					Idaho State Police
<p>Idaho State Police (ISP) requests \$187,100 to comply with the Prevention of Minors' Access to Tobacco Act, through tobacco-retailer compliance checks. The program is defined and regulated in Chapter 57, Title 39, Idaho Code, Prevention of Minors' Access to Tobacco. Responsibility for operating the program rests with the Department of Health and Welfare (DHW), which must conduct a certain number of compliance inspections of tobacco vendor permittees each year in order to retain federal funds for a variety of substance abuse programs. In 2001, Section 39-5710, Idaho Code, was amended to require a minimum of one compliance check per permittee, per year. In FY 2003, the Legislature appropriated \$225,800 from the General Fund and \$94,000 from the Millennium Income Fund to ISP to cover the cost of contracting the services with DHW. DHW contracts for the inspections with Benchmark Research and Safety, Inc., and bills ISP for the total cost of the program. The requested amount is estimated to cover the costs of 1,113 retailer compliance inspections, retailer training website, and providing printed materials to retailers.</p>					
Agency Request	0.00	0	187,100	0	187,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>187,100</i>	<i>0</i>	<i>187,100</i>
6. Fresh Mouth Campaign					Lewis-Clark State College
<p>Lewis-Clark State College (LCSC) requests \$152,900 to continue with the second year of its Fresh Mouth Campaign. This campaign is designed to educate participants about the impacts of smoking on oral health and to motivate clients to reduce or cease smoking. The grant will be implemented by (1) contracting with a dentist to work with smokers needing restorative dental care; (2) hiring of a part-time office support staff to assist in the recruitment and scheduling of program participants; (3) hiring an adjunct instructor to oversee the dental hygiene students as they assess oral health, provide smoking cessation education, and make referrals to community resources for program participants; (4) maintaining established referral partners and protocol for tobacco cessation tracking; and (5) providing free electric toothbrushes for participants. The goals of the project are to (1) raise awareness among smokers who use the clinic on oral health implications from using tobacco; (2) treat/resolve dental issues related to tobacco use; and (3) prepare students to educate participants and patients on smoking cessation. The request includes \$37,100 for personnel costs and \$115,800 for operating expenses, of which \$29,400 is for overhead, \$33,600 is for contracted work from dentists and dental hygienists, and \$52,800 is for materials and supplies.</p>					
Agency Request	0.00	0	152,900	0	152,900
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
7. Substance Abuse Treatment					Department of Correction
<p>The Department of Correction requests \$1,859,200 to support community-based substance abuse treatment services for felony offenders. The grant serves felony offenders on probation or parole who receive treatment in the community, rather than extending incarceration in a state facility. Delivering evidence-based treatment in the community reduces a person's risk to reoffend, with the benefit of the corresponding cost avoidance of higher incarceration rates due to recidivism.</p>					
Agency Request	0.00	0	1,859,200	0	1,859,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,859,200</i>	<i>0</i>	<i>1,859,200</i>

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Recovery Centers

Idaho Association of Counties

The Idaho Association of Counties requests \$300,000 to provide continued support to eight recovery centers throughout Idaho. This includes \$25,000 for each of the first four centers located in Ada, Canyon, Gem, and Latah Counties. This funding will provide for the third year of operations. These centers received \$125,000 in year one and \$50,000 in year two. This request also includes \$50,000 for each of the centers that were established last year in Bannock, Bonneville, Kootenai, and Nez Perce Counties. This funding will provide for a second year of operations. These centers received \$150,000 for the first year of operations.

Each center maintains regular weekday business hours and employs about two paid staff to manage the center and coordinate the volunteers, who will provide for the majority of services. The centers do not act as medical facilities, crisis centers, shelter alternatives, or entertainment venues. The sole purpose of each center is to provide a safe and supportive environment for those in recovery to work on their recovery, and on activities needed to sustain their recovery, including volunteering to help others in need. Volunteers include trained recovery coaches and peer specialists who mentor those seeking assistance for a behavioral health disorder, as well as untrained individuals who want to share their personal recovery success with others who are struggling or just getting started. The centers offer phone banks and computers with internet access, so those in recovery can maintain healthy relationships with friends and families, and work on recovery-related activities such as resume building and job searches.

Analyst Comment: In FY 2016, the Legislature appropriated \$500,000 from the Millennium Fund to the Association of Counties for the start-up of four recovery centers in Ada, Canyon, Gem, and Latah Counties. Of the amount appropriated, \$115,454 was not expended nor was it returned to the state. For FY 2016, non-state entities were encouraged to revert unexpended funds back to the state. Starting in FY 2017, non-state entities are required to return any unexpended and unencumbered moneys to the state.

Agency Request	0.00	0	300,000	0	300,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>300,000</i>	<i>0</i>	<i>300,000</i>

9. Cancer Screening Awareness

American Cancer Society

The American Cancer Society requests \$194,200 to perform outreach to underserved women and to educate them about the connection between tobacco use and cancer, the need for cancer screenings, and available cessation tools. The project design has three components: (1) develop small media pieces; (2) partner with hospitals and primary care clinics in Idaho to focus on outreach and education; and (3) offer provider education about Women's Health Check, tobacco/cancer connection, and best practices for cancer screenings. The request is for operating expenses and includes \$25,000 for program evaluation, \$56,000 for direct mailings, \$35,000 for radio, and \$33,000 for indirect costs.

Analyst Comment: In FY 2016, the Legislature appropriated \$130,900 from the Millennium Fund to the American Cancer Society for cancer screening awareness programs. Of that amount, \$33,200 was not expended nor was it returned to the state. The application, however, states that "the American Cancer Society is returning that balance to Millennium Fund." For FY 2016, non-state entities were encouraged to return unexpended funds back to the state. Starting in FY 2017, non-state entities are required to return any unexpended and unencumbered moneys to the state.

Agency Request	0.00	0	194,200	0	194,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>194,200</i>	<i>0</i>	<i>194,200</i>

10. Teen Empowerment Project

Boys & Girls Clubs of Idaho

The Boys & Girls Clubs of Idaho Alliance requests \$159,000 for the teen empowerment project. This project is a comprehensive approach to reduce the likelihood of current or future engagement in risky behaviors by youth, ages 11-18, served by the Boys & Girls Clubs in Idaho. The focus of the project is on building self-esteem, instilling good character and citizenship, improving academic skills, and developing positive relationships. The project offers a holistic youth development service delivery system, versus a single strategy approach to prevention of at-risk behaviors. The Boys & Girls Clubs hopes to serve 3,500 youth who attend their facilities. The request includes \$100,000 for personnel costs and \$59,000 for operating expenditures, of which \$30,000 is for program evaluation.

Agency Request	0.00	0	159,000	0	159,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>159,000</i>	<i>0</i>	<i>159,000</i>

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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11. Substance Abuse Prevention Coalitions

Community Coalitions of Idaho

Community Coalitions of Idaho (CCI) requests \$24,000 to help build community level coalitions for substance abuse prevention. Funds will be used to cover costs for the tri-annual meetings and trainings for coalition members, non-members, and partner organizations. The program aims to address the problems of a lack of statewide collaboration and of youth substance use through education, training, and support of community coalitions. Of the amount requested, \$12,000 is for conference scholarships, \$3,000 for conference speakers, \$3,600 for working lunches, and \$2,000 for travel.

Analyst Comment: In FY 2016, the Legislature appropriated \$39,900 from the Millennium Fund to Community Coalitions of Idaho for coalition building. Of the amount appropriated, \$848 was not expended and was returned to the state. For FY 2016, non-state entities were encouraged to revert unexpended funds back to the state. Starting in FY 2017, non-state entities are required to return any unexpended and unencumbered moneys to the state.

Agency Request	0.00	0	24,000	0	24,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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12. iDFY Project

Idaho Drug Free Youth

Idaho Drug Free Youth (iDFY) requests \$205,100 to continue and expand the iDFY Project. The iDFY project supports three activities: 1) i2i student assemblies; 2) school-based iDFY chapters; and 3) the Youth Summit. This request would allow the project to be expanded into 30 new schools and establish a sustainability model for future years. The i2i assemblies typically last three hours and can accommodate about 120 students. Typically two programs are run in a single day, reaching 240 students. The program is for 7th grade through 12th grade. Chapter programs are student clubs where members commit to being drug and alcohol free and are overseen by an advisor. The Youth Summit is a four-day program designed to break down barriers and help students become or maintain a drug-free life.

iDFY supplements the cost of the program so schools do not bear the full cost. The Millennium Funds would provide full scholarships to 15 schools seeking a chapter program (\$6,150), 15 schools seeking the i2i assembly (\$14,850), and 150 students to attend the Youth Summit or chapter convention (\$30,000). Scholarship awardees would be based on need and determined by the iDFY Board of Directors. This request includes \$46,100 for personnel costs and \$159,000 for operational needs, of which \$74,800 is for facilities and background checks, \$28,600 for travel, and \$24,700 for materials and supplies.

Agency Request	0.00	0	205,100	0	205,100
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Governor's Recommendation	0.00	0	205,100	0	205,100
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13. TAR WARS

Academy of Family Physicians

The Idaho Academy of Family Physicians requests \$83,000 for the TAR WARS Program, which is designed to teach children how to make positive decisions regarding their health. TAR WARS is a tobacco-free education program for fourth and fifth-grade students. In Idaho, the program focuses on fifth-grade students but will add fourth-graders when the need arises. The program is designed to teach children about the short-term health effects, financial aspects, and image-based consequences of tobacco use; and how to live tobacco-free by providing tools to make positive decisions regarding their health and promote personal responsibility for their well-being. The program is implemented in classrooms by volunteers. It uses a community-based approach to mobilize family physicians, dentists, educators, and other health care professionals to take an active part in their community's health education and encourages overall community support for tobacco-free education. The request includes \$48,000 for personnel costs and \$35,000 for operational needs.

Agency Request	0.00	0	83,000	0	83,000
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Governor's Recommendation	0.00	0	83,000	0	83,000
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Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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14. Family Therapy & Support Center					Idaho Youth Ranch
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Idaho Youth Ranch, Inc., requests \$100,000 for personnel costs to support substance abuse and tobacco cessation/prevention programs at the Anchor House - a family therapy and support center in Coeur d'Alene that serves children, teens, and families throughout North Idaho. The grant would provide personnel funding for staff to (1) provide an array of services that can be bundled for an overall impact; (2) provide services to children and families in need of behavioral and/or psychological therapy; and (3) provide substance abuse prevention for children who are at a greater risk of abusing drugs and alcohol. The goals of the program are to have 70% of clients not using substances, 90% of children and teens in school or employed, and 90% of participants reporting that they are experiencing improved family functioning.

Agency Request	0.00	0	100,000	0	100,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>100,000</i>	<i>0</i>	<i>100,000</i>

15. Tobacco Prevention and Cessation					American Lung Association
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American Lung Association requests \$229,000 for three programs that are designed to prevent tobacco use among Idaho youth: 1) Teens Against Tobacco Use (TATU), a peer-education prevention program; 2) Support Teens Against Nicotine Dependency (STAND), a youth engagement and advocacy program; and 3) Not-On-Tobacco (N-O-T), a quit-smoking program designed specifically for youth under age 18. The goal is to reduce the burden of tobacco on Idaho by preventing its use among youth. The request is for \$126,200 for personnel costs and \$99,900 for operational needs, which includes \$20,000 for program evaluation, \$16,300 for travel, \$11,500 for materials and supplies, and \$10,000 for its building lease.

Agency Request	0.00	0	229,000	0	229,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>229,000</i>	<i>0</i>	<i>229,000</i>

16. Meth Prevention					Idaho Meth Project
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The Idaho Meth Project requests \$649,900 for the continuation of the Idaho Meth Project. The Idaho Meth Project includes the "Not Even Once" campaign that is designed to discourage the use of methamphetamine and includes teen outreach through digital media, school presentations, and community engagement activities, which includes online print, audio and video advertising, free in-school education, community event participation, and anti-meth billboard advertisements statewide. The goal of the program is to promote parent-child discussions about meth. The request includes \$73,500 for personnel costs, \$569,500 for operational needs, and \$6,900 for capital outlay purchases. Operating expenditures include \$400,000 for advertising, \$50,000 for marketing, \$40,000 for program evaluation, \$28,000 for travel, \$20,000 for materials and supplies, and \$15,000 for lobbying activities.

Agency Request	0.00	0	649,900	0	649,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>649,900</i>	<i>0</i>	<i>649,900</i>

17. Truth208 - Rx Drug Abuse Awareness					Truth208 Inc
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Truth208 Inc., requests \$495,300 for the continuation of the Truth208 program, a prescription drug abuse awareness program. The program includes teen outreach through digital media, school presentations, and community engagement activities, which includes online print, audio and video advertising, free in-school education, community event participation, and billboard advertisements. The goal of the organization is to promote parent-child discussions about prescription drug abuse. The request includes \$73,500 for personnel costs and \$421,800 for operational needs, which includes \$250,000 for advertising and marketing, \$60,000 for pharmacy bags that would be used for medicine disposal, \$40,000 for program evaluation, \$28,000 for travel, \$25,000 for materials and supplies, and \$10,000 for overhead and lobbying activities. Truth208 was formerly a part of the Prevention Project, which also oversees the Idaho Meth Project.

Agency Request	0.00	0	495,300	0	495,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>495,300</i>	<i>0</i>	<i>495,300</i>

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
18. Supporting Fathers Supporting Children					Nez Perce Tribe
<p>The Nez Perce Tribe requests \$90,600 to provide assistance with its Supporting Fathers, Supporting Children Program. This program is designed to enhance the father and child relationship. Specifically, this funding would be for a community outreach specialist and this position would travel the state and provide classes for tribal members. The program has three goals: 1) decrease the use of substance abuse of fathers with the tribe; 2) prevent the use of substance abuse of children in their community; and 3) increase child support payments of non-custodial fathers. The request includes \$58,100 for personnel costs, \$30,000 for operating expenditures, and \$2,500 for capital outlay.</p>					
Agency Request	0.00	0	90,600	0	90,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
19. Boise: A Sober Active Community					Phoenix Multisport
<p>Phoenix Multisport requests \$177,700 to meet operational funding needs for the organization. The mission of Phoenix is to foster a supportive, physically active community for individuals, aged 16 or older, who are recovering from alcohol or substance use disorders, and for those who choose to live a sober life. Phoenix offers free exercise programs to those with (at least) 48 hours of sobriety. The request includes two goals: 1) provide access to recovery support services for individuals in recovery, and 2) improve personal recovery capital and factors known to mediate sustained recovery for members. The request includes \$31,100 for personnel costs, \$97,600 for operating expenditures, and \$49,000 for capital outlay purchases. Included within the request is \$57,000 for a building lease, \$16,800 for overhead, and \$35,000 for program equipment.</p>					
Agency Request	0.00	0	177,700	0	177,700
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
20. Serial Inebriate Program					Recovery 4 Life
<p>Recovery 4 Life, a state-licensed recovery agency, requests \$437,600 to continue the Serial Inebriate Program (SIP) in Ada County. The SIP is designed to provide long term solutions to the problems of chronic homelessness and chronic alcoholism. This program started a year ago with collaboration between the Boise Police Department and other Ada County partners, using vouchers from a federal Access to Recovery Grant managed by H&W; the grant is set to expire in February 2017. The program is to provide safe and sober housing in addition to relevant treatment for 20 participants. The goal is for each participant to gain employment and maintain sobriety and safe housing. Implementation is to be achieved through four objectives: 1) bring the San Diego team to Boise for a 2-day training; 2) identify five "high-resource using" clients to start in the SIP; 3) have quarterly meetings with stakeholders to identify what is working and what is not; and 4) identify alternative funding solutions. The SIP has been in operation in San Diego for over 15 years and comparable programs have been established in Oregon, Montana, and Washington. The request includes \$281,800 for personnel costs, \$146,800 for operating expenditures, and \$9,000 for capital outlay purchases. Within the request, \$83,300 is for drug testing and safe and sober housing, \$28,600 is for overhead, and \$14,000 is for a building lease.</p>					
Agency Request	0.00	0	437,600	0	437,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
21. Peer Recovery Support Services					Shoshone Bannock Tribe
<p>The Shoshone-Bannock Tribe requests \$161,400 for peer recovery services at its Four Directions Treatment Center and surrounding areas. The treatment center provides certified clinical treatment for drug and alcohol abuse on the Fort Hall Reservation. The center has limited resources for prevention and recovery support services. This request would provide funding to hire a recovery services coordinator and provide training and certification of recovery coaches for the center. Prevention outreach will include tobacco, vaping, inhalants, other drugs, and alcohol topics. The grant will be evaluated on three main objectives: 1) establish peer recovery support services; 2) enhance and increase tobacco, alcohol, and drug abuse awareness and prevention; and 3) support community members in recovery. The request includes \$116,700 for personnel costs, \$33,900 for operating expenditures, and \$10,800 for capital outlay purchases. Within the request \$30,400 is for overhead, \$7,800 to lease a vehicle and provide for a cell phone, and \$1,800 for travel.</p>					
Agency Request	0.00	0	161,400	0	161,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
22. Recovery Coach Scholarship					Foundation for A&D Dependency
<p>The Foundation for the Idaho Conference on Alcohol and Drug Dependency, Inc. (ICADD) requests \$58,000 to provide training and education for current and potential recovery coaches in Idaho. A recovery coach is an individual who has personally been through substance abuse treatment and has demonstrated continued sobriety from alcohol or other substances. Coaches do not provide clinical services, but serve as a mentor to those wanting a substance-free lifestyle. This is done through the establishment of a recovery plan, identifying resources for treatment, family/group support, harm reduction, and personal guidance. To become a recovery coach an individual must complete 46 hours of training, complete 500 hours of internship, and 25 hours of supervision to become certified. To maintain certification, a coach must complete 96 hours of supervision and 20 hours of training. Certification is done through the Idaho Board of Alcohol and Drug Counselor Certification, Inc. The request includes \$4,000 in personnel costs, and \$54,000 in operating expenditures, of which \$38,500 is for travel and \$15,500 is for conference fees for the recovery coaches.</p>					
<p>Analyst Comment: In FY 2016, the Legislature appropriated \$130,900 from the Millennium Fund to ICADD for conference scholarships. Of the amount appropriated, \$10,300 was not expended and was returned to the state. For FY 2016, non-state entities were encouraged to revert unexpended funds back to the state. Starting in FY 2017, non-state entities are required to return any unexpended and unencumbered moneys to the state.</p>					
Agency Request	0.00	0	58,000	0	58,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
23. Addictions Electronic Clearinghouse					Benchmark Research & Safety, Inc.
<p>Benchmark Research & Safety, Inc. is a human factors and ergonomics consulting firm, that in collaboration with the University of Idaho, requests \$221,200 to establish an electronic clearinghouse for information regarding addictions of all kinds, but primarily focusing on ingestible substances. The goal of the grant request is to create a single point of information for interested parties, which are assumed to be educators, law enforcement, civic leaders, attorneys, and healthcare providers. The tool, once designed, will show current usage patterns or "hot spots" of illegal activity, current understandings about health and criminal risk, and sources of help. Benchmark Research & Safety, Inc. is the current contract administrator with Health & Welfare for both the Idaho Tobacco Project and the Substance Abuse Prevention Program. The request states that "there is no specific evidence that the tool we are proposing will have the impact we intend, [however] web content has been shown to be effective." The request includes \$157,800 for personnel costs, \$49,400 for operating expenditures, and \$14,100 for capital outlay purchases. Included within is \$20,700 for overhead, \$10,000 for contracts in online marketing, and \$7,200 for furniture.</p>					
Agency Request	0.00	0	221,200	0	221,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Total					
Agency Request	0.00	0	10,860,100	0	10,860,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>9,536,700</i>	<i>0</i>	<i>9,536,700</i>
Agency Request					
Change from Original App	0.00	0	8,271,900	0	8,271,900
% Change from Original App			319.6%		319.6%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>6,948,500</i>	<i>0</i>	<i>6,948,500</i>
<i>% Change from Original App</i>			<i>268.5%</i>		<i>268.5%</i>

Glossary

Annualization

A budgetary adjustment that identifies the remaining full-year costs for budget items that were partially funded in the prior year.

Appropriation

Provides a specific amount of spending authority authorized by the Legislature to an agency or program for a given purpose for a specified period of time.

Continuous or Perpetual Appropriation

An ongoing statutory appropriation of money not set by annual legislative action.

Original Appropriation

Reflects the amounts shown in original appropriation bills before reappropriations (carryover) and supplemental appropriations. In some instances, legislative authority is given to enable an agency to carry over any unexpended balances to the next fiscal year, thus increasing the total appropriated spending authority over the amounts designated in the original appropriation bill.

Supplemental Appropriation

Refers to action taken on current year appropriations. These changes to the original appropriation may add funds or provide transfers between summary objects, funds, programs, or agencies.

Rescission

Refers to action taken on current year appropriations. These changes to the original appropriation rescind or remove previously enacted spending authority in whole or in part.

Classification of Funds

In the *Legislative Budget Book*, the hundreds of funds used by state government in the budgeting process are condensed into three general categories. The appropriation bills, however, cite the specific fund detail for spending authority. The three general categories are:

General

Consists of moneys received by the state from the collection of taxes, and certain licenses and fees not specifically appropriated to any other account, and which are used to finance the general operations of state government.

Dedicated

Dedicated funds are revenue received from a specified source or sources, and spent for a specific function of government as required by law (e.g. the State Highway Fund is partially a collection from motor fuels tax and vehicle registration fees and is dedicated specifically to state highway construction and improvements).

Dedicated funds also include miscellaneous revenue from the sale of goods or services provided to the general public and other political entities. For example, one state agency may require the services of the State Copy Center and payment for this service would be done by transfer, debiting the first agency and crediting the Copy Center.

Federal

Identifies moneys from the federal government for specified state services.

Change in Employee Compensation (CEC)

A budgetary adjustment for changes in salary level or salary structure, and related benefit costs for classified and exempt state employees.

Glossary (continued)

Classification of Expenditures (Object Class)

The state accounting system provides information at three levels of detail. The highest, most standardized level that is used in both the *Legislative Budget Book* and in appropriation bills consists of four summary object classifications:

Personnel Costs (PC)

Includes the salaries of employees, whether full-time, part-time, irregular or seasonal help, and also, includes compensation of members of boards and commissions.

Also included are the employer's share of contributions related to those employees, such as retirement, health and life insurance, worker's compensation, employment security and social security.

Operating Expenditures (OE)

Includes all expenses for private contract services, travel, consumable supplies, software, and minor items of equipment that have an estimated life of less than two years.

Capital Outlay (CO)

Includes all expenses for land, highways, buildings, fixtures and fixed equipment and structures (which also include additions, replacements, major repairs, renovations, and salaries of non-agency personnel in connection therewith). Automobiles, domestic animals, machinery, equipment, and furniture, which will have a useful life or service, substantially more than two years are also included. Budget development guidelines require a minimum request of \$300 per item to be classified as capital outlay.

Trustee and Benefit Payments (T/B)

Includes payments passed through to an individual (e.g. welfare or retirement benefits) or another governmental entity which provides a service.

Decision Unit (DU)

A decision unit is a specific numbered item in the budget request. DUs are standardized throughout the budget process so that statewide information may be summarized and reported. They are used to identify any change in a performance level and costs associated with that change. Benchmark decision units are the subtotal of all previous decision units.

Deficiency Warrant

Expenditures that are authorized by statute, but for which no specific appropriation is provided until after an actual expense is incurred (e.g. expenses related to fire suppression and agricultural pest eradication).

Encumbrance

Obligations for expenses incurred in a fiscal year but not paid until after the end of that fiscal year.

Fiscal Year

Represents the accounting year used by the state that begins July 1 and runs through June 30 of the following year (e.g. fiscal year 2017 begins July 1, 2016 and ends June 30, 2017).

Full-Time Equivalent Positions (FTP)

The use of FTP's is a means of counting position totals when different amounts of time or hours-worked are involved. For example, a program using two half-time positions has the same personnel requirements as a program using one full-time position. Both programs would reflect 1.00 FTP, although the former would employ two individuals. All budgeted permanent full-time and permanent part-time positions, including limited service positions, are to be included in the FTP count. Seasonal and temporary help, overtime or other group positions are not reflected in the FTP count.

Glossary (continued)

Fund

A fund is a sum of money accrued from specific sources (see “Classification of Funds”) and set aside for general or specific uses. Note: “fund” and “account” are often used interchangeably.

Fund Shift

Replaces a loss of one fund source with another to maintain existing levels of service.

Group Position

A portion of an agency’s budgeted personnel costs which provides for the compensation of temporary positions and members of certain boards and commissions. These positions are not included in an agency’s total FTP count. For example, seasonal crop inspectors are included in the group positions of the Department of Agriculture.

Inflationary Adjustments

Agencies may request an adjustment that addresses the higher, inflation-driven costs of items such as supplies, travel and postage. A medical inflation adjustment for operating expenditures and trustee and benefit payments is also allowable.

Line Item

Decision units after the Maintenance of Current Operations benchmark that include all program expansions, discretionary adjustments, occupancy costs, new personnel, and some fund shifts.

Lump Sum

Appropriations that provide amounts of spending authority from designated funds, without specifying if they are restricted to Personnel Costs, Operating Expenditures, Capital Outlay and/or Trustee and Benefit payments. Lump sum may also remove limitations on transferring appropriations from one budgeted program to another. Lump sum never gives a state agency the authority to transfer spending authority from one fund to another fund. Since lump sum is an exception to the state budget laws, it requires specific legislative authorization and approval.

Non-Cognizable Funds

Funds available to any state agency from sources other than state funds if not cognizable (known) at the time the appropriations are set. Use of non-cognizable spending authority is granted through the Division of Financial Management on behalf of the Board of Examiners, and is not contingent upon an increase in state liability after the receipt of the non-state funds.

Nondiscretionary Adjustment

Adjustments necessary to maintain current operations over which the agency has no control. These adjustments should be made because of a caseload adjustment. The following criteria are used as a guideline to determine whether the request is a caseload adjustment:

1. Cost adjustment is statutorily and demographically-driven; and
2. Participation in the program is eligibility-driven; and
3. The agency has no ability to control the demographics or eligibility criteria; and
4. The agency has no choice but to provide the service to those meeting the eligibility criteria; and
5. Costs are not associated with the opening of a new or expanded facility.

Object Transfer

State law permits agencies to transfer spending authority from certain standard object classifications to others, e.g. from Personnel Costs to Operating Expenditures. Object transfers have some limitations and require

Glossary (continued)

approval by the Division of Financial Management on behalf of the Board of Examiners. Agencies may also request object transfers through the budget process.

Personnel Cost Rollups

A budgetary adjustment for increases in the cost of maintaining a range of employer-paid benefits for state employees such as Social Security, retirement (PERSI), unemployment insurance, health insurance, and sick leave.

Program Maintenance

The level of funding necessary to maintain the same level of service or activity for the coming fiscal year as was provided for in the current fiscal year. Also known as Maintenance of Current Operations (MCO).

Reappropriation or Carryover Authority

Allows unused spending authority from one fiscal year to be carried over into the next fiscal year for one-time expenses. Since this is an exception to the state budget laws and is not provided for in statute, it requires specific legislative authorization and approval.

Reclassify

Upon the request of an agency, a specific position may be reclassified upward or downward as determined by the Division of Human Resources, based on specific job responsibilities. For example, an agency may request an Administrative Assistant 1 position to be reclassified as an Administrative Assistant 2 position.

Refactor

The Division of Human Resources may revise the pay grade for an entire class of positions statewide. For example, the pay grade for all Administrative Assistant 1 positions throughout the state could be refactored from pay grade F to pay grade G based on the type of responsibilities and tasks they are expected to perform. Refactoring frequently results in a pay rate change for that position classification. Refactoring requires approval from the Division of Financial Management if there would be fiscal impact.

Replacement Items

One-time funding provided for the replacement of certain operating items (e.g. software) and capital outlay items (e.g. computers, furniture) necessary for Maintenance of Current Operations.

Wage and Salary Report

A series of reports produced by the Employee Information System (EIS) of the State Controller's Office that identifies wages, salaries and related benefit costs for all budgeted positions. This report also projects cost increases for the current and following fiscal year.