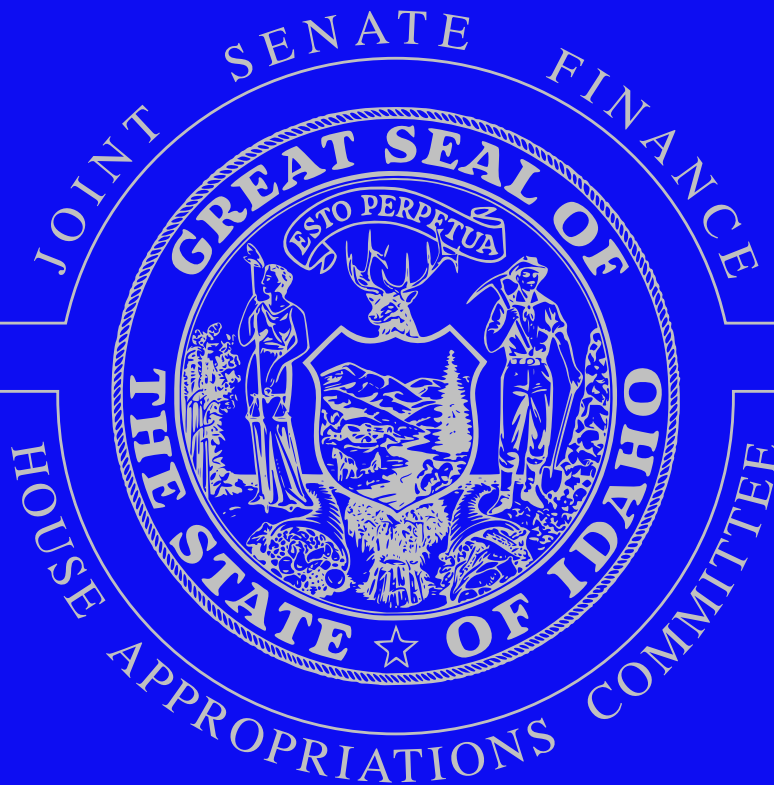


IDAHO

2018

LEGISLATIVE BUDGET BOOK

FISCAL YEAR 2019



A PUBLICATION
OF THE LEGISLATIVE SERVICES OFFICE
BUDGET AND POLICY ANALYSIS

SECOND REGULAR SESSION • SIXTY-FOURTH LEGISLATURE

Second Regular Session, Sixty-Fourth Legislature

Idaho Legislative Budget Book For Fiscal Year 2019

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:

<https://legislature.idaho.gov/lso/bpa/pubs/>

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 and 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.

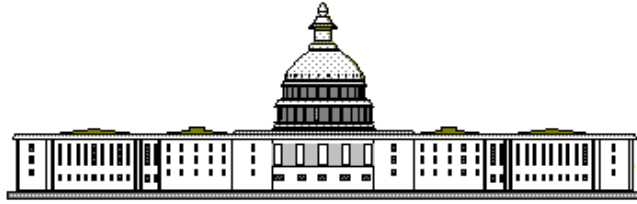
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Serving Idaho's Citizen Legislature

Joint Senate Finance House Appropriations Committee



SECOND REGULAR SESSION OF THE SIXTY-FOURTH IDAHO LEGISLATURE

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Dean Mortimer (R) Idaho Falls

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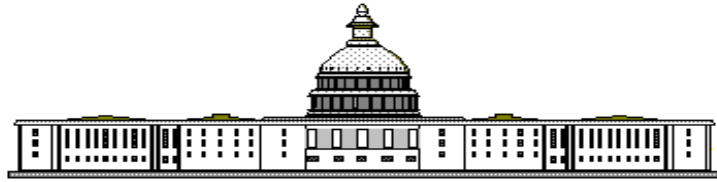
Committee Secretaries

Amberlee Honsaker
Donna Warnock

Senate Finance
House Appropriations

Budget and Policy Analysis

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Public School Support/Financing, Educational Services for the Deaf and Blind, Superintendent of Public Instruction, Department of Administration, Permanent Building Fund, Capitol Commission, Division of Human Resources, Change in Employee Compensation Committee	
Jared Tatro, Principal Analyst	334-4740
Department of Health and Welfare, Catastrophic Health Care Program, Public Health Districts, Division of Veterans Services, Office of Drug Policy, Joint Millennium Fund Committee	
Jared Hoskins, Principal Analyst	334-4743
Board of Correction, Department of Correction, Commission of Pardons and Parole, Department of Juvenile Corrections, Judicial Branch, Attorney General, Public Defense Commission, State Appellate Public Defender, Justice Reinvestment Oversight Committee	
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Department of Environmental Quality, Department of Fish and Game, Department of Lands, Endowment Fund Investment Board, Department of Parks and Recreation, Lava Hot Springs, Department of Agriculture, Department of Water Resources, Soil and Water Conservation Commission, Office of Species Conservation, Wolf Depredation Control Board	
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Lieutenant Governor, State Treasurer, Secretary of State, State Controller, State Liquor Division, Office of Energy and Mineral Resources, PERSI, Industrial Commission, Public Utilities Commission, Medical Boards, State Lottery	
J. Shane Winslow, Data Systems Coordinator	334-4738
Stephanie Rael, Administrative Assistant	334-3537

Idaho Legislative Budget Book

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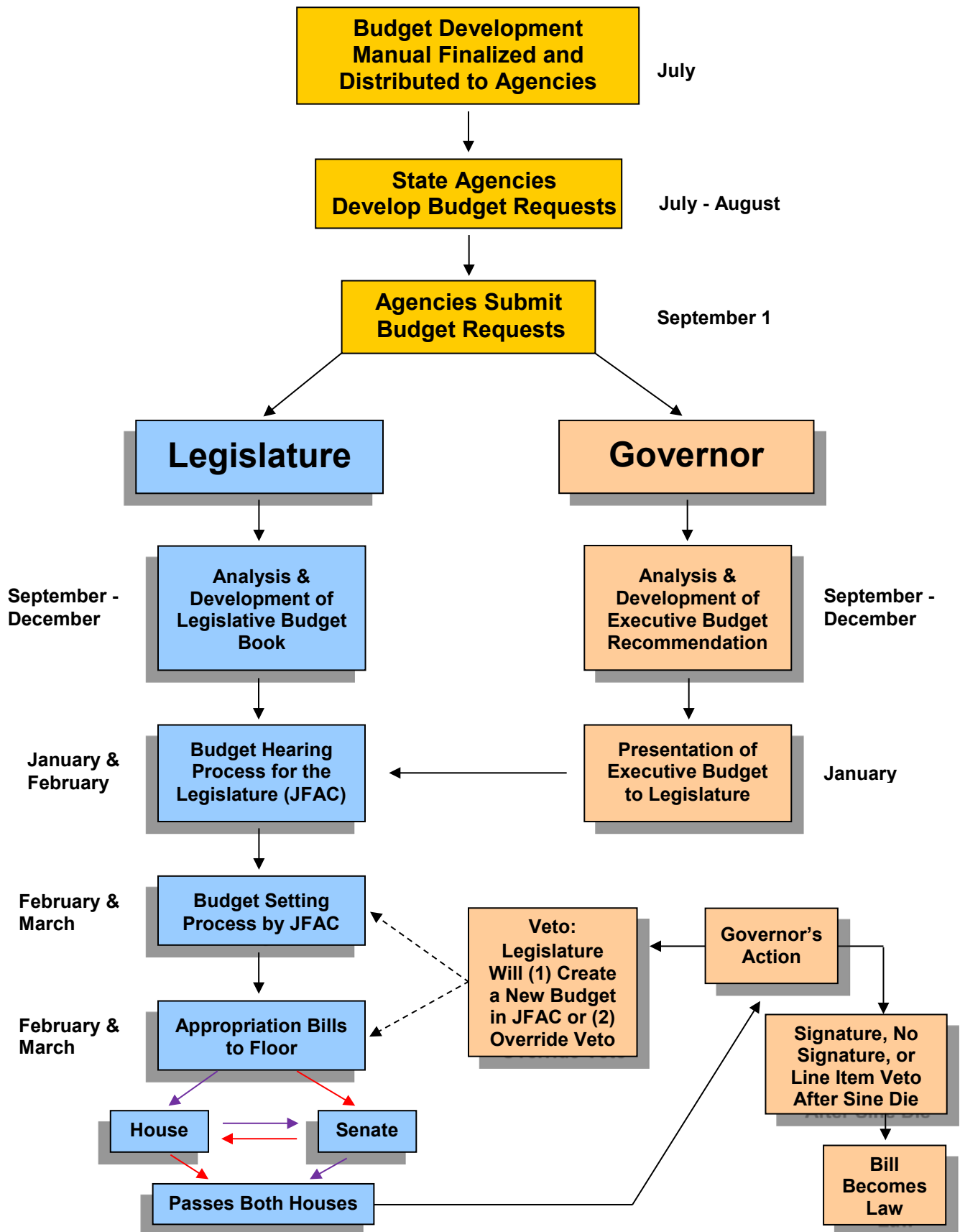
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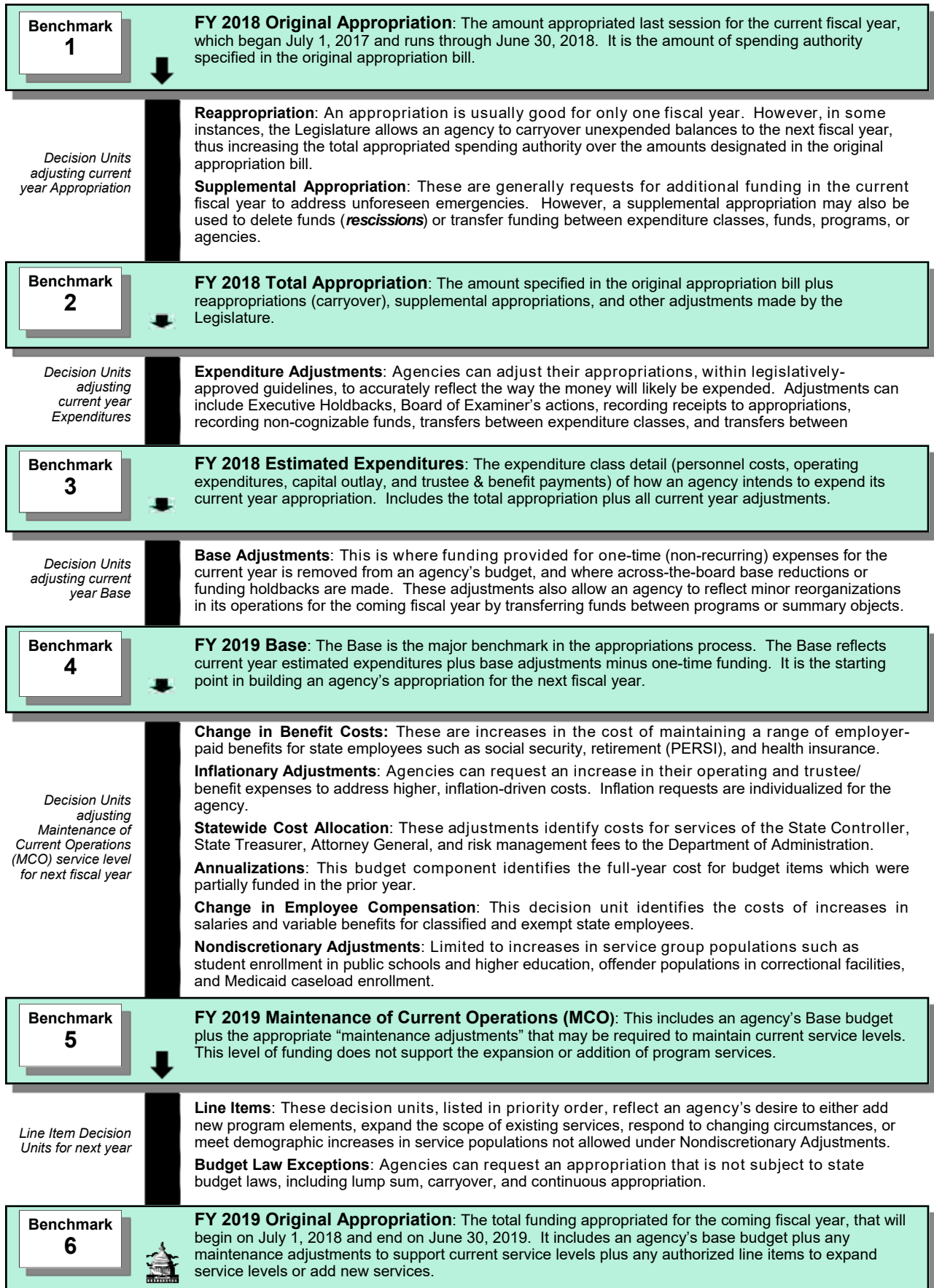
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Annual State of Idaho Budget Process



The Idaho Decision Unit (DU) Budget Model



General Fund Summary

FISCAL YEAR 2018

<u>REVENUES</u>	Orig Est/Current Law & Request	Governor's Rec
1. Beginning Cash Balance	\$100,886,800	\$100,886,800
2. Reappropriation	5,899,200	5,896,100
3. After Year-End Reversion (Health & Welfare)	2,634,900	2,634,900
4. DFM Sine Die Original Revenue Forecast	3,507,437,000	
5. DFM Jan. 2018 Revised Est (4.9 % from FY17 actual)		3,615,806,400
6. Proposed Legislation - State Controller System Modernization		(18,517,100)
7. Proposed Legislation - Tax Conformity		(6,400,000)
8. Total Revenues and Beginning Cash Balance	<u>\$3,616,857,900</u>	<u>\$3,700,307,100</u>
9. Onetime Transfer to Budget Stabilization Fund §57-814 IC		(4,546,100)
10. 2017 Legislation (H31, H32, H54, H185, S1206)	(16,314,300)	
11. 2017 Onetime Transfers (H291, S1129, S1177, S1194)	(50,164,400)	(50,164,400)
12. Transfer from Immunization Fund		3,557,200
13. Closed Program Cash - Department of Lands		20,900
14. Deficiency Warrants	(209,800)	(209,700)
15. NET REVENUES AND BEGINNING CASH BALANCE	<u>\$3,550,169,400</u>	<u>\$3,648,965,000</u>
 <u>EXPENDITURES</u>		
16. FY 2018 Original Appropriation	\$3,450,575,300	\$3,450,575,300
17. Reappropriation	5,899,200	5,896,100
Supplemental Appropriations and Rescissions:		
18. Catastrophic Health Care Program		(7,999,500)
19. Department of Health & Welfare	22,522,600	22,519,900
20. Department of Correction	6,011,800	21,908,900
21. Idaho State Police		86,400
22. Commission on Hispanic Affairs	26,000	15,300
23. Military Division	57,900	52,000
24. Secretary of State	180,000	
25. TOTAL FY 2018 APPROPRIATION	<u>\$3,485,272,800</u>	<u>\$3,493,054,400</u>
26. FY 2018 ESTIMATED ENDING BALANCE	\$64,896,600	\$155,910,600

General Fund Summary

FISCAL YEAR 2019

REVENUES

	<u>Agency Request</u>	<u>Governor's Rec</u>
1. Estimated Beginning Balance	155,910,600	\$155,910,600
2. DFM Orig Rev Est (4.6% increase from FY18 forecast)	3,780,468,000	3,780,468,000
3. Proposed Legislation - Tax Conformity/Tax Relief*		(94,700,000)
4. Proposed Legislation - State Controller System Modernization		(20,760,500)
5. Proposed Legislation - Technology Equipment Tax Rebate		(525,700)
6. Proposed Legislation - POST Funding		(2,000,000)
7. Administrative Rules - Circuit Breaker		(700)
8. Total Revenues and Beginning Cash Balance	<u>\$3,936,378,600</u>	<u>\$3,818,391,700</u>
9. Transfer to State Controller System Modernization	(102,000,000)	
10. Transfer to Department of Commerce	(1,000,000)	
11. Transfer to Wolf Depredation Control Board	(400,000)	(400,000)
12. Transfer to Public Education Stabilization Fund		(32,000,000)
13. Transfer to STEM Education Fund		(2,000,000)
14. Transfer to Permanent Building Fund		(44,114,200)
15. Transfer to ITD Aeronautics Fund to Purchase New Aircraft		(1,475,000)
16. Transfer to Water Resources Revolving Development Acct		(2,400,000)
17. Transfer - from Reserves in Group Insurance Account		13,140,000
18. NET REVENUES AVAILABLE	<u>3,832,978,600</u>	<u>3,749,142,500</u>

EXPENDITURES

19. FY 2018 Estimated Expenditures	\$ 3,485,272,800	\$ 3,493,057,500
20. FY 2019 Base Budget	3,432,510,100	3,432,221,700
21. Maintenance Costs:		
22. Benefit Changes	(9,851,600)	(13,429,400)
23. Inflationary Adjustments	1,927,900	1,022,900
24. Replacement Items	26,408,700	12,197,100
25. Statewide Cost Allocation	808,400	808,400
26. Annualizations	4,460,200	4,454,100
27. Change in Employee Compensation	6,793,400	19,588,700
28. Public Schools CEC Classified & Administrators	2,346,400	7,021,100
29. Military Compensation	64,000	
30. Nondiscretionary Adjustments	114,042,200	111,682,900
31. Endowment Adjustments	(3,794,000)	(3,651,500)
32. FY 2019 Program Maintenance Subtotal	<u>\$3,575,715,700</u>	<u>\$3,571,916,000</u>
Line Item Requests (net cash transfers):		
33. Education	82,747,000	48,156,000
34. Health and Human Services	47,513,700	29,775,600
35. Law and Justice	36,145,700	20,827,300
36. Natural Resources	1,429,300	979,900
37. Economic Development	3,137,000	101,400
38. General Government	<u>11,705,400</u>	<u>7,172,700</u>
39. FY 2019 Subtotal	<u>\$182,678,100</u>	<u>\$107,012,900</u>
40. FY 2019 Original Appropriation	\$3,758,393,800	\$3,678,928,900
41. FY 2019 ESTIMATED ENDING BALANCE	\$74,584,800	\$70,213,600

*Line 3 includes an increase of \$97.4 million for tax conformity and a decrease of \$192.1 million for tax relief, resulting in a net decrease of \$94.7 million.

General Fund Revenue Collections & Estimates

Source	Actual			
	FY 2012	FY 2013	FY 2014	FY 2015
Individual Income Tax	\$1,206,406,502	\$1,284,323,929	\$1,329,264,582	\$1,470,856,952
% change	4.7%	6.5%	3.5%	10.7%
Corporate Income Tax	187,014,165	198,659,090	188,291,424	215,402,876
% change	10.7%	6.2%	(5.2%)	14.4%
Sales Tax	1,027,344,323	1,109,828,539	1,145,731,785	1,218,769,691
% change	5.7%	8.0%	3.2%	6.4%
Cigarette Tax	11,606,159	13,077,000	3,695,604	3,337,597
Tobacco Tax	8,925,455	10,013,026	9,883,755	10,504,522
Beer Tax	1,944,126	1,927,751	1,890,918	1,911,292
Wine Tax	3,454,070	3,908,678	4,134,639	4,237,620
Liquor Distribution	<u>17,248,000</u>	<u>20,925,004</u>	<u>24,210,000</u>	<u>25,480,000</u>
Product Taxes subtotal	43,177,810	49,851,459	43,814,916	45,471,031
% change	0.8%	15.5%	(12.1%)	3.8%
Kilowatt-Hour Tax	2,981,630	1,919,852	1,839,874	1,917,809
Mine License	2,024,672	531,466	518,734	69,318
State Treasurer Int.	(604,324)	355,696	(365,532)	(1,571,264)
Judicial Branch	4,849,395	4,591,958	4,355,631	6,141,488
Insurance Prem. Tax	56,579,661	55,621,675	59,356,420	61,747,055
State Police	1,557,070	127,729	0	(3,171)
Secretary of State	2,427,979	2,537,965	2,701,683	2,764,659
Unclaimed Property	8,887,995	6,997,488	5,654,952	6,293,300
Estate Tax	(21,984)	63,000	303,825	(1)
Other	<u>45,088,374</u>	<u>34,875,345</u>	<u>33,961,030</u>	<u>28,905,769</u>
Misc. Revenue Subtotal	123,770,468	107,622,174	108,326,617	106,264,962
% change	14.9%	(13.0%)	0.7%	(1.9%)
Total General Fund Collections	\$2,587,713,300	\$2,750,285,200	\$2,815,429,300	\$3,056,765,500
% change	5.9%	6.3%	2.4%	8.6%
Expenditures	2,505,098,200	2,693,784,300	2,767,974,900	2,880,066,900
% change	2.2%	7.5%	2.8%	4.0%
Collections-Expenditures	82,615,100	56,500,900	47,454,400	176,698,600
Beginning Balance:	69,942,500	139,052,900	82,784,900	53,574,800
Net Transfers In (Out):	(13,526,100)	(112,766,200)	(78,250,800)	(185,326,500)
Adjustments:	<u>21,400</u>	<u>(2,700)</u>	<u>1,586,300</u>	<u>(400)</u>
Total Ending Balance	139,052,900	82,784,900	53,574,800	44,946,500

Sources: Legislative Fiscal Reports and the Division of Financial Management

General Fund Revenue Collections & Estimates

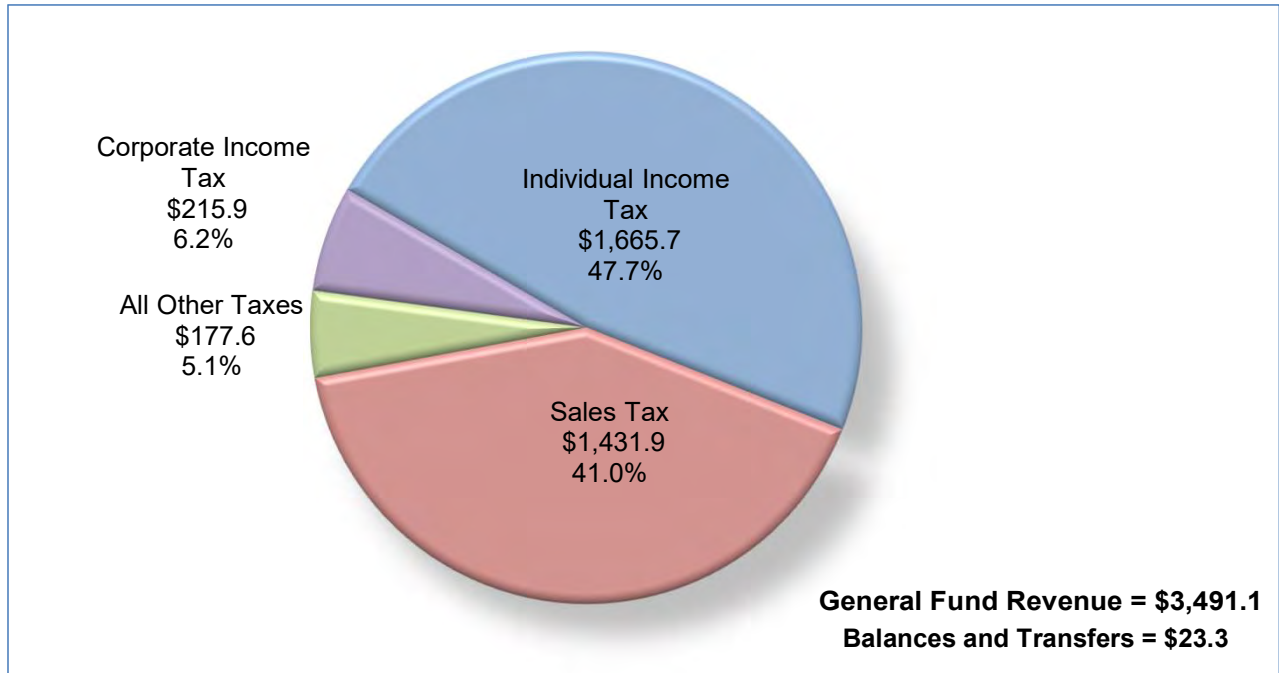
Source			Governor's Forecast	
	FY 2016	FY 2017	FY 2018	FY 2019
Individual Income Tax	\$1,513,168,519	\$1,651,196,217	\$1,754,095,100	\$1,834,652,300
% change	2.9%	9.1%	6.2%	4.6%
Corporate Income Tax	186,869,097	214,021,077	211,100,800	224,764,500
% change	(13.2%)	14.5%	(1.4%)	6.5%
Sales Tax	1,303,027,519	1,382,418,158	1,466,174,400	1,531,358,700
% change	6.9%	6.1%	6.1%	4.4%
Cigarette Tax	7,899,996	9,974,999	7,305,800	10,809,500
Tobacco Tax	11,595,623	12,651,918	13,766,800	14,054,100
Beer Tax	1,934,403	1,935,200	1,943,600	1,967,200
Wine Tax	4,481,223	4,651,593	4,792,600	4,981,700
Liquor Distribution	<u>25,890,004</u>	<u>28,879,996</u>	<u>30,960,000</u>	<u>32,491,200</u>
Product Taxes subtotal	51,801,249	58,093,706	58,768,800	64,303,700
% change	13.9%	12.1%	1.2%	9.4%
Kilowatt-Hour Tax	1,876,626	2,107,504	2,400,000	2,100,000
Mine License	(247,401)	50,048	200,000	300,000
State Treasurer Int.	324,425	(147,382)	(828,400)	1,935,700
Judicial Branch	6,251,398	8,443,898	8,581,600	8,705,600
Insurance Prem. Tax	72,123,281	75,423,198	69,539,700	69,531,800
State Police	0	297,753	(300)	0
Secretary of State	2,781,488	2,926,547	3,560,500	3,711,000
Unclaimed Property	9,928,448	10,369,301	9,000,000	9,000,000
Estate Tax	276	0	0	0
Other	<u>35,789,042</u>	<u>43,263,563</u>	<u>33,214,200</u>	<u>30,104,700</u>
Misc. Revenue Subtotal	128,827,583	142,734,430	125,667,300	125,388,800
% change	21.2%	10.8%	(12.0%)	(0.2%)
Total General Fund Collections	\$3,183,694,000	\$3,448,463,600	*\$3,615,806,400	*\$3,780,468,000
% change	4.2%	8.3%	4.9%	4.6%
Expenditures	3,021,143,300	3,260,075,300	3,493,057,500	3,678,928,900
% change	4.9%	7.9%	7.1%	5.3%
Collections-Expenditures	162,550,700	188,388,300	122,748,900	101,539,100
Beginning Balance:	73,291,600	76,573,600	109,417,800	155,910,600
Net Transfers In (Out):	(159,268,900)	(155,496,100)	(51,342,100)	(69,249,200)
Adjustments:	<u>200</u>	<u>(48,000)</u>	<u>(24,914,000)</u>	<u>(117,986,900)</u>
Total Ending Balance	76,573,600	109,417,800	\$155,910,600	\$70,213,600

*Total Collections Forecasts are rounded

FY 2018 General Fund Revenue & Appropriations

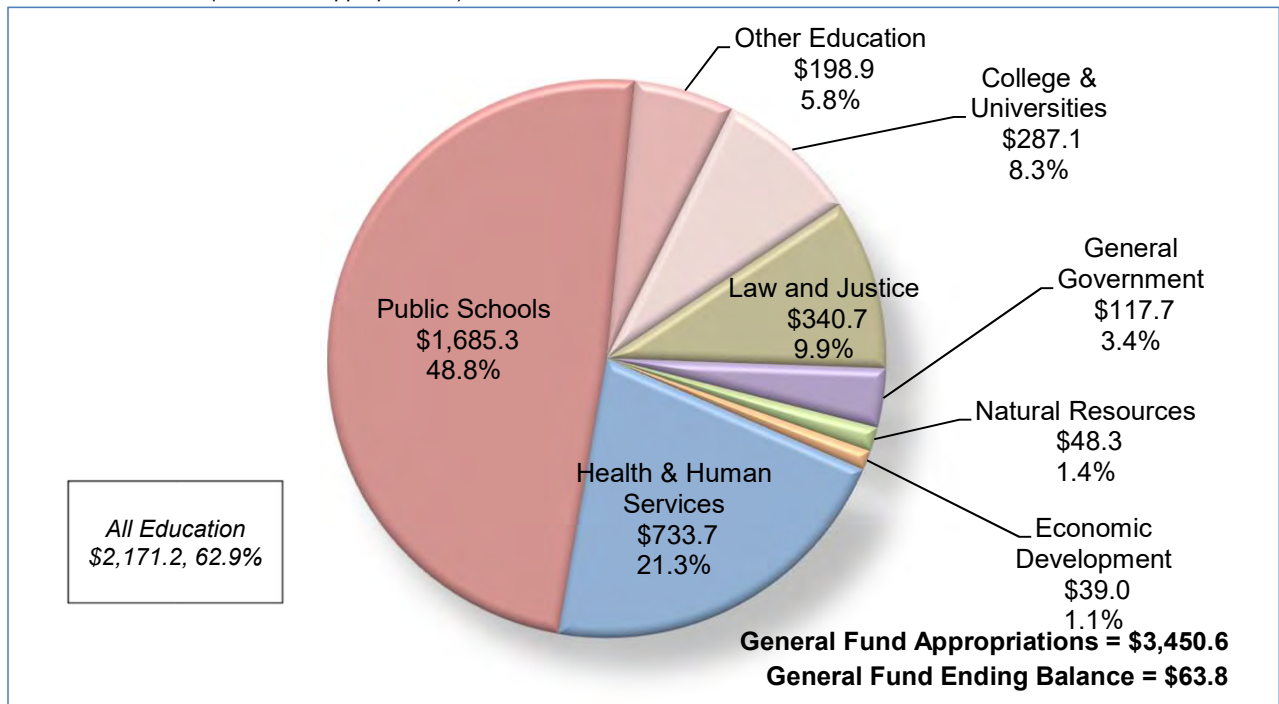
"Where the money comes from . . ."

Dollars In Millions (Percent of Revenue)



"Where the money goes . . ."

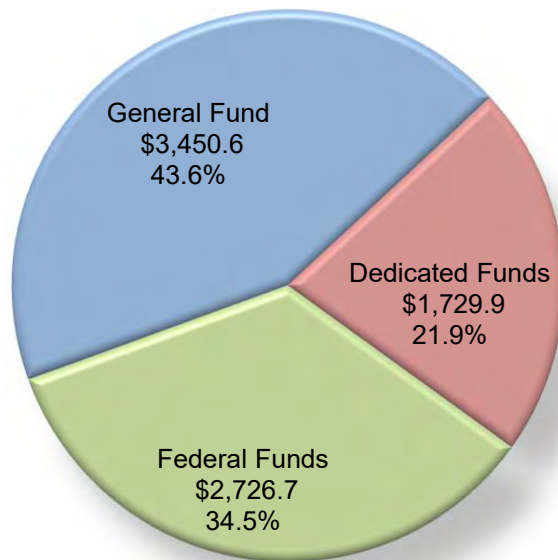
Dollars In Millions (Percent of Appropriations)



FY 2018 All Appropriations by Fund & Function

"Where the money comes from . . ."

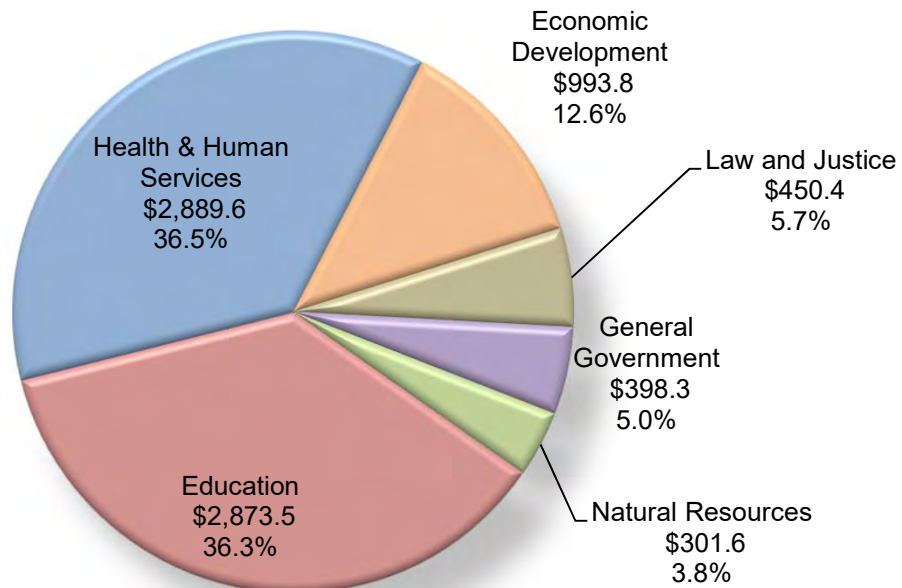
Dollars In Millions (Percent of Revenue)



Appropriations by Fund = \$7,907.2

"Where the money goes . . ."

Dollars In Millions (Percent of Appropriations)



Appropriations by Function = \$7,907.2

FY 2019 Agency Request by Decision Unit

Decision Unit	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	19,301.16	3,450,575,300	1,729,923,400	2,726,699,500	7,907,198,200
Reappropriation	0.00	5,899,200	460,411,400	150,375,000	616,685,600
Supplementals	9.00	28,798,300	37,590,900	68,373,100	134,762,300
Rescissions	0.00	0	0	(236,900)	(236,900)
Deficiency Warrants	0.00	209,800	0	0	209,800
Cash Transfers & Adjustments	0.00	(209,800)	0	0	(209,800)
FY 2018 Total Appropriation	19,310.16	3,485,272,800	2,227,925,700	2,945,210,700	8,658,409,200
Noncognizable Funds and Transfers	149.05	0	744,300	12,395,500	13,139,800
Expenditure Adjustments	0.00	0	(4,157,300)	(1,100,000)	(5,257,300)
FY 2018 Estimated Expenditures	19,459.21	3,485,272,800	2,224,512,700	2,956,506,200	8,666,291,700
Removal of Onetime Expenditures	(6.00)	(44,717,600)	(671,273,200)	(259,101,200)	(975,092,000)
Base Adjustments	6.57	(8,045,100)	(160,300)	(8,246,400)	(16,451,800)
FY 2019 Base	19,459.78	3,432,510,100	1,553,079,200	2,689,158,600	7,674,747,900
Benefit Costs	0.00	(9,851,600)	(10,972,500)	(4,715,900)	(25,540,000)
Inflationary Adjustments	0.00	1,927,900	1,929,000	24,900	3,881,800
Replacement Items	0.00	26,408,700	71,691,600	4,298,600	102,398,900
Statewide Cost Allocation	0.00	808,400	403,200	282,700	1,494,300
Annualizations	0.00	4,460,200	109,900	9,446,600	14,016,700
Change in Employee Compensation	0.00	6,793,400	5,016,200	2,233,800	14,043,400
Public Schools Admin/Classified CEC	0.00	2,346,400	0	0	2,346,400
Military Compensation	0.00	64,000	42,400	207,400	313,800
Nondiscretionary Adjustments	0.00	114,042,200	(910,000)	94,128,500	207,260,700
Other Adjustments	0.00	0	2,700	0	2,700
Endowment Adjustments	0.00	(3,794,000)	4,311,100	0	517,100
FY 2019 Program Maintenance	19,459.78	3,575,715,700	1,624,702,800	2,795,065,200	7,995,483,700
Line Items by Functional Area					
Education	113.45	82,747,000	(3,300)	100,000	82,843,700
Health and Human Services	31.33	47,513,700	(601,900)	108,044,900	154,956,700
Law and Justice	72.00	36,145,700	4,251,800	0	40,397,500
Natural Resources	17.00	1,429,300	18,967,200	2,476,800	22,873,300
Economic Development	29.25	4,537,000	54,910,100	9,718,800	69,165,900
General Government	76.37	113,705,400	5,648,300	36,646,000	155,999,700
Cash Transfers	0.00	(103,400,000)	(2,216,000)	0	(105,616,000)
FY 2019 Total	19,799.18	3,758,393,800	1,705,659,000	2,952,051,700	8,416,104,500
Percent Change from Orig. Appropriation	2.6%	8.9%	(1.4%)	8.3%	6.4%
Percent Change from Total Appropriation	2.5%	7.8%	(23.4%)	0.2%	(2.8%)

FY 2019 Total Agency Request

	FTP	Pers Costs	Oper Exp	Cap Out	T/B Pymts	Lump Sum	Total
General	9,450.45	857,193,200	260,289,600	10,389,000	785,677,700	1,784,948,800	3,698,498,300
OT	0.00	408,000	21,019,500	36,468,000	2,000,000	0	59,895,500
Fund Total:	9,450.45	857,601,200	281,309,100	46,857,000	787,677,700	1,784,948,800	3,758,393,800
Dedicated	8,337.01	584,414,600	391,910,200	156,364,400	365,919,800	90,709,700	1,589,318,700
OT	0.00	17,800	9,032,000	106,690,500	600,000	0	116,340,300
Fund Total:	8,337.01	584,432,400	400,942,200	263,054,900	366,519,800	90,709,700	1,705,659,000
Federal	2,006.72	269,904,600	226,447,800	266,615,700	1,863,121,300	264,115,000	2,890,204,400
OT	5.00	247,200	24,964,800	36,635,300	0	0	61,847,300
Fund Total:	2,011.72	270,151,800	251,412,600	303,251,000	1,863,121,300	264,115,000	2,952,051,700
Total:	19,799.18	1,712,185,400	933,663,900	613,162,900	3,017,318,800	2,139,773,500	8,416,104,500

FY 2019 Governor's Rec by Decision Unit

Decision Unit	FTP	Gen	Ded	Fed	Total		
FY 2018 Original Appropriation	19,301.16	3,450,575,300	1,729,923,400	2,726,699,500	7,907,198,200		
Reappropriation	0.00	5,899,200	460,411,400	150,375,000	616,685,600		
Supplementals	8.00	44,582,500	34,542,200	68,370,400	147,495,100		
Rescissions	0.00	(7,999,500)	0	(236,900)	(8,236,400)		
Deficiency Warrants	0.00	209,700	0	0	209,700		
Cash Transfers & Adjustments	0.00	(209,700)	0	0	(209,700)		
FY 2018 Total Appropriation	19,309.16	3,493,057,500	2,224,877,000	2,945,208,000	8,663,142,500		
Noncognizable Funds and Transfers	149.05	0	744,300	12,782,700	13,527,000		
Expenditure Adjustments	0.00	0	(4,157,300)	(1,100,000)	(5,257,300)		
FY 2018 Estimated Expenditures	19,458.21	3,493,057,500	2,221,464,000	2,956,890,700	8,671,412,200		
Removal of Onetime Expenditures	(5.00)	(60,790,200)	(668,184,500)	(259,488,400)	(988,463,100)		
Base Adjustments	7.57	(45,600)	(264,300)	(8,262,400)	(8,572,300)		
FY 2019 Base	19,460.78	3,432,221,700	1,553,015,200	2,689,139,900	7,674,376,800		
Benefit Costs	0.00	(13,429,400)	(9,444,300)	(4,278,800)	(27,152,500)		
Inflationary Adjustments	0.00	1,022,900	1,929,000	24,900	2,976,800		
Replacement Items	0.00	12,197,100	96,653,300	3,353,500	112,203,900		
Statewide Cost Allocation	0.00	808,400	417,800	282,700	1,508,900		
Annualizations	0.00	4,454,100	109,900	9,439,300	14,003,300		
Change in Employee Compensation	0.00	19,588,700	14,271,400	6,336,700	40,196,800		
Public Schools Admin/Classified CEC	0.00	7,021,100	0	0	7,021,100		
Nondiscretionary Adjustments	0.00	111,682,900	(910,000)	94,128,500	204,901,400		
Other Adjustments	0.00	0	(4,800)	0	(4,800)		
Endowment Adjustments	0.00	(3,651,500)	4,005,900	0	354,400		
FY 2019 Program Maintenance	19,460.78	3,571,916,000	1,660,043,400	2,798,426,700	8,030,386,100		
Line Items by Functional Area							
Education	13.85	48,156,000	468,500	174,100	48,798,600		
Health and Human Services	13.33	29,775,600	10,830,700	101,753,800	142,360,100		
Law and Justice	25.00	20,827,300	3,292,100	0	24,119,400		
Natural Resources	18.00	3,379,900	18,516,400	2,480,200	24,376,500		
Economic Development	1.58	1,576,400	45,971,100	9,993,300	57,540,800		
General Government	79.37	53,686,900	23,836,900	37,096,000	114,619,800		
Cash Transfers	0.00	(50,389,200)	(2,216,000)	0	(52,605,200)		
FY 2019 Total	19,611.91	3,678,928,900	1,760,743,100	2,949,924,100	8,389,596,100		
Percent Change from Orig. Appropriation	1.6%	6.6%	1.8%	8.2%	6.1%		
Percent Change from Total Appropriation	1.6%	5.3%	(20.9%)	0.2%	(3.2%)		
FY 2019 Total Recommendation							
	FTP	Pers Costs	Oper Exp	Cap Out	T/B Pymts	Lump Sum	Total
General	9,273.56	841,213,100	254,520,500	12,315,600	763,505,200	1,772,947,500	3,644,501,900
OT	0.00	15,000	17,293,300	17,118,700	0	0	34,427,000
Fund Total:	9,273.56	841,228,100	271,813,800	29,434,300	763,505,200	1,772,947,500	3,678,928,900
Dedicated	8,313.64	605,304,400	384,358,800	152,681,300	377,348,500	90,709,700	1,610,402,700
OT	0.00	17,800	8,312,900	141,659,700	350,000	0	150,340,400
Fund Total:	8,313.64	605,322,200	392,671,700	294,341,000	377,698,500	90,709,700	1,760,743,100
Federal	2,024.71	274,575,300	226,222,100	266,615,700	1,857,998,900	264,115,000	2,889,527,000
OT	0.00	30,600	24,305,500	36,061,000	0	0	60,397,100
Fund Total:	2,024.71	274,605,900	250,527,600	302,676,700	1,857,998,900	264,115,000	2,949,924,100
Total:	19,611.91	1,721,156,200	915,013,100	626,452,000	2,999,202,600	2,127,772,200	8,389,596,100

FY 2018 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	209,800	209,800	0.00	209,700	209,700
Total:	0.00	209,800	209,800	0.00	209,700	209,700
Part B: Supplementals						
Education						
State Board of Education						
Division of Career Technical Education						
1. Dental Hygiene Funds to Nursing	0.00	0	0	0.00	0	0
Health and Human Services						
Catastrophic Health Care Program						
2. Rescission	0.00	0	0	0.00	(7,999,500)	(7,999,500)
Department of Health and Welfare						
Child Welfare						
3. Child Welfare Additional Staff	13.00	133,500	267,000	13.00	130,800	261,600
Services for the Developmentally Disabled						
4. FTP Transfer for Child Welfare Staff	(3.00)	0	0	(3.00)	0	0
Division of Medicaid						
5. Backfill FY 2017 Held Payments	0.00	10,701,000	56,329,200	0.00	10,701,000	56,329,200
6. Receipt Authority Fund Shift	0.00	7,186,200	0	0.00	7,186,200	0
7. KW Lawsuit Compliance	0.00	155,800	311,500	0.00	155,800	311,500
8. Provider Rate Incrs - Supported Living	0.00	259,500	900,000	0.00	259,500	900,000
9. Community-Based Personal Care Sv	0.00	477,500	1,656,200	0.00	477,500	1,656,200
10. Provider-Data Software Improvement	0.00	254,100	2,541,000	0.00	254,100	2,541,000
Mental Health Services						
11. Jeff D Settlement Implementation	0.00	322,300	644,600	0.00	322,300	644,600
Psychiatric Hospitalization						
12. Community Hospitalization Shortfall	0.00	1,000,000	1,000,000	0.00	1,000,000	1,000,000
13. SHS - Accounting Error Correction	0.00	1,889,300	0	0.00	1,889,300	0
14. Additional Costs for Medical Care	0.00	116,600	116,600	0.00	116,600	116,600
Public Health Services						
15. Ryan White Grant	0.00	0	1,000,000	0.00	0	1,000,000
16. Expanded Access Program	0.00	26,800	26,800	0.00	26,800	26,800
Division of Welfare						
17. FTP Transfer for Child Welfare Staff	(10.00)	0	0	(10.00)	0	0
Law and Justice						
Department of Correction						
Management Services						
18. Attorney & Audit Fees for Balla	0.00	242,100	242,100	0.00	491,000	491,000
19. IT/Telecommunications	0.00	29,600	29,600	0.00	0	0
20. Offender Management System	0.00	0	0	0.00	15,782,000	15,782,000
21. Attorney Fees for Bartlett	0.00	38,500	38,500	0.00	38,500	38,500
State Prisons						
22. Facility Expansions	0.00	111,800	147,800	0.00	111,800	147,800
23. SCAAP Rescission	0.00	0	(170,200)	0.00	0	(170,200)
County & Out-of-State Placement						
24. Population-Driven Costs	0.00	1,097,700	1,097,700	0.00	1,097,700	1,097,700
Correctional Alternative Placement						
25. Population-Driven Costs	0.00	0	0	0.00	0	0

FY 2018 Deficiency Warrants And Supplemental Requests

Func Area/Dept/Div	Request			Gov's Rec		
	FTP	General	Total	FTP	General	Total
Community Corrections						
26. Facility Expansions	0.00	233,100	335,700	0.00	233,100	335,700
27. D1 PPO Office Expansion	0.00	104,200	104,200	0.00	0	0
28. Maximizing State Reforms Grant	6.00	0	561,700	6.00	0	561,700
29. SCAAP Rescission	0.00	0	(66,700)	0.00	0	(66,700)
Community-Based Substance Abuse Treatment						
30. SUD Services for RTR	0.00	236,700	236,700	0.00	236,700	236,700
Medical Services						
31. Hepatitis-C Treatment	0.00	2,979,000	2,979,000	0.00	2,979,000	2,979,000
32. Population-Driven Costs	0.00	939,100	939,100	0.00	939,100	939,100
Idaho State Police						
Brand Inspection						
33. Animal Identification Software	0.00	0	0	0.00	86,400	86,400
Economic Development						
Department of Agriculture						
34. Additional Organic Inspectors	2.00	0	209,900	2.00	0	209,900
Soil and Water Conservation Commission						
35. Sagebrush Restoration Grant	1.00	0	25,000	0.00	0	25,000
Industrial Commission						
36. Forensic Interviews	0.00	0	400,000	0.00	0	400,000
37. Retirement Vacation Pay-out	0.00	0	0	0.00	0	0
Self-Governing Agencies						
Division of Building Safety						
38. Dig Line - Damage Prevention	0.00	0	83,600	0.00	0	83,600
39. Donated Funds for Advertising	0.00	0	0	0.00	0	40,000
Commission on Hispanic Affairs						
40. Personnel Fund Shift	0.00	26,000	26,000	0.00	15,300	15,300
Medical Boards						
41. DHW Contract Supplemental	0.00	0	37,300	0.00	0	37,300
Regulatory Boards						
42. Case Hearing & Litigation Costs	0.00	0	0	0.00	0	30,000
Idaho Transportation Department						
Transportation Services						
43. Replace District 3 Shop	0.00	0	4,500,000	0.00	0	1,381,300
Motor Vehicles						
44. IRP Software Replacement	0.00	0	1,000,000	0.00	0	1,000,000
Contract Construction & Right-of-Way Acquisition						
45. TECM Fund	0.00	0	18,161,700	0.00	0	18,161,700
46. Strategic Initiatives Program Fund	0.00	0	27,669,500	0.00	0	27,669,500
47. Emergency Relief Funds	0.00	0	7,506,400	0.00	0	7,506,400
48. Northgate Interchange	0.00	0	3,400,000	0.00	0	3,400,000
General Government						
Office of the Governor						
Military Division						
49. Solar Eclipse	0.00	5,900	5,900	0.00	0	0
50. Land Lease	0.00	52,000	52,000	0.00	52,000	52,000
Secretary of State						
51. Increase Operating Expenditures	0.00	180,000	180,000	0.00	0	0
Total:	9.00	28,798,300	134,525,400	8.00	36,583,000	139,258,700
Grand Total:	9.00	29,008,100	134,735,200	8.00	36,792,700	139,468,400

FTP All Funds Summary by Agency

	FY 2017 Actual	FY 2018 Orig App	FY 2019 Request	Chg From FY 2018 Orig	FY 2019 Gov's Rec	Chg From FY 2018
1 Education						
Public School Support						
Agricultural Research & Extension Service	297.01	301.44	320.34	18.90	320.34	18.90
College and Universities	4,386.83	4,559.88	4,757.06	197.18	4,672.80	112.92
Community Colleges						
Education, Office of the State Board of	28.75	31.25	31.65	0.40	35.25	4.00
Health Education Programs	24.80	25.80	35.15	9.35	30.15	4.35
Career Technical Education	569.46	582.96	582.26	(0.70)	575.26	(7.70)
Idaho Public Television	64.48	65.48	67.48	2.00	68.48	3.00
Special Programs	42.13	43.13	50.07	6.94	43.13	
Superintendent of Public Instruction	142.00	142.00	143.00	1.00	143.00	1.00
Vocational Rehabilitation	152.50	152.50	154.50	2.00	153.50	1.00
Total Education	5,707.96	5,904.44	6,141.51	237.07	6,041.91	137.47
2 Health and Human Services						
Catastrophic Health Care Program						
Health and Welfare, Department of	2,678.43	2,702.38	2,721.71	19.33	2,711.71	9.33
Medicaid, Division of	214.00	216.00	228.00	12.00	220.00	4.00
Public Health Districts						
State Independent Living Council	4.00	4.00	4.00		4.00	
Total Health and Human Services	2,896.43	2,922.38	2,953.71	31.33	2,935.71	13.33
3 Law and Justice						
Correction, Department of	2,005.85	2,024.85	2,062.85	38.00	2,039.85	15.00
Judicial Branch	322.00	334.00	353.00	19.00	353.00	19.00
Juvenile Corrections, Department of	412.00	413.00	417.00	4.00	414.00	1.00
Police, Idaho State	575.85	588.85	621.85	33.00	600.85	12.00
Total Law and Justice	3,315.70	3,360.70	3,454.70	94.00	3,407.70	47.00
4 Natural Resources						
Environmental Quality, Department of	372.00	382.00	386.00	4.00	386.00	4.00
Fish and Game, Department of	558.00	565.00	565.00		565.00	
Land, Board of Commissioners	297.80	315.85	324.85	9.00	324.85	9.00
Parks and Recreation, Department of	164.69	170.44	172.44	2.00	172.44	2.00
Water Resources, Department of	155.00	160.00	161.00	1.00	162.00	2.00
Total Natural Resources	1,547.49	1,593.29	1,609.29	16.00	1,610.29	17.00
5 Economic Development						
Agriculture, Department of	220.75	226.75	240.00	13.25	238.75	12.00
Commerce, Department of	43.00	43.00	43.00		43.00	
Finance, Department of	64.00	66.00	67.00	1.00	67.00	1.00
Industrial Commission	138.25	138.25	138.25		138.25	
Insurance, Department of	73.50	76.50	76.50		76.50	
Labor, Department of	700.00	700.00	700.00		681.58	(18.42)
Public Utilities Commission	52.00	52.00	52.00		52.00	
Self-Governing Agencies	744.70	773.70	789.70	16.00	782.70	9.00
Transportation Department, Idaho	1,678.00	1,648.00	1,648.00		1,648.00	
Total Economic Development	3,714.20	3,724.20	3,754.45	30.25	3,727.78	3.58
6 General Government						
Administration, Department of	138.00	140.00	142.00	2.00	113.00	(27.00)
Administration, Department of Permanent Building Fund						
Attorney General	205.60	208.60	213.60	5.00	210.60	2.00
State Controller	95.00	95.00	95.00		95.00	
Governor, Office of the	749.55	761.55	836.92	75.37	873.92	112.37
Legislative Branch	72.00	73.00	73.00		73.00	
Lieutenant Governor	3.00	3.00	3.00		3.00	
Revenue and Taxation, Department of	456.00	460.00	465.00	5.00	464.00	4.00
Secretary of State	28.00	29.00	31.00	2.00	30.00	1.00
State Treasurer	26.00	26.00	26.00		26.00	
Total General Government	1,773.15	1,796.15	1,885.52	89.37	1,888.52	92.37
Statewide Total:	18,954.93	19,301.16	19,799.18	498.02	19,611.91	310.75

General Fund Request Comparison by Agency

	FY 2018 Approp	FY 2019 Request	Amount Change	Percent Change
1 Education				
Public School Support	1,685,262,200	1,799,106,000	113,843,800	6.8%
Agricultural Research & Extension Service	31,263,300	34,056,600	2,793,300	8.9%
College and Universities	287,053,200	306,669,200	19,616,000	6.8%
Community Colleges	39,400,900	50,133,200	10,732,300	27.2%
Education, Office of the State Board of	5,584,900	5,694,200	109,300	2.0%
Health Education Programs	15,594,200	21,897,100	6,302,900	40.4%
Career Technical Education	65,372,000	67,218,700	1,846,700	2.8%
Idaho Public Television	3,327,200	3,485,300	158,100	4.8%
Special Programs	15,562,200	21,313,300	5,751,100	37.0%
Superintendent of Public Instruction	14,189,200	15,034,400	845,200	6.0%
Vocational Rehabilitation	8,589,000	8,639,100	50,100	0.6%
Total Education	2,171,198,300	2,333,247,100	162,048,800	7.5%
2 Health and Human Services				
Catastrophic Health Care Program	17,999,500	9,999,700	(7,999,800)	(44.4%)
Health and Welfare, Department of	174,203,600	190,593,000	16,389,400	9.4%
Medicaid, Division of	531,903,900	614,861,700	82,957,800	15.6%
Public Health Districts	9,341,700	9,251,300	(90,400)	(1.0%)
State Independent Living Council	214,700	221,500	6,800	3.2%
Total Health and Human Services	733,663,400	824,927,200	91,263,800	12.4%
3 Law and Justice				
Correction, Department of	220,432,300	251,422,000	30,989,700	14.1%
Judicial Branch	49,400,200	50,246,000	845,800	1.7%
Juvenile Corrections, Department of	41,715,600	41,729,800	14,200	0.0%
Police, Idaho State	29,162,400	36,408,700	7,246,300	24.8%
Total Law and Justice	340,710,500	379,806,500	39,096,000	11.5%
4 Natural Resources				
Environmental Quality, Department of	19,621,100	20,147,100	526,000	2.7%
Fish and Game, Department of				
Land, Board of Commissioners	6,070,100	6,115,300	45,200	0.7%
Parks and Recreation, Department of	3,356,600	6,253,400	2,896,800	86.3%
Water Resources, Department of	19,300,500	19,682,800	382,300	2.0%
Total Natural Resources	48,348,300	52,198,600	3,850,300	8.0%
5 Economic Development				
Agriculture, Department of	14,634,200	15,530,400	896,200	6.1%
Commerce, Department of	5,780,500	5,756,300	(24,200)	(0.4%)
Finance, Department of				
Industrial Commission				
Insurance, Department of				
Labor, Department of	341,200	337,000	(4,200)	(1.2%)
Public Utilities Commission				
Self-Governing Agencies	18,208,600	20,640,000	2,431,400	13.4%
Transportation Department, Idaho				
Total Economic Development	38,964,500	42,263,700	3,299,200	8.5%
6 General Government				
Administration, Department of	7,677,400	8,865,500	1,188,100	15.5%
Administration, Department of				
Permanent Building Fund				
Attorney General	23,135,800	23,853,000	717,200	3.1%
State Controller	8,346,000	10,890,400	2,544,400	30.5%
Governor, Office of the	23,953,500	25,881,300	1,927,800	8.0%
Legislative Branch	13,365,300	12,841,600	(523,700)	(3.9%)
Lieutenant Governor	172,900	173,200	300	0.2%
Revenue and Taxation, Department of	36,405,000	36,480,000	75,000	0.2%
Secretary of State	3,220,800	5,554,500	2,333,700	72.5%
State Treasurer	1,413,600	1,411,200	(2,400)	(0.2%)
Total General Government	117,690,300	125,950,700	8,260,400	7.0%
Statewide Total	3,450,575,300	3,758,393,800	307,818,500	8.9%

General Fund Recommendation Comparison by Agency

	FY 2018 Approp	FY 2019 Gov's Rec	Amount Change	Percent Change
1 Education				
Public School Support	1,685,262,200	1,786,946,500	101,684,300	6.0%
Agricultural Research & Extension Service	31,263,300	31,307,100	43,800	0.1%
College and Universities	287,053,200	293,607,000	6,553,800	2.3%
Community Colleges	39,400,900	45,433,900	6,033,000	15.3%
Education, Office of the State Board of	5,584,900	6,778,900	1,194,000	21.4%
Health Education Programs	15,594,200	17,804,200	2,210,000	14.2%
Career Technical Education	65,372,000	65,693,500	321,500	0.5%
Idaho Public Television	3,327,200	2,985,300	(341,900)	(10.3%)
Special Programs	15,562,200	20,500,700	4,938,500	31.7%
Superintendent of Public Instruction	14,189,200	14,698,600	509,400	3.6%
Vocational Rehabilitation	8,589,000	8,599,600	10,600	0.1%
Total Education	2,171,198,300	2,294,355,300	123,157,000	5.7%
2 Health and Human Services				
Catastrophic Health Care Program	17,999,500	9,999,700	(7,999,800)	(44.4%)
Health and Welfare, Department of	174,203,600	187,118,400	12,914,800	7.4%
Medicaid, Division of	531,903,900	600,967,600	69,063,700	13.0%
Public Health Districts	9,341,700	9,389,600	47,900	0.5%
State Independent Living Council	214,700	223,700	9,000	4.2%
Total Health and Human Services	733,663,400	807,699,000	74,035,600	10.1%
3 Law and Justice				
Correction, Department of	220,432,300	239,713,700	19,281,400	8.7%
Judicial Branch	49,400,200	50,946,600	1,546,400	3.1%
Juvenile Corrections, Department of	41,715,600	41,806,600	91,000	0.2%
Police, Idaho State	29,162,400	32,772,200	3,609,800	12.4%
Total Law and Justice	340,710,500	365,239,100	24,528,600	7.2%
4 Natural Resources				
Environmental Quality, Department of	19,621,100	20,411,700	790,600	4.0%
Fish and Game, Department of				
Land, Board of Commissioners	6,070,100	5,995,900	(74,200)	(1.2%)
Parks and Recreation, Department of	3,356,600	4,217,700	861,100	25.7%
Water Resources, Department of	19,300,500	19,488,300	187,800	1.0%
Total Natural Resources	48,348,300	50,113,600	1,765,300	3.7%
5 Economic Development				
Agriculture, Department of	14,634,200	14,506,100	(128,100)	(0.9%)
Commerce, Department of	5,780,500	5,800,900	20,400	0.4%
Finance, Department of				
Industrial Commission				
Insurance, Department of				
Labor, Department of	341,200	342,200	1,000	0.3%
Public Utilities Commission				
Self-Governing Agencies	18,208,600	18,317,800	109,200	0.6%
Transportation Department, Idaho				
Total Economic Development	38,964,500	38,967,000	2,500	0.0%
6 General Government				
Administration, Department of	7,677,400	6,482,900	(1,194,500)	(15.6%)
Administration, Department of				
Permanent Building Fund				
Attorney General	23,135,800	23,537,200	401,400	1.7%
State Controller	8,346,000	10,945,000	2,599,000	31.1%
Governor, Office of the	23,953,500	25,110,100	1,156,600	4.8%
Legislative Branch	13,365,300	12,967,200	(398,100)	(3.0%)
Lieutenant Governor	172,900	175,100	2,200	1.3%
Revenue and Taxation, Department of	36,405,000	36,763,200	358,200	1.0%
Secretary of State	3,220,800	5,150,000	1,929,200	59.9%
State Treasurer	1,413,600	1,424,200	10,600	0.7%
Total General Government	117,690,300	122,554,900	4,864,600	4.1%
Statewide Total	3,450,575,300	3,678,928,900	228,353,600	6.6%

All Funds Request Comparison by Agency

	FY 2018 Approp	FY 2019 Request	Amount Change	Percent Change
1 Education				
Public School Support	2,041,238,400	2,154,455,200	113,216,800	5.5%
Agricultural Research & Extension Service	31,287,300	34,080,600	2,793,300	8.9%
College and Universities	564,958,700	583,957,000	18,998,300	3.4%
Community Colleges	40,000,900	50,933,200	10,932,300	27.3%
Education, Office of the State Board of	9,036,500	9,145,000	108,500	1.2%
Health Education Programs	15,905,800	22,214,400	6,308,600	39.7%
Career Technical Education	74,754,900	76,770,300	2,015,400	2.7%
Idaho Public Television	9,633,100	9,422,000	(211,100)	(2.2%)
Special Programs	19,686,600	25,437,400	5,750,800	29.2%
Superintendent of Public Instruction	38,818,000	39,657,200	839,200	2.2%
Vocational Rehabilitation	28,175,900	28,149,800	(26,100)	(0.1%)
Total Education	2,873,496,100	3,034,222,100	160,726,000	5.6%
2 Health and Human Services				
Catastrophic Health Care Program	17,999,500	9,999,700	(7,999,800)	(44.4%)
Health and Welfare, Department of	575,486,700	606,721,700	31,235,000	5.4%
Medicaid, Division of	2,285,308,600	2,548,565,800	263,257,200	11.5%
Public Health Districts	10,091,700	10,001,300	(90,400)	(0.9%)
State Independent Living Council	741,100	691,300	(49,800)	(6.7%)
Total Health and Human Services	2,889,627,600	3,175,979,800	286,352,200	9.9%
3 Law and Justice				
Correction, Department of	247,123,400	275,869,400	28,746,000	11.6%
Judicial Branch	72,364,100	73,271,000	906,900	1.3%
Juvenile Corrections, Department of	52,776,400	52,054,500	(721,900)	(1.4%)
Police, Idaho State	78,110,200	88,226,400	10,116,200	13.0%
Total Law and Justice	450,374,100	489,421,300	39,047,200	8.7%
4 Natural Resources				
Environmental Quality, Department of	67,899,900	65,852,900	(2,047,000)	(3.0%)
Fish and Game, Department of	108,085,100	109,876,400	1,791,300	1.7%
Land, Board of Commissioners	55,487,700	59,694,300	4,206,600	7.6%
Parks and Recreation, Department of	43,520,700	47,631,100	4,110,400	9.4%
Water Resources, Department of	26,611,800	26,381,600	(230,200)	(0.9%)
Total Natural Resources	301,605,200	309,436,300	7,831,100	2.6%
5 Economic Development				
Agriculture, Department of	48,065,500	48,775,600	710,100	1.5%
Commerce, Department of	38,829,600	42,247,200	3,417,600	8.8%
Finance, Department of	8,355,300	8,532,400	177,100	2.1%
Industrial Commission	16,853,000	16,990,900	137,900	0.8%
Insurance, Department of	9,690,600	10,099,300	408,700	4.2%
Labor, Department of	97,785,700	97,384,600	(401,100)	(0.4%)
Public Utilities Commission	6,572,800	6,591,100	18,300	0.3%
Self-Governing Agencies	102,475,400	94,206,600	(8,268,800)	(8.1%)
Transportation Department, Idaho	665,206,400	702,507,600	37,301,200	5.6%
Total Economic Development	993,834,300	1,027,335,300	33,501,000	3.4%
6 General Government				
Administration, Department of	40,225,800	39,889,900	(335,900)	(0.8%)
Administration, Department of	2,342,000	2,342,000	0	0.0%
Permanent Building Fund	71,425,700	33,657,800	(37,767,900)	(52.9%)
Attorney General	24,714,400	25,406,900	692,500	2.8%
State Controller	16,158,600	18,674,400	2,515,800	15.6%
Governor, Office of the	173,168,100	190,391,300	17,223,200	9.9%
Legislative Branch	15,949,700	15,407,900	(541,800)	(3.4%)
Lieutenant Governor	172,900	173,200	300	0.2%
Revenue and Taxation, Department of	43,987,900	44,021,100	33,200	0.1%
Secretary of State	3,220,800	5,554,500	2,333,700	72.5%
State Treasurer	6,895,000	4,190,700	(2,704,300)	(39.2%)
Total General Government	398,260,900	379,709,700	(18,551,200)	(4.7%)
Statewide Total	7,907,198,200	8,416,104,500	508,906,300	6.4%

All Funds Recommendation Comparison by Agency

	FY 2018 Approp	FY 2019 Gov's Rec	Amount Change	Percent Change
1 Education				
Public School Support	2,041,238,400	2,142,295,700	101,057,300	5.0%
Agricultural Research & Extension Service	31,287,300	31,331,100	43,800	0.1%
College and Universities	564,958,700	574,630,200	9,671,500	1.7%
Community Colleges	40,000,900	46,233,900	6,233,000	15.6%
Education, Office of the State Board of	9,036,500	10,240,200	1,203,700	13.3%
Health Education Programs	15,905,800	18,125,200	2,219,400	14.0%
Career Technical Education	74,754,900	75,258,800	503,900	0.7%
Idaho Public Television	9,633,100	9,448,600	(184,500)	(1.9%)
Special Programs	19,686,600	24,625,300	4,938,700	25.1%
Superintendent of Public Instruction	38,818,000	39,451,800	633,800	1.6%
Vocational Rehabilitation	28,175,900	28,257,400	81,500	0.3%
Total Education	2,873,496,100	2,999,898,200	126,402,100	4.4%
2 Health and Human Services				
Catastrophic Health Care Program	17,999,500	9,999,700	(7,999,800)	(44.4%)
Health and Welfare, Department of	575,486,700	603,688,800	28,202,100	4.9%
Medicaid, Division of	2,285,308,600	2,540,565,300	255,256,700	11.2%
Public Health Districts	10,091,700	10,139,600	47,900	0.5%
State Independent Living Council	741,100	697,800	(43,300)	(5.8%)
Total Health and Human Services	2,889,627,600	3,165,091,200	275,463,600	9.5%
3 Law and Justice				
Correction, Department of	247,123,400	264,404,900	17,281,500	7.0%
Judicial Branch	72,364,100	74,105,700	1,741,600	2.4%
Juvenile Corrections, Department of	52,776,400	52,139,600	(636,800)	(1.2%)
Police, Idaho State	78,110,200	84,149,000	6,038,800	7.7%
Total Law and Justice	450,374,100	474,799,200	24,425,100	5.4%
4 Natural Resources				
Environmental Quality, Department of	67,899,900	66,420,100	(1,479,800)	(2.2%)
Fish and Game, Department of	108,085,100	110,469,300	2,384,200	2.2%
Land, Board of Commissioners	55,487,700	60,060,000	4,572,300	8.2%
Parks and Recreation, Department of	43,520,700	45,477,000	1,956,300	4.5%
Water Resources, Department of	26,611,800	26,261,200	(350,600)	(1.3%)
Total Natural Resources	301,605,200	308,687,600	7,082,400	2.3%
5 Economic Development				
Agriculture, Department of	48,065,500	48,139,700	74,200	0.2%
Commerce, Department of	38,829,600	42,314,000	3,484,400	9.0%
Finance, Department of	8,355,300	8,648,100	292,800	3.5%
Industrial Commission	16,853,000	17,181,100	328,100	1.9%
Insurance, Department of	9,690,600	10,209,400	518,800	5.4%
Labor, Department of	97,785,700	88,276,300	(9,509,400)	(9.7%)
Public Utilities Commission	6,572,800	6,682,600	109,800	1.7%
Self-Governing Agencies	102,475,400	92,455,300	(10,020,100)	(9.8%)
Transportation Department, Idaho	665,206,400	706,303,900	41,097,500	6.2%
Total Economic Development	993,834,300	1,020,210,400	26,376,100	2.7%
6 General Government				
Administration, Department of	40,225,800	35,475,200	(4,750,600)	(11.8%)
Administration, Department of	2,342,000	2,342,000	0	0.0%
Permanent Building Fund	71,425,700	67,772,000	(3,653,700)	(5.1%)
Attorney General	24,714,400	25,216,000	501,600	2.0%
State Controller	16,158,600	18,811,500	2,652,900	16.4%
Governor, Office of the	173,168,100	201,810,600	28,642,500	16.5%
Legislative Branch	15,949,700	15,566,200	(383,500)	(2.4%)
Lieutenant Governor	172,900	175,100	2,200	1.3%
Revenue and Taxation, Department of	43,987,900	44,358,800	370,900	0.8%
Secretary of State	3,220,800	5,150,000	1,929,200	59.9%
State Treasurer	6,895,000	4,232,100	(2,662,900)	(38.6%)
Total General Government	398,260,900	420,909,500	22,648,600	5.7%
Statewide Total	7,907,198,200	8,389,596,100	482,397,900	6.1%

General Fund Three-Year Summary by Agency

	FY 2017 Total Approp	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov's Rec
1 Education					
Public School Support	1,584,669,400	1,584,669,400	1,685,262,200	1,799,106,000	1,786,946,500
Agricultural Research & Extension Service	30,516,700	30,516,700	31,263,300	34,056,600	31,307,100
College and Universities	279,546,500	279,545,000	287,053,200	306,669,200	293,607,000
Community Colleges	38,119,000	38,119,000	39,400,900	50,133,200	45,433,900
Education, Office of the State Board of	3,477,000	2,824,300	5,584,900	5,694,200	6,778,900
Health Education Programs	13,514,000	13,378,300	15,594,200	21,897,100	17,804,200
Career Technical Education	62,057,600	62,045,000	65,372,000	67,218,700	65,693,500
Idaho Public Television	3,022,100	3,022,100	3,327,200	3,485,300	2,985,300
Special Programs	15,430,100	14,912,500	15,562,200	21,313,300	20,500,700
Superintendent of Public Instruction	14,184,800	13,833,100	14,189,200	15,034,400	14,698,600
Vocational Rehabilitation	8,336,100	8,171,100	8,589,000	8,639,100	8,599,600
Total Education	2,052,873,300	2,051,036,500	2,171,198,300	2,333,247,100	2,294,355,300
2 Health and Human Services					
Catastrophic Health Care Program	18,000,000	18,000,000	17,999,500	9,999,700	9,999,700
Health and Welfare, Department of	159,203,300	157,627,500	174,203,600	190,593,000	187,118,400
Medicaid, Division of	513,516,300	512,457,200	531,903,900	614,861,700	600,967,600
Public Health Districts	9,289,500	9,289,500	9,341,700	9,251,300	9,389,600
State Independent Living Council	124,100	124,100	214,700	221,500	223,700
Total Health and Human Services	700,133,200	697,498,300	733,663,400	824,927,200	807,699,000
3 Law and Justice					
Correction, Department of	214,663,200	211,859,900	220,432,300	251,422,000	239,713,700
Judicial Branch	42,415,900	42,234,400	49,400,200	50,246,000	50,946,600
Juvenile Corrections, Department of	40,967,500	39,867,700	41,715,600	41,729,800	41,806,600
Police, Idaho State	27,602,500	27,159,600	29,162,400	36,408,700	32,772,200
Total Law and Justice	325,649,100	321,121,600	340,710,500	379,806,500	365,239,100
4 Natural Resources					
Environmental Quality, Department of	17,908,000	17,908,000	19,621,100	20,147,100	20,411,700
Fish and Game, Department of					
Land, Board of Commissioners	5,411,300	5,326,000	6,070,100	6,115,300	5,995,900
Parks and Recreation, Department of	4,393,200	3,821,900	3,356,600	6,253,400	4,217,700
Water Resources, Department of	18,530,400	18,535,700	19,300,500	19,682,800	19,488,300
Total Natural Resources	46,242,900	45,591,600	48,348,300	52,198,600	50,113,600
5 Economic Development					
Agriculture, Department of	12,555,700	12,510,000	14,634,200	15,530,400	14,506,100
Commerce, Department of	5,813,800	5,660,900	5,780,500	5,756,300	5,800,900
Finance, Department of					
Industrial Commission					
Insurance, Department of					
Labor, Department of	389,600	351,700	341,200	337,000	342,200
Public Utilities Commission					
Self-Governing Agencies	17,673,300	15,342,800	18,208,600	20,640,000	18,317,800
Transportation Department, Idaho					
Total Economic Development	36,432,400	33,865,400	38,964,500	42,263,700	38,967,000
6 General Government					
Administration, Department of	7,665,700	7,323,900	7,677,400	8,865,500	6,482,900
Administration, Department of					
Permanent Building Fund					
Attorney General	22,699,900	22,191,100	23,135,800	23,853,000	23,537,200
State Controller	7,554,200	7,314,700	8,346,000	10,890,400	10,945,000
Governor, Office of the	20,705,600	20,447,800	23,953,500	25,881,300	25,110,100
Legislative Branch	12,881,700	12,647,800	13,365,300	12,841,600	12,967,200
Lieutenant Governor	170,000	170,000	172,900	173,200	175,100
Revenue and Taxation, Department of	37,727,900	35,582,700	36,405,000	36,480,000	36,763,200
Secretary of State	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
State Treasurer	1,405,600	1,363,300	1,413,600	1,411,200	1,424,200
Total General Government	116,466,400	110,961,900	117,690,300	125,950,700	122,554,900
Statewide Total	3,277,797,300	3,260,075,300	3,450,575,300	3,758,393,800	3,678,928,900

All Funds Three-Year Summary by Agency

	FY 2017 Total Approp	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov's Rec
1 Education					
Public School Support	1,926,504,100	1,891,263,900	2,041,238,400	2,154,455,200	2,142,295,700
Agricultural Research & Extension Service	30,540,700	30,516,700	31,287,300	34,080,600	31,331,100
College and Universities	716,253,100	564,667,400	564,958,700	583,957,000	574,630,200
Community Colleges	38,719,000	38,719,000	40,000,900	50,933,200	46,233,900
Education, Office of the State Board of	14,715,300	4,598,400	9,036,500	9,145,000	10,240,200
Health Education Programs	14,159,000	13,573,500	15,905,800	22,214,400	18,125,200
Career Technical Education	78,159,600	71,460,500	74,754,900	76,770,300	75,258,800
Idaho Public Television	9,294,600	8,463,500	9,633,100	9,422,000	9,448,600
Special Programs	18,154,500	16,482,900	19,686,600	25,437,400	24,625,300
Superintendent of Public Instruction	40,890,800	29,330,600	38,818,000	39,657,200	39,451,800
Vocational Rehabilitation	27,794,900	24,878,800	28,175,900	28,149,800	28,257,400
Total Education	2,915,185,600	2,693,955,200	2,873,496,100	3,034,222,100	2,999,898,200
2 Health and Human Services					
Catastrophic Health Care Program	18,000,000	18,000,000	17,999,500	9,999,700	9,999,700
Health and Welfare, Department of	558,479,900	522,035,600	575,486,700	606,721,700	603,688,800
Medicaid, Division of	2,221,946,000	2,121,358,600	2,285,308,600	2,548,565,800	2,540,565,300
Public Health Districts	10,039,500	10,032,800	10,091,700	10,001,300	10,139,600
State Independent Living Council	649,200	408,700	741,100	691,300	697,800
Total Health and Human Services	2,809,114,600	2,671,835,700	2,889,627,600	3,175,979,800	3,165,091,200
3 Law and Justice					
Correction, Department of	244,768,500	239,816,200	247,123,400	275,869,400	264,404,900
Judicial Branch	67,525,600	61,805,300	72,364,100	73,271,000	74,105,700
Juvenile Corrections, Department of	52,465,400	48,449,400	52,776,400	52,054,500	52,139,600
Police, Idaho State	78,015,900	70,903,900	78,110,200	88,226,400	84,149,000
Total Law and Justice	442,775,400	420,974,800	450,374,100	489,421,300	474,799,200
4 Natural Resources					
Environmental Quality, Department of	67,332,600	51,267,500	67,899,900	65,852,900	66,420,100
Fish and Game, Department of	106,595,300	100,216,800	108,085,100	109,876,400	110,469,300
Land, Board of Commissioners	61,200,600	54,404,600	55,487,700	59,694,300	60,060,000
Parks and Recreation, Department of	48,668,700	34,412,800	43,520,700	47,631,100	45,477,000
Water Resources, Department of	28,274,300	25,751,100	26,611,800	26,381,600	26,261,200
Total Natural Resources	312,071,500	266,052,800	301,605,200	309,436,300	308,687,600
5 Economic Development					
Agriculture, Department of	45,616,900	35,301,600	48,065,500	48,775,600	48,139,700
Commerce, Department of	36,332,700	24,149,800	38,829,600	42,247,200	42,314,000
Finance, Department of	8,170,300	7,789,100	8,355,300	8,532,400	8,648,100
Industrial Commission	16,701,400	15,423,300	16,853,000	16,990,900	17,181,100
Insurance, Department of	9,556,900	8,518,500	9,690,600	10,099,300	10,209,400
Labor, Department of	104,899,200	65,073,800	97,785,700	97,384,600	88,276,300
Public Utilities Commission	6,427,000	5,532,300	6,572,800	6,591,100	6,682,600
Self-Governing Agencies	98,162,600	83,880,300	102,475,400	94,206,600	92,455,300
Transportation Department, Idaho	911,198,800	541,601,000	665,206,400	702,507,600	706,303,900
Total Economic Development	1,237,065,800	787,269,700	993,834,300	1,027,335,300	1,020,210,400
6 General Government					
Administration, Department of	35,068,500	31,182,900	42,567,800	42,231,900	37,817,200
Permanent Building Fund	78,344,100	31,098,800	71,425,700	33,657,800	67,772,000
Attorney General	24,282,700	23,297,500	24,714,400	25,406,900	25,216,000
State Controller	17,551,300	14,163,000	16,158,600	18,674,400	18,811,500
Governor, Office of the	151,270,500	129,499,400	173,168,100	190,391,300	201,810,600
Legislative Branch	16,297,300	14,136,800	15,949,700	15,407,900	15,566,200
Lieutenant Governor	170,000	170,000	172,900	173,200	175,100
Revenue and Taxation, Department of	45,228,700	42,768,100	43,987,900	44,021,100	44,358,800
Secretary of State	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
State Treasurer	6,670,400	6,396,000	6,895,000	4,190,700	4,232,100
Total General Government	380,539,300	296,633,100	398,260,900	379,709,700	420,909,500
Statewide Total	8,096,752,200	7,136,721,300	7,907,198,200	8,416,104,500	8,389,596,100

Change in Employee Compensation (CEC) FY 2015 to FY 2019

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 2019

The Governor recommends a 3% CEC to be distributed based on merit. The Governor also recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. 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. It also recommends, and the Governor concurs, that the salary structure should be shifted by 3% to move towards a policy rate that is 10% below the private sector average and within 5% of the average of comparable public sectors. With the exception of the Attorney General, statewide elected officials will receive a 1.5% pay increase in January 2018, as authorized by the 2014 Legislature in Session Laws Chapter 356. The Attorney General's pay now matches state district judges' pay.

FY 2018

The DHR recommended a 3% salary increase for state employees in its statutorily required report to the Governor on state employee compensation and benefits. The Governor recommended a 3% increase in funding distributed on merit for permanent state employees and did not include a compensation increase for group and temporary positions. He also recommended that the pay schedule be shifted upwards by 3% at the minimum, policy, and maximum pay rates in each pay grade. The Governor's recommendation provided funding for a 7% increase for the cost of health insurance, for a total employer-paid premium of \$13,100 per eligible FTP. The Legislature's joint Change in Employee Compensation (CEC) Committee recommended the compensation and health insurance increases, as well, and the Legislature funded those recommendations. The health insurance premium costs will also increase for state employees; the exact amount per employee depends on which plan the employee is enrolled in and whether or not there are dependents on the plan. With the exception of the Attorney General, statewide-elected officials will receive a 1.5% pay increase in January 2018, as authorized during the 2014 session. The Attorney General's pay was adjusted to match state district judges' pay at the beginning of his next term of office. Judicial salaries will increase as follows: magistrate judges by 2.75%; district judges by 2.49%; Court of Appeals judges by 5.92%; and Supreme Court justices by 4.79%. Appointed officials in the Public Utilities Commission, the Tax Commission, and the Industrial Commission all received a 3% CEC. PERSI retirement contribution rates will remain at 11.32% for employers and 6.79% for employees.

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 by \$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.

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

Fiscal Year	Gen Fund Original Approp	% Chg	DHR Recommend*	Agency CEC Funded	Judges CEC Funded	CPI % Change
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%	1.6%
2018	3,450,575,300	5.4%	3.0%	3.0%	3.9%	NA
Avg Chg***		4.57%	3.95%	1.86%	2.95%	2.16%

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

Calendar Year	Statewide Elected Officials	Attorney General	Lt Gov	Governor	Legislators**
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%
2018	1.5%	0.0%	1.5%	1.5%	1.5%
Avg Chg***	2.27%	2.49%	3.36%	1.92%	1.90%

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

***Average annual change (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 2018 Appropriation	FY 2019 Projection	FY 2019 Governor's Rec
Health Insurance (medical, dental)	\$13,132	\$12,711	\$14,988
Retiree Subsidy	\$191	\$167	\$167
Health Insurance Continuation Premium	\$58	\$62	\$62
Administrative Costs	\$42	\$43	\$43
Proposed Use of "Sweep" Funding	(\$323)	(\$619)	(\$690)
Proposed Use of Reserve Funding	\$0	(\$3,628)	(\$2,929)
Annual Approp for Health Benefits	\$13,100	\$8,736	\$11,641

Variable Benefits as a % of Gross Salary:	
FICA - Social Security	6.20%
FICA - Medicare	1.45%
Unemployment Insurance	0.15%
Life Insurance	0.72%
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	22.00%

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 Appropriation	\$11,650	\$11,650	\$11,650
Variable Benefits (22% x Salary)	\$5,492	\$9,153	\$14,644
Benefit Costs for the Employer	\$17,142	\$20,803	\$26,294
Ratio of Benefit Costs to Salary	69%	50%	40%

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 2017: Employee-paid premiums did not change.

FY 2018: Employee-paid premiums increased \$84 - \$348 per year, depending on plan type and number of enrolled dependents.

FY 2019: Employee-paid premiums are expected to increase \$48 - \$264 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	\$672	\$1,692	\$1,164	\$1,572	\$2,124	\$2,436
Traditional	\$828	\$2,040	\$1,452	\$1,896	\$2,568	\$2,868
High Deductible	\$540	\$1,440	\$960	\$1,308	\$1,788	\$2,004

Variable Benefits as a % of Gross Salary:

FICA - Social Security	6.20% (to \$127,200)
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
Health & Dental Insurance (Average Cost per Employee)	\$1,999	\$1,999	\$1,999
Variable Benefits (14.44% x Salary)	\$3,604	\$6,007	\$9,611
Benefit Costs for the Employee	\$5,604	\$8,006	\$11,611
Ratio of Benefit Costs to Salary	22%	19%	17%

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 1997 to FY 2018

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
2018	\$1,685.3	\$287.1	\$198.9	\$2,171.2	\$706.1	\$262.1	\$311.1	\$3,450.6
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

Percentage of Total

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare	Adult & Juv Corrections	All Other Agencies	Total
2018	48.8%	8.3%	5.8%	62.9%	20.5%	7.6%	9.0%	100%
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%

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".

Twenty-Two Year History of General Fund

Change from Previous Original Appropriations: FY 1997 to FY 2018

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
2018	\$100.6	\$7.5	\$11.4	\$119.5	\$29.0	\$6.0	\$23.1	\$177.6
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)	(\$0.0)	\$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	\$4.4	\$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	\$9.9	\$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	\$6.6	\$1.1	\$16.1	(\$1.9)	\$11.7	\$3.3	\$26.3
1997	\$25.5	\$7.1	\$5.5	\$38.1	\$14.2	\$5.2	\$6.4	\$63.9

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
2018	6.3%	2.7%	6.1%	5.8%	4.3%	2.3%	8.0%	5.4%
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%

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".

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 of 2015) 1% of FY 201	28,154,293	189,668,400
FY 2015	Transfer from General Fund §57-814(4) (H312a of 2015) Surplus	54,152,455	243,820,855
FY 2016	Transfer from General Fund §57-814(2) (H312a of 2015)	4,657,880	248,478,735
FY 2016	Transfer from General Fund §57-814(4) (H312a of 2015) Surplus	10,965,530	259,444,266
FY 2017	Transfer from General Fund §57-814(2) (S1206 of 2017)	31,836,900	291,281,166
FY2017	Transfer from General Fund §57-814(4) (S1206 of 2017) Surplus	27,464,300	318,745,466
Note 1:	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.		

State of Idaho Major Reserve Fund Balances

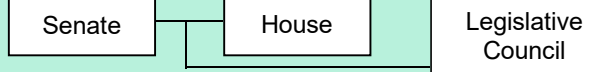
Emergency Funds include: 1) Governor's Emergency, Section 57-1601, Idaho Code; and 2) Disaster Emergency, Section 46-1005A, Idaho Code, which includes both Federal Emergency Management Act and state moneys.

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	\$ 0.000	\$ 4.233	\$ 79.281
11. Balance June 30, 2013	\$ 135.138	\$ 49.049	\$ 0.057	\$ 15.492	\$ 0.000	\$ 3.424	\$ 203.161
12. Balance June 30, 2014	\$ 161.514	\$ 72.851	\$ 0.057	\$ 20.235	\$ 2.000	\$ 3.373	\$ 260.029
13. Balance June 30, 2015	\$ 243.821	\$ 90.948	\$ 0.057	\$ 25.409	\$ 2.000	\$ 2.795	\$ 365.030
14. Balance June 30, 2016	\$ 259.444	\$ 88.551	\$ 20.092	\$ 29.787	\$ 2.005	\$ 2.567	\$ 402.447
FY 2017 Actuals							
15. Interest Earnings and Revenues		0.317	0.118	0.253	0.058	0.577	1.323
16. Transfers In (Out)		2.332		4.593	5.000		11.925
17. Disbursements		(5.656)	(19.840)	(1.048)		(0.795)	(27.339)
18. Transfers from GF §57-814 Δ 8.31%	31.837						31.837
19. End-of-Year Surplus Eliminator	27.464						27.464
20. Balance June 30, 2017	\$ 318.745	\$ 85.545	\$ 0.370	\$ 33.584	\$ 7.063	\$ 2.350	\$ 447.657
General Fund Revenue = \$ 3,448.4 9.2% 2.5% 0.0% 1.0% 0.2% 0.1% 13.0%							
The balance in Idaho's major reserve funds at the end of FY 2017 (line 20) was \$447.7 million or 13.0% of the FY 2017 General Fund Revenue Collections.							
* FY 2018 Estimates							
21. Interest Earnings and Revenues		0.519	0.004	0.337	0.071		0.930
22. Transfers In (Out)				5.000			5.000
23. Disbursements		(20.780)	0.000	(1.296)	(5.000)		(27.076)
24. Transfers from GF §57-814 Δ 4.85%	30.892						30.892
25. End-of-Year Transfers							0.000
26. Estimate* June 30, 2018	\$ 349.637	\$ 65.284	\$ 0.374	\$ 37.625	\$ 2.133	\$ 2.350	\$ 457.403
General Fund Revenue = \$ 3,615.8 9.7% 1.8% 0.0% 1.0% 0.1% 0.1% 12.7%							
The balance in Idaho's major reserve funds at the end of FY 2018 (line 26) is estimated to be \$457.4 million or 12.7% of the FY 2018 General Fund Revenue Estimate.							
* FY 2019 Estimates							
27. Interest Earnings and Revenues		0.653	0.004	0.373	0.021		1.050
28. Transfers In (Out)				5.000			5.000
29. Disbursements			0.000	(1.500)			(1.500)
30. Transfers from GF §57-814 S1206 of 2017 sunset	0.000						0.000
31. End-of-Year Transfers							0.000
32. Estimate* June 30, 2019	\$ 349.637	\$ 65.937	\$ 0.377	\$ 41.497	\$ 2.155	\$ 2.350	\$ 461.953
General Fund Revenue = \$ 3,780.5 9.2% 1.7% 0.0% 1.1% 0.1% 0.1% 12.2%							
The balance in Idaho's major reserve funds at the end of FY 2019 (line 32) is estimated to be \$462.0 million or 12.2% of the FY 2019 General Fund Revenue Estimate.							

State of Idaho Organizational Chart

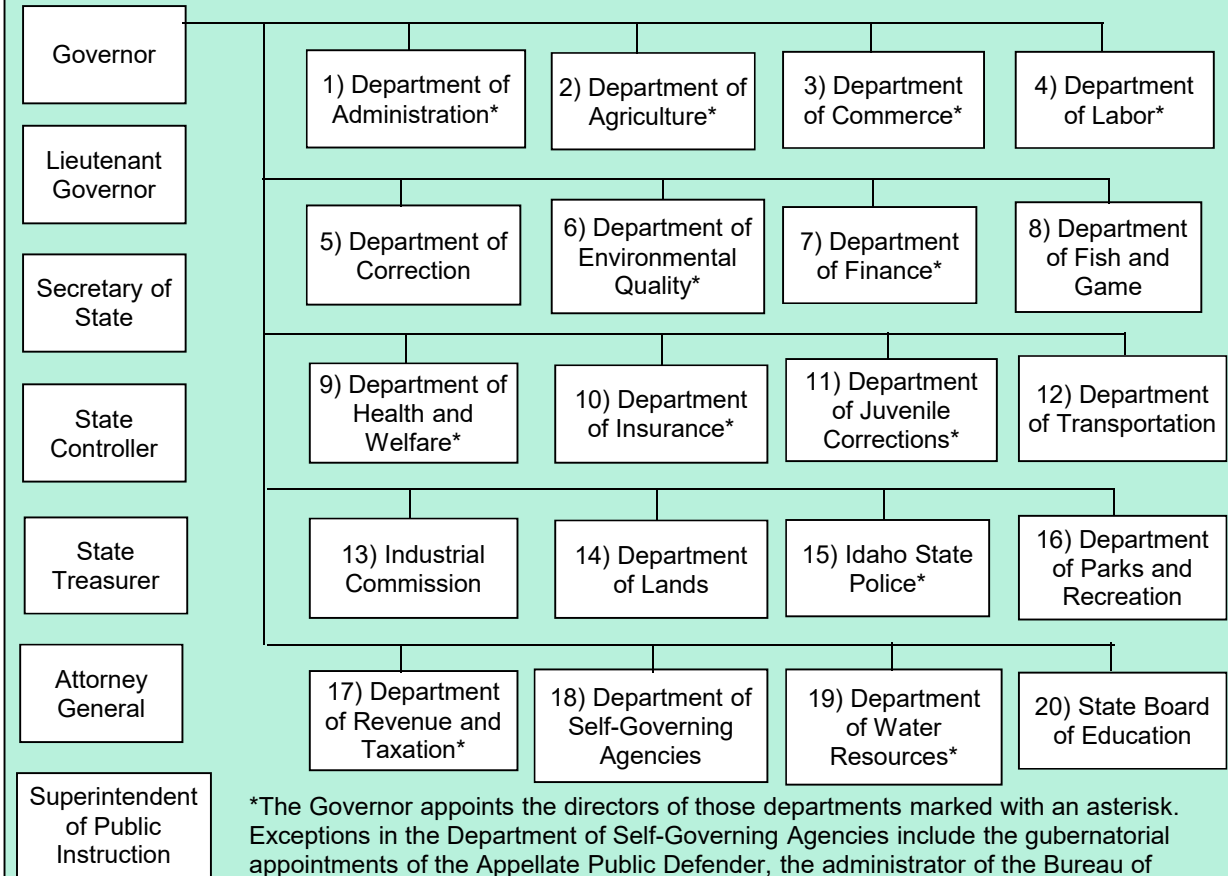
Article II, Section 1, Idaho State Constitution: The powers of the government of this state are divided into three distinct departments, the legislative, executive and judicial; and no person or collection of persons charged with the exercise of powers properly belonging to one of these departments shall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

Article III. Legislative Department (Branch)



IV. Executive Department (Branch)

Article IV, Section 20 limits the number of executive departments to 20. Section 67-2402, Idaho Code, lists the 20 executive departments of state government. Divisions and bureaus are the standard subunits of executive departments.



*The Governor appoints the directors of those departments marked with an asterisk. Exceptions in the Department of Self-Governing Agencies include the gubernatorial appointments of the Appellate Public Defender, the administrator of the Bureau of Occupational Licenses, and the administrator of Building Safety.

V. Judicial Department (Branch)



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

2018 Legislative Session

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Idaho Legislative Budget Book

Public School Support

2018 Legislative Session

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Public School Support

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Administrators	86,798,500	86,107,700	90,616,400	94,210,600	93,724,700
Teachers	855,733,000	840,904,600	924,988,500	974,201,300	976,479,600
Operations	613,571,500	618,176,500	653,649,000	694,434,700	676,412,900
Children's Programs	296,015,800	272,797,600	298,637,800	309,410,900	315,854,300
Facilities	49,410,500	49,410,500	48,486,600	55,761,000	53,545,700
Central Services	14,662,500	13,887,400	13,975,800	15,304,100	15,304,100
Deaf & Blind, Educational Svcs for the	10,312,300	9,979,600	10,884,300	11,132,600	10,974,400
Total:	1,926,504,100	1,891,263,900	2,041,238,400	2,154,455,200	2,142,295,700
BY FUND CATEGORY					
General	1,584,669,400	1,584,669,400	1,685,262,200	1,799,106,000	1,786,946,500
Dedicated	77,496,200	77,387,000	91,637,700	91,010,700	91,010,700
Federal	264,338,500	229,207,500	264,338,500	264,338,500	264,338,500
Total:	1,926,504,100	1,891,263,900	2,041,238,400	2,154,455,200	2,142,295,700
Percent Change:		(1.8%)	7.9%	5.5%	5.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	0	0	0	8,648,100	8,499,300
Operating Expenditures	14,662,500	12,593,300	13,975,800	17,576,100	17,576,100
Capital Outlay	0	1,300	0	212,500	203,100
Trustee/Benefit	10,312,300	12,047,500	10,884,300	0	0
Lump Sum	1,901,529,300	1,866,621,800	2,016,378,300	2,128,018,500	2,116,017,200
Total:	1,926,504,100	1,891,263,900	2,041,238,400	2,154,455,200	2,142,295,700

Department Description

The Public School Support budget provides 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 2018 Original Appropriation	0.00	1,685,262,200	2,041,238,400	0.00	1,685,262,200	2,041,238,400
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	0.00	1,685,262,200	2,041,238,400	0.00	1,685,262,200	2,041,238,400
Removal of Onetime Expenditures	0.00	(2,342,800)	(5,342,800)	0.00	(2,342,800)	(5,342,800)
FY 2019 Base	0.00	1,682,919,400	2,035,895,600	0.00	1,682,919,400	2,035,895,600
Benefit Costs	0.00	5,656,500	5,656,500	0.00	(197,900)	(197,900)
Replacement Items	0.00	182,500	182,500	0.00	178,100	178,100
Public School Salary Change	0.00	2,346,400	2,346,400	0.00	7,021,100	7,021,100
Change in Employee Compensation	0.00	31,600	31,600	0.00	92,800	92,800
Nondiscretionary Adjustments	0.00	71,337,100	70,427,100	0.00	68,977,800	68,067,800
Endowment Adjustments	0.00	(3,276,000)	7,000	0.00	(3,276,000)	7,000
FY 2019 Program Maintenance	0.00	1,759,197,500	2,114,546,700	0.00	1,755,715,300	2,111,064,500
Line Items						
Administrators						
11. Administrators Addl 2% Salary Increase	0.00	1,808,600	1,808,600	0.00	0	0
Teachers						
1. College/Career Advisors and Mentors	0.00	2,000,000	2,000,000	0.00	5,000,000	5,000,000
10. Professional Development	0.00	0	0	0.00	4,000,000	4,000,000
Operations						
3. Classroom Technology	0.00	10,000,000	10,000,000	0.00	10,000,000	10,000,000
5. Classified Addl 4% Salary Increase	0.00	5,780,700	5,780,700	0.00	0	0
6. Discretionary: Health Insurance	0.00	7,209,300	7,209,300	0.00	0	0
7. Discretionary: Other	0.00	7,133,400	7,133,400	0.00	0	0
Children's Programs						
2. Mastery-Based System Development	0.00	1,050,000	1,050,000	0.00	1,050,000	1,050,000
8. Limited English Proficiency	0.00	1,000,000	1,000,000	0.00	1,000,000	1,000,000
13. Literacy Proficiency	0.00	0	0	0.00	6,500,000	6,500,000
Central Services						
2. Mastery-Based System Development	0.00	350,000	350,000	0.00	350,000	350,000
4. Literacy Intervention and IRI Replacement	0.00	433,800	433,800	0.00	433,800	433,800
6. Content and Curriculum	0.00	300,000	300,000	0.00	300,000	300,000
9. Student Achievement Assessments	0.00	1,341,500	1,341,500	0.00	1,341,500	1,341,500
10. Professional Development	0.00	250,000	250,000	0.00	250,000	250,000
12. Wireless Infrastructure	0.00	795,000	795,000	0.00	795,000	795,000
Educational Services for the Deaf & Blind						
1. Career Ladder Equivalence	0.00	426,200	426,200	0.00	185,900	185,900
2. Hydraulic Snowplow Attachment	0.00	5,000	5,000	0.00	0	0
3. Portable Auditory Response Testing	0.00	25,000	25,000	0.00	25,000	25,000
FY 2019 Total	0.00	1,799,106,000	2,154,455,200	0.00	1,786,946,500	2,142,295,700
Chg from FY 2018 Orig Approp.	0.00	113,843,800	113,216,800	0.00	101,684,300	101,057,300
% Chg from FY 2018 Orig Approp.		6.8%	5.5%		6.0%	5.0%

Public School Support Agency Profile

Analyst: Lockett

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 by the task force in September of 2013 included 20 recommendations for structural change, fiscal stability, and for creating effective teachers and leaders. Column (a) in the table below shows the funding appropriated during the past three fiscal years, which is included in the ongoing FY 2018 Base. Column (b) shows the amount in the FY 2019 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 ongoing appropriation plus the new funds requested or recommended for FY 2019. The task force's report can be accessed at <http://www.boardofed.idaho.gov/>.

		(a)	(b)	(c)
		FY 2018 Ongoing in Base	FY 2019 Supt. Ybarra Request	FY 2019 Governor's Rec.
All Dollars in Millions				
Structural Changes				
1	Mastery Based System	\$1.4	\$2.8	\$2.8
2	Idaho Core Standards			
3	Literacy Proficiency	11.4	11.9	18.4
4	Advanced Opportunities	7.0	15.0	15.0
5	Accountability for Student Outcomes Empower			
6	Autonomy			
7	Strategic Planning (see #18)			
8	Statewide Electronic Collaboration System (IMS)	3.0	3.0	3.0
9	Bandwidth / Wireless Infrastructure	2.7 ¹	6.5	6.5
10	Educator and Student Technology Devices	20.3	27.3	27.3
Subtotal		\$45.8	\$66.5	\$73.0
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	135.0	176.7	176.7
13	Enrollment Model of Funding			
14	Tiered Licensure			
15	Mentoring Program			
16	Job-Embedded Professional Learning	21.0	21.2	25.2
17	Site-Based Collaboration Teachers/Leaders			
18	Training Admins., Supts., School Boards	0.7 ³	0.7	0.7
19	Enhanced Pre-Service Teaching Opportunities			
20	Recommendations for Teacher Preparation			
Subtotal		\$240.6	\$282.5	\$286.5
Total		\$286.4	\$349.0	\$359.5

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 five years, but on a onetime basis, and therefore, does not show here as ongoing in the FY 2019 Base.

2. The goal of reaching \$25,696 per support unit was met with the addition of \$83.9 million above the maintenance level. The amount for FY 2018 is \$26,748 per support unit.

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

Agency Profile

Analyst: Lockett

FY 2018 Appropriation, FY 2019 Request, and FY 2019 Governor's Recommendation

Source of Funds		FY 2018 Original Appropriation	FY 2019 Supt. Ybarra Request	FY 2019 Governor's Recommendation
General Fund		\$1,685,262,200	\$1,799,106,000	\$1,786,946,500
Dedicated Funds		\$91,637,700	\$91,010,700	\$91,010,700
Federal Funds		\$264,338,500	\$264,338,500	\$264,338,500
TOTAL FUNDS		\$2,041,238,400	\$2,154,455,200	\$2,142,295,700
<i>General Fund Percent Change from Previous Year:</i>		6.3%	6.8%	6.0%
<i>Total Funds Percent Change from Previous Year:</i>		6.0%	5.5%	5.0%
Statutory Distributions	Idaho Code			
1 Transportation	\$33-1006	\$71,643,800	\$73,900,400	\$73,900,400
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	5,390,900	5,390,900	5,390,900
4 Salary-based Apportionment	\$33-1002(2)(f), \$33-1004E(4)(5)	195,929,000	205,950,200	203,518,300
5 State Paid Employee Benefits	\$33-1004F	36,834,700	39,913,200	38,180,000
6 Career Ladder Salaries	\$33-1004B	726,236,400	761,566,200	761,566,200
7 Career Ladder Benefits	\$33-1004F	136,532,400	147,591,500	142,869,800
8 Bond Levy Equalization	\$33-906, -906A, -906B	20,500,000	25,399,800	23,184,500
9 Idaho Digital Learning Academy	\$33-1020	9,122,000	9,845,100	9,788,500
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	5,478,100	5,930,000	5,930,000
12 Advanced Opportunities	\$33-4602	7,000,000	15,000,000	15,000,000
13 National Board Teacher Certification	\$33-1004E(2)	90,000	90,000	90,000
14 Facilities (Lottery)	\$33-905, \$67-7434	18,075,000	18,562,500	18,562,500
15 Facilities State Match (General Fund)	\$33-1019	3,827,500	3,905,000	3,905,000
16 Facilities - Charter School Funding	\$33-5208(5)	6,084,100	7,893,700	7,893,700
17 Leadership Premiums	\$33-1002(2)(o), \$33-1004J	17,401,600	17,773,600	17,773,600
18 Continuous Improvement Plans and Training	\$33-320(4)	652,000	652,000	652,000
19 Mastery Based System	\$33-1002(2)(s), \$33-1632	1,400,000	2,800,000	2,800,000
20 Online Class Portal	\$33-1024	150,000	150,000	150,000
21 Literacy Proficiency	\$33-1002(2)(r), \$33-1614-1616	11,416,200	11,850,000	18,350,000
22 Academic & College/Career Advisors	\$33-1002(2)(q), -1212A	7,000,000	9,000,000	12,000,000
23 Innovation Schools	\$33-5804(3)	100,000	100,000	100,000
24 Sub-total -- Statutory Requirements		\$1,286,088,600	\$1,368,489,000	\$1,366,830,300
Other Program Distributions				
25 Math Initiative		\$1,817,800	\$1,817,800	\$1,817,800
26 Remediation Based on ISAT		5,456,300	5,456,300	5,456,300
27 Limited English Proficiency (LEP)		3,870,000	4,870,000	4,870,000
28 IT Staffing		7,500,000	7,500,000	7,500,000
29 Technology (Classroom, WiFi Contract/Distribute, IMS)		28,142,000	36,795,000	36,795,000
30 Student Achievement Assessments		1,758,500	3,100,000	3,100,000
31 Prof. Development and Gifted & Talented		20,950,000	21,200,000	25,200,000
32 Content and Curriculum		5,050,000	5,350,000	5,350,000
33 Bureau of Services for the Deaf & Blind (Campus)		6,921,100	7,086,400	7,018,000
34 Bureau of Services for the Deaf & Blind (Outreach)		3,963,200	4,046,200	3,956,400
35 Federal Funds		264,115,000	264,115,000	264,115,000
36 Sub-total -- Other Program Distributions		\$349,543,900	\$361,336,700	\$365,178,500
37 TOTAL CATEGORICAL EXPENDITURES (row 24 + row 36)		\$1,635,632,500	\$1,729,825,700	\$1,732,008,800
38 STATE DISCRETIONARY FUNDS (Total Funds - row 37)		\$405,605,900	\$424,629,500	\$410,286,900
39 ESTIMATED SUPPORT UNITS		15,164	15,339	15,339
40 STATE DISCRETIONARY \$ PER SUPPORT UNIT (row 38 / row 39)		\$26,748	\$27,683	\$26,748
<i>Discretionary Funding per Support Unit, Change from Previous Year:</i>		4.1%	3.5%	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 465 students categorized as secondary students (grades 7-12) would be assigned a divisor of 16.0, which means that the school district would receive 29 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 service staff, 0.075 for administrative staff, and 0.375 for classified staff. Pupil service staff include positions such as school counselors, librarians, and special education instructors. The total staff allowance is 1.55.

The **Base Salary** for FY 2018 is assigned for administrators at \$35,132 and for classified staff at \$21,034 in Section 33-1004E, Idaho Code.

The **Experience/Education Index** provides 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 instructional and pupil service 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 included \$515,000 for unemployment insurance in FY 2017.

Discretionary Funds are appropriated dollars 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. In FY 2018, approximately 25% of all state funds were discretionary (\$405,605,900). Of that amount, approximately 42% is estimated to be used for health insurance premium payments at school districts and charter schools.

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. Salaries for instructional and pupil service staff are determined by the career ladder salary schedule in Section 33-1004B and E, 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 estimated at 18.76% and include the employer costs for PERSI, FICA, and unemployment insurance.

Salary-Based Apportionment
multiplied by
State-Paid Variable Benefit Rate at 18.76%
= 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 2018, \$405,605,900 was available to be disbursed among an estimated 15,164 support units, resulting in \$26,748 per support unit.

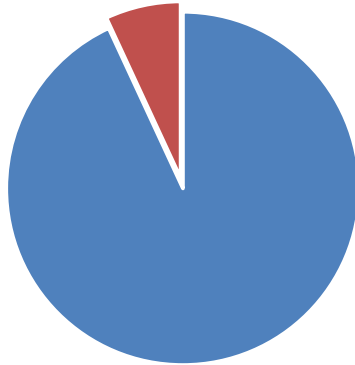
Available Discretionary Funds
divided by
Estimated Support Units
= Per Unit Discretionary Funds

Public School Support Agency Profile

Analyst: Lockett

Traditional Public and Public Charter School Fall Enrollment was 298,787 Students During the 2016/2017 School Year

Enrollment in 50 Charter
Schools was 21,437



Traditional School Enrollment in
115 Districts was 277,350

During the 2016/2017 School year, fall enrollment at public charter schools was 21,437, or 7.2%, 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 an average of 900 students per year during the past four years.

School Year Metrics

	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018
Fall Enrollment	278,522	281,612	281,772	287,247	289,063	291,022	294,471	298,787	Not yet avail.
Avg. Daily Attendance	264,684	266,455	268,324	266,483	273,110	276,033	279,300	282,848	Not yet avail.
Mid-Term Support Units	14,094	14,217	14,278	14,330	14,555	14,683	14,862	15,064	Not yet avail.
Full-Term Support Units	14,049	14,147	14,200	14,278	14,472	14,601	14,806	15,020	Not yet avail.
Original Appropriation (in millions)									
General Fund	\$1,231.4	\$1,214.3	\$1,223.6	\$1,279.8	\$1,308.4	\$1,374.6	\$1,475.8	\$1,584.7	\$1,685.3
Dedicated Funds	64.1	91.1	68.5	66.9	74.6	86.8	74.2	77.5	91.6
Federal Funds	415.3	277.0	268.9	220.1	215.2	215.2	264.3	264.3	264.3
Total	\$1,710.8	\$1,582.4	\$1,561.0	\$1,566.8	\$1,598.2	\$1,676.6	\$1,814.3	\$1,926.5	\$2,041.2
General Fund % Change from Previous Year									
	-13.2%	-1.4%	0.8%	4.6%	2.2%	5.1%	7.4%	7.4%	6.3%
Total Funds % Change from Previous Year									
	0.9%	-7.5%	-1.4%	0.4%	2.0%	4.9%	8.2%	6.2%	6.0%
Discretionary Funds per Support Unit									
	\$25,459	\$26,011*	\$19,626	\$19,706	\$20,000	\$22,401	\$23,868	\$25,696	\$26,748

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

Sources: Legislative Fiscal Reports at <http://legislature.idaho.gov/budget/publications.htm> and <http://www.sde.idaho.gov/finance/index.html#attendance>

Administrators

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	86,798,500	86,107,700	90,616,400	94,210,600	93,724,700
Percent Change:		(0.8%)	5.2%	4.0%	3.4%
BY OBJECT OF EXPENDITURE					
Lump Sum	86,798,500	86,107,700	90,616,400	94,210,600	93,724,700

Division Description

The Administrators Division provides state support for salaries and benefits of administrators (superintendents, assistant superintendents, principals, assistant principals, and program directors) in Idaho's 115 school districts and 63 public charter schools, grades K-12.

Administrators

Comparative Summary

Analyst: Lockett

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	90,616,400	90,616,400	0.00	90,616,400	90,616,400
FY 2019 Base	0.00	90,616,400	90,616,400	0.00	90,616,400	90,616,400
Benefit Costs	0.00	447,000	447,000	0.00	0	0
Public School Salary Change	0.00	903,000	903,000	0.00	2,704,200	2,704,200
Nondiscretionary Adjustments	0.00	435,600	435,600	0.00	404,100	404,100
FY 2019 Program Maintenance	0.00	92,402,000	92,402,000	0.00	93,724,700	93,724,700
11. Administrators Addl 2% Salary Increase	0.00	1,808,600	1,808,600	0.00	0	0
FY 2019 Total	0.00	94,210,600	94,210,600	0.00	93,724,700	93,724,700
Change from Original Appropriation	0.00	3,594,200	3,594,200	0.00	3,108,300	3,108,300
% Change from Original Appropriation		4.0%	4.0%		3.4%	3.4%

Administrators

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	90,616,400	0	0	90,616,400
FY 2019 Base					
Agency Request	0.00	90,616,400	0	0	90,616,400
Governor's Recommendation	0.00	90,616,400	0	0	90,616,400

Benefit Costs

The request is for \$447,000 ongoing from the General Fund, which is equal to a 5.5% increase, for the PERSI contribution rate increase that is scheduled to take effect in FY 2019 (employer contribution rate scheduled to go from 11.32% to 11.94% of each employee's salary).

Agency Request	0.00	447,000	0	0	447,000
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The Governor's recommendation reflects the scheduled changes in the employer variable benefits cost, including the October 2017 vote of the Public Employee Retirement System of Idaho Retirement Board to delay the scheduled employer contribution increase.

Governor's Recommendation	0.00	0	0	0	0
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Public School Salary Change

Agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees, from \$35,132 to \$35,483. For the Administrators Division, this includes salaries at \$758,300 and state-paid employee benefits at \$144,700.

Agency Request	0.00	903,000	0	0	903,000
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The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis. Salary apportionment will increase by \$2,277,000, and benefits will increase by \$427,200.

Governor's Recommendation	0.00	2,704,200	0	0	2,704,200
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Nondiscretionary Adjustments

Administrators

An estimated increase of 165 mid-term support units will require \$956,000 from the General Fund. Of this amount, \$802,800 is for salaries and \$153,200 is for state-paid employee benefits. Other nondiscretionary adjustments include a decrease in the Administrators Division statewide education and experience index, requiring a reduction of \$437,000 in salaries and a reduction in state-paid employee benefits of \$83,400, for a total adjustment that nets to \$435,600.

Agency Request	0.00	435,600	0	0	435,600
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The Governor recommends General Fund for a projected 165 mid-term support unit increase, from 15,239 to 15,404. This reflects the cost that is attributable to the administrators' portion of the salary-based apportionment funding formula. Salary apportionment will increase by \$802,800 and benefits will increase by \$150,500.

The Governor recommends a reduction in the General Fund for administrators due to a decrease in the experience and education multiplier from 1.84244 to 1.83105. The decrease is due to the number of school districts eligible for the statutory Small District Staff Allowance increasing from 54 to 55. Salary apportionment will decrease by \$437,000, and benefits will decrease by \$82,000. This reflects the cost that is attributable to the administrators' portion of the salary-based apportionment funding formula.

The Governor recommends a reduction in benefit apportionment of \$30,200 based on the most recent data available, which shows some school districts and charter schools spend less on benefits than apportioned.

Governor's Recommendation	0.00	404,100	0	0	404,100
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FY 2019 Program Maintenance					
Agency Request	0.00	92,402,000	0	0	92,402,000
Governor's Recommendation	0.00	93,724,700	0	0	93,724,700

Administrators

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
11. Administrators Addl 2% Salary Increase					Administrators
This request is for an additional 2% salary increase, above the 1% change in employee compensation placeholder, for administrators. If funded, the base salary for administrators will go from \$35,483 to \$36,186, and will require \$1,518,700 for salaries and \$289,900 for the state-paid employee benefits.					
Agency Request	0.00	1,808,600	0	0	1,808,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	0.00	94,210,600	0	0	94,210,600
Governor's Recommendation	0.00	93,724,700	0	0	93,724,700
Agency Request					
Change from Original App	0.00	3,594,200	0	0	3,594,200
% Change from Original App		4.0%			4.0%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	3,108,300	0	0	3,108,300
% Change from Original App		3.4%			3.4%

Teachers

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	840,733,000	830,128,600	909,988,500	959,201,300	961,479,600
Federal	15,000,000	10,776,000	15,000,000	15,000,000	15,000,000
Total:	855,733,000	840,904,600	924,988,500	974,201,300	976,479,600
Percent Change:		(1.7%)	10.0%	5.3%	5.6%
BY OBJECT OF EXPENDITURE					
Lump Sum	855,733,000	840,904,600	924,988,500	974,201,300	976,479,600

Division Description

The Teachers Division provides state and federal funding support for instructional and pupil service staff salaries and benefits, and other programs specific to certificated instructors in Idaho's 115 school districts and 63 public charter schools, grades K-12.

Teachers

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	909,988,500	924,988,500	0.00	909,988,500	924,988,500
FY 2019 Base	0.00	909,988,500	924,988,500	0.00	909,988,500	924,988,500
Benefit Costs	0.00	4,721,700	4,721,700	0.00	0	0
Nondiscretionary Adjustments	0.00	42,491,100	42,491,100	0.00	42,491,100	42,491,100
FY 2019 Program Maintenance	0.00	957,201,300	972,201,300	0.00	952,479,600	967,479,600
1. College/Career Advisors and Mentors	0.00	2,000,000	2,000,000	0.00	5,000,000	5,000,000
10. Professional Development	0.00	0	0	0.00	4,000,000	4,000,000
FY 2019 Total	0.00	959,201,300	974,201,300	0.00	961,479,600	976,479,600
Change from Original Appropriation	0.00	49,212,800	49,212,800	0.00	51,491,100	51,491,100
% Change from Original Appropriation		5.4%	5.3%		5.7%	5.6%

Teachers

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	909,988,500	0	15,000,000	924,988,500
FY 2019 Base					
Agency Request	0.00	909,988,500	0	15,000,000	924,988,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>909,988,500</i>	<i>0</i>	<i>15,000,000</i>	<i>924,988,500</i>

Benefit Costs

The request is for \$4,721,700 ongoing from the General Fund, which is equal to a 5.5% increase, for the PERSI contribution rate increase that is scheduled to take effect in FY 2019 (employer contribution rate scheduled to go from 11.32% to 11.94% of each employee's salary).

Agency Request	0.00	4,721,700	0	0	4,721,700
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The Governor's recommendation reflects the scheduled changes in the employer variable benefits cost, including the October 2017 vote of the Public Employee Retirement System of Idaho Retirement Board to delay the scheduled employer contribution increase.

<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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Nondiscretionary Adjustments

Nondiscretionary adjustments include year four of the five-year phase-in of the career ladder compensation system for Idaho's educational instructors. This system was created by H296 during the 2015 session. The amount requested for FY 2019 is \$41,667,200.

There is also a statutory increase of \$372,000 for leadership awards and premiums due to increased full-time equivalent instructional and pupil service positions (FTP). The increase is a result of 368.00 additional FTP working in the public school system, going from 17,208.00 FTP to 17,576.00 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 \$451,900 for additional high school math and science requirements. All of these nondiscretionary adjustments net to \$42,491,100.

Agency Request	0.00	42,491,100	0	0	42,491,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>42,491,100</i>	<i>0</i>	<i>0</i>	<i>42,491,100</i>

FY 2019 Program Maintenance					
Agency Request	0.00	957,201,300	0	15,000,000	972,201,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>952,479,600</i>	<i>0</i>	<i>15,000,000</i>	<i>967,479,600</i>

Teachers

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. College/Career Advisors and Mentors					Teachers

This is a request for \$2,000,000 ongoing from the General Fund to support college advising and career mentorship in Idaho schools. The FY 2018 appropriation was \$7,000,000 and if this additional request is funded, it would bring the total to \$9,000,000 for advising and mentoring. Based on a formula allocation to school districts and public charter schools, the funds support students in identifying career fields of interest, understanding how to apply for college and federal financial aid (FAFSA), establishing six-year learning plans, applying for scholarships, and creating a school culture where education after high school becomes the expectation.

This program aligns with the State Board of Education's goal for 60% of Idahoans between the ages of 25 and 34 to attain a postsecondary degree or certificate by the year 2020. Additionally, college advising and career mentoring supports the State Department of Education's goal that all Idaho students persevere in life, and are ready for college and careers.

Specific activities supported by these funds include:

1. Hiring classified or certified personnel to advise and mentor students;
2. Paying for licensing fees (for services like e-advising);
3. Conducting program activities (college campus visits, college application events); and
4. Adding additional hours for staff to advise students on course pathways.

Agency Request	0.00	2,000,000	0	0	2,000,000
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The Governor recommends \$5,000,000 from the General Fund for college and career advising, as recommended by his Task Force for Improving Education, and reflected in statute. If funded, this would move the ongoing funding level from \$7,000,000 to \$12,000,000.

Governor's Recommendation	0.00	5,000,000	0	0	5,000,000
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10. Professional Development

Agency Request	0.00	0	0	0	0
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The Governor recommends \$4,000,000 from the General Fund to increase professional development days as recommended by the Governor's Task Force for Improving Education. If funded, this would bring the number of teacher professional development days to two and a half days beyond the FY 2015 appropriation.

Governor's Recommendation	0.00	4,000,000	0	0	4,000,000
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FY 2019 Total

Agency Request	0.00	959,201,300	0	15,000,000	974,201,300
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Governor's Recommendation	0.00	961,479,600	0	15,000,000	976,479,600
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Agency Request

Change from Original App	0.00	49,212,800	0	0	49,212,800
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% Change from Original App		5.4%		0.0%	5.3%
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Governor's Recommendation

Change from Original App	0.00	51,491,100	0	0	51,491,100
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% Change from Original App		5.7%		0.0%	5.6%
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Operations

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	570,846,700	575,451,700	597,599,400	639,109,100	621,087,300
Dedicated	42,724,800	42,724,800	56,049,600	55,325,600	55,325,600
Total:	613,571,500	618,176,500	653,649,000	694,434,700	676,412,900
Percent Change:		0.8%	5.7%	6.2%	3.5%
BY OBJECT OF EXPENDITURE					
Lump Sum	613,571,500	618,176,500	653,649,000	694,434,700	676,412,900

Division Description

The Operations Division provides state and federal funding in support of the operation of Idaho's 115 school districts and 63 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

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	597,599,400	653,649,000	0.00	597,599,400	653,649,000
Removal of Onetime Expenditures	0.00	0	(3,000,000)	0.00	0	(3,000,000)
FY 2019 Base	0.00	597,599,400	650,649,000	0.00	597,599,400	650,649,000
Benefit Costs	0.00	716,000	716,000	0.00	0	0
Public School Salary Change	0.00	1,443,400	1,443,400	0.00	4,316,900	4,316,900
Nondiscretionary Adjustments	0.00	12,502,900	11,502,900	0.00	12,447,000	11,447,000
Endowment Adjustments	0.00	(3,276,000)	0	0.00	(3,276,000)	0
FY 2019 Program Maintenance	0.00	608,985,700	664,311,300	0.00	611,087,300	666,412,900
3. Classroom Technology	0.00	10,000,000	10,000,000	0.00	10,000,000	10,000,000
5. Classified Addl 4% Salary Increase	0.00	5,780,700	5,780,700	0.00	0	0
6. Discretionary: Health Insurance	0.00	7,209,300	7,209,300	0.00	0	0
7. Discretionary: Other	0.00	7,133,400	7,133,400	0.00	0	0
FY 2019 Total	0.00	639,109,100	694,434,700	0.00	621,087,300	676,412,900
Change from Original Appropriation	0.00	41,509,700	40,785,700	0.00	23,487,900	22,763,900
% Change from Original Appropriation		6.9%	6.2%		3.9%	3.5%

Operations

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	597,599,400	56,049,600	0	653,649,000

Removal of Onetime Expenditures

This item removes \$3,000,000 in onetime FY 2018 discretionary funding from the Public School Income Fund that 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	0	(3,000,000)	0	(3,000,000)
Governor's Recommendation	0.00	0	(3,000,000)	0	(3,000,000)

FY 2019 Base					
Agency Request	0.00	597,599,400	53,049,600	0	650,649,000
Governor's Recommendation	0.00	597,599,400	53,049,600	0	650,649,000

Benefit Costs

The request is for \$716,000 ongoing from the General Fund, which is equal to a 5.5% increase, for the PERSI contribution rate increase that is scheduled to take effect in FY 2019 (employer contribution rate scheduled to go from 11.32% to 11.94% of each employee's salary).

Agency Request	0.00	716,000	0	0	716,000
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The Governor's recommendation reflects the scheduled changes in the employer variable benefits cost, including the October 2017 vote of the Public Employee Retirement System of Idaho Retirement Board to delay the scheduled employer contribution increase.

Governor's Recommendation	0.00	0	0	0	0
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Public School Salary Change

Agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees, moving the base salary from \$21,034 to \$21,244. For the Operations Division, this includes salaries at \$1,211,700 and state-paid employee benefits at \$231,700 for a net placeholder of \$1,443,400.

Agency Request	0.00	1,443,400	0	0	1,443,400
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The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis. Salary apportionment will increase by \$3,634,700 and benefits will increase by \$682,200.

Governor's Recommendation	0.00	4,316,900	0	0	4,316,900
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Operations

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nondiscretionary Adjustments

Nondiscretionary adjustments include an estimated increase of 165 mid-term support units that will require \$1,565,400 from the General Fund for salaries and benefits. Of this amount, \$1,314,100 is for salaries and \$251,300 is for benefits.

The second nondiscretionary adjustment includes \$2,256,600 for the estimated increase in pupil transportation to restore reimbursement of field trip costs due to S1123 of 2017.

The adjustments also include \$4,680,900 to meet the demands of student growth in discretionary funding per support unit, calculated for the best 28 weeks of average daily attendance counts, at \$26,748 per unit. This is due to an estimated increase of 175 support units, moving from 15,164 to 15,339.

The last nondiscretionary adjustment includes an increase of \$4,000,000 ongoing from the General Fund and a decrease of \$1,000,000 ongoing from the Public Schools Other Income Fund. This action nets to \$3,000,000 to maintain the discretionary funds per support unit at \$26,748.

All of these items net to a total of \$11,502,900 for nondiscretionary adjustments.

Agency Request	0.00	12,502,900	(1,000,000)	0	11,502,900
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The Governor recommends the General Fund for a projected 165 mid-term support unit increase, from 15,239 to 15,404. This reflects the cost that is attributable to the classified staff's portion of the salary-based apportionment funding formula. Salary apportionment will increase by \$1,311,800 and benefits will increase by \$246,200.

The Governor recommends a reduction of \$48,500 in benefit apportionment based on the most recent data available, which shows some school districts and charter schools spend less on benefits than apportioned.

The Governor recommends all other discretionary adjustments as requested.

Governor's Recommendation	0.00	12,447,000	(1,000,000)	0	11,447,000
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Endowment Adjustments

For FY 2019, there is a distribution increase of \$3,276,000 from the Public School Endowment Income Fund. This is due to the total distribution of endowment funds to public schools increasing from \$47,049,600 to \$50,325,600, which is a 7% increase. This allows for a requested decrease of \$3,276,000 from the General Fund. These actions net to zero to maintain the discretionary funds per support unit at \$26,748.

Agency Request	0.00	(3,276,000)	3,276,000	0	0
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Governor's Recommendation	0.00	(3,276,000)	3,276,000	0	0
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FY 2019 Program Maintenance

Agency Request	0.00	608,985,700	55,325,600	0	664,311,300
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Governor's Recommendation	0.00	611,087,300	55,325,600	0	666,412,900
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Operations

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Classroom Technology					Operations
<p>This request is for \$10 million from the General Fund to increase the distribution for classroom technology, wireless infrastructure, and instructional management systems from \$26 million to \$36 million. This request will provide public schools with the funding and flexibility to continue to improve infrastructure and provide technologies necessary to support student learning. Additionally, it will provide resources for the replacement of the existing High School Wireless Program and expansion of wireless access to K-12, as recommended by the Education Opportunity Resource Committee (EORC) and the Governor's Task Force for Improving Education.</p> <p>The EORC has made budget projections based off the \$21/user supported under the existing wireless contract. Based upon this analysis, combined with the number of users statewide and recent changes to wireless technologies and standards that support deployments designed to serve higher density and capacity requirements, the EORC has recommended \$8.5 million for wireless funding. This is approximately a \$6 million increase over the existing program but includes an expansion to cover all grades rather than just high school, and provides for the capacity requirements provided by new wireless technologies. The Superintendent believes that as technology has become crucial to support instruction, facilitate innovation, and enable assessment and evaluation, districts are implementing new technologies and updating outdated technologies to support and sustain student learning. These technologies are essential to providing effective and efficient individualized instruction and equitable learning opportunities for Idaho students.</p>					
Agency Request	0.00	10,000,000	0	0	10,000,000
<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>
5. Classified Addl 4% Salary Increase					Operations
<p>This request is for \$5,780,700 ongoing from the General Fund to provide an additional 4% base salary increase for classified staff. This increase would raise the base salary from \$21,244 to \$22,086. Typically, school districts and charter schools spend approximately 60% 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. Of the request, \$4,852,600 is for salaries and \$928,100 is for benefits.</p>					
Agency Request	0.00	5,780,700	0	0	5,780,700
<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>
6. Discretionary: Health Insurance					Operations
<p>This is a request for \$7,209,300 ongoing from the General Fund for the projected increase in health insurance costs, estimated to be 4.18%. The projection is based on the weighted average of premium costs for FY 2017 and FY 2018, as reported by school districts and charter schools.</p>					
Agency Request	0.00	7,209,300	0	0	7,209,300
<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>
7. Discretionary: Other					Operations
<p>This is a request for \$7,133,400 ongoing from the General Fund, which is equal to a 3% total increase in all "other" discretionary funding. A portion of the request is based on the most recent annualized Consumer Price Index (CPI) at 1.7%. The balance of the request, or 1.3%, provides for additional discretionary expenditures. If approved, this will increase the total amount of discretionary funding in the ongoing appropriation to \$424,629,500, including the funds being requested in line item 6 specifically for health insurance. This will set the amount of money per support unit at \$27,683 for FY 2019 (based on an estimated 15,339 support units). Discretionary funding can be used by school districts to meet a variety of needs including, but not limited to, utilities and personnel costs.</p>					
Agency Request	0.00	7,133,400	0	0	7,133,400
<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: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	0.00	639,109,100	55,325,600	0	694,434,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>621,087,300</i>	<i>55,325,600</i>	<i>0</i>	<i>676,412,900</i>
Agency Request					
Change from Original App	0.00	41,509,700	(724,000)	0	40,785,700
% Change from Original App		6.9%	(1.3%)		6.2%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>23,487,900</i>	<i>(724,000)</i>	<i>0</i>	<i>22,763,900</i>
<i>% Change from Original App</i>		<i>3.9%</i>	<i>(1.3%)</i>		<i>3.5%</i>

Children's Programs

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	42,875,900	50,341,200	45,497,900	56,271,000	62,714,400
Dedicated	4,024,900	4,024,900	4,024,900	4,024,900	4,024,900
Federal	249,115,000	218,431,500	249,115,000	249,115,000	249,115,000
Total:	296,015,800	272,797,600	298,637,800	309,410,900	315,854,300
Percent Change:		(7.8%)	9.5%	3.6%	5.8%
BY OBJECT OF EXPENDITURE					
Lump Sum	296,015,800	272,797,600	298,637,800	309,410,900	315,854,300

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: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	45,497,900	298,637,800	0.00	45,497,900	298,637,800
FY 2019 Base	0.00	45,497,900	298,637,800	0.00	45,497,900	298,637,800
Nondiscretionary Adjustments	0.00	8,723,100	8,723,100	0.00	8,666,500	8,666,500
FY 2019 Program Maintenance	0.00	54,221,000	307,360,900	0.00	54,164,400	307,304,300
2. Mastery-Based System Development	0.00	1,050,000	1,050,000	0.00	1,050,000	1,050,000
8. Limited English Proficiency	0.00	1,000,000	1,000,000	0.00	1,000,000	1,000,000
13. Literacy Proficiency	0.00	0	0	0.00	6,500,000	6,500,000
FY 2019 Total	0.00	56,271,000	309,410,900	0.00	62,714,400	315,854,300
Change from Original Appropriation	0.00	10,773,100	10,773,100	0.00	17,216,500	17,216,500
% Change from Original Appropriation		23.7%	3.6%		37.8%	5.8%

Children's Programs

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	45,497,900	4,024,900	249,115,000	298,637,800
FY 2019 Base					
Agency Request	0.00	45,497,900	4,024,900	249,115,000	298,637,800
Governor's Recommendation	0.00	45,497,900	4,024,900	249,115,000	298,637,800

Nondiscretionary Adjustments

Children's Division

Nondiscretionary funding includes a \$723,100 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, making the change from \$9,122,000 for FY 2018 to \$9,845,100 for FY 2019.

Other adjustments include \$8,000,000 for the Advanced Opportunities Program, bringing the FY 2019 Base to \$15,000,000. This increase is due to an expected increase in participation in this program, including the new scholarship that was created through H477 of 2016.

All of these actions net to \$8,723,100 in nondiscretionary adjustments.

Agency Request	0.00	8,723,100	0	0	8,723,100
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The Governor recommends the General Fund for the Idaho Digital Learning Academy, as determined by statutory formula, in the amount of \$666,500. He also recommends \$8,000,000 for projected Advanced Opportunities Program growth, as requested.

Governor's Recommendation	0.00	8,666,500	0	0	8,666,500
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FY 2019 Program Maintenance					
Agency Request	0.00	54,221,000	4,024,900	249,115,000	307,360,900
Governor's Recommendation	0.00	54,164,400	4,024,900	249,115,000	307,304,300

2. Mastery-Based System Development

Children's Division

This is a request for \$1,050,000 from the General Fund for a second cohort in the Idaho Mastery Education Network (IMEN). If funded, this increase will respond to Idaho's schools that are requesting mastery-based education in their communities. The request is calculated on an increase of 21 incubators, going from 19 incubators to a total of 40. Funds will be used to support the cohort with design, planning, and implementation activities, including, but not limited to, technology purchases (hardware and software), meeting costs, facilitation, travel, stipends, substitutes, learning management systems, and virtual team platforms. Funds may also be used for cross-network collaborative activities and professional development.

The Mastery Education Committee, established through H110 of 2015, recommended that "all regions of the state, all sizes of schools/districts, all types of schools, and all levels of readiness/implementation needed to be considered" for the incubator program. Currently, the first IMEN cohort represents 11% of Idaho's 168 districts and charters. IMEN Cohort 1 includes 19 incubators, consisting of 32 schools, and impacting 23,000 students, which is 7% of students in Idaho. Five of the six regions, public school districts, public charter schools, and alternative schools are represented in this first IMEN Cohort.

With an additional IMEN Cohort 2, Idaho mastery education would be supporting 23% of districts and charters across the state, which aligns with the Mastery Education Committee recommendation, and the vision of the Governor's Task Force on Improving Education. Adding Cohort 2 will also allow for an increase in student impact, will reach all six regions in Idaho, and will fulfill the current community request for more access and support for mastery education in Idaho schools. There is currently \$1,400,000 in the FY 2018 General Fund appropriation for mastery-based education development that includes one education director position.

NOTE: The balance of this request is \$350,000 and can be found in the Central Services Division, for a total overall request of \$1,400,000 in new funding for mastery-based education.

Agency Request	0.00	1,050,000	0	0	1,050,000
Governor's Recommendation	0.00	1,050,000	0	0	1,050,000

Children's Programs

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Limited English Proficiency					Children's Division
This request is for \$1,000,000 ongoing from the General Fund 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 effective language instruction, and the consequence is that it will take longer for some students to obtain English proficiency. Since FY 2016, the number of English learners has increased from 13,000 students to over 16,000 students. With the increase in students, the per pupil allocation has dropped from approximately \$250 per student to \$210 per student. There is currently \$3,820,000 in the FY 2018 Base that goes directly to the school districts and public charter schools.					
Agency Request	0.00	1,000,000	0	0	1,000,000
Governor's Recommendation	0.00	1,000,000	0	0	1,000,000
13. Literacy Proficiency					
Agency Request	0.00	0	0	0	0
The Governor recommends the General Fund for a second phase of literacy proficiency funding, as recommended by the Governor's Task Force for Improving Education. This funding will provide intervention for K-3 students who score "basic" on the Idaho Reading Indicator.					
Governor's Recommendation	0.00	6,500,000	0	0	6,500,000
FY 2019 Total					
Agency Request	0.00	56,271,000	4,024,900	249,115,000	309,410,900
Governor's Recommendation	0.00	62,714,400	4,024,900	249,115,000	315,854,300
Agency Request					
Change from Original App	0.00	10,773,100	0	0	10,773,100
% Change from Original App		23.7%	0.0%	0.0%	3.6%
Governor's Recommendation					
Change from Original App	0.00	17,216,500	0	0	17,216,500
% Change from Original App		37.8%	0.0%	0.0%	5.8%

Facilities

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	18,958,000	18,958,000	17,217,400	24,401,800	22,186,500
Dedicated	30,452,500	30,452,500	31,269,200	31,359,200	31,359,200
Total:	49,410,500	49,410,500	48,486,600	55,761,000	53,545,700
Percent Change:		0.0%	(1.9%)	15.0%	10.4%
BY OBJECT OF EXPENDITURE					
Lump Sum	49,410,500	49,410,500	48,486,600	55,761,000	53,545,700

Division Description

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

Facilities

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	17,217,400	48,486,600	0.00	17,217,400	48,486,600
FY 2019 Base	0.00	17,217,400	48,486,600	0.00	17,217,400	48,486,600
Nondiscretionary Adjustments	0.00	7,184,400	7,274,400	0.00	4,969,100	5,059,100
FY 2019 Total	0.00	24,401,800	55,761,000	0.00	22,186,500	53,545,700
Change from Original Appropriation	0.00	7,184,400	7,274,400	0.00	4,969,100	5,059,100
% Change from Original Appropriation		41.7%	15.0%		28.9%	10.4%

Facilities

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	17,217,400	31,269,200	0	48,486,600
FY 2019 Base					
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

Nondiscretionary Adjustments

Facilities

The following three statutory programs have nondiscretionary adjustments that result in a net increase of \$7,274,400:

1. An increase of \$77,500 from the General Fund and \$487,500 from the Idaho Lottery dividend for the school facilities maintenance match requirement;
2. A decrease of \$397,500 for the Bond Levy Equalization Program from dedicated sources, resulting in a overall General Fund increase of \$5,297,300 for the program; and
3. An increase of \$1,809,600 from the General Fund for charter school facilities.

Based on the three adjustments above, the FY 2019 estimated cost of the Bond Levy Equalization Program is \$25,399,800 and is funded from a mix of \$12,603,100 from the General Fund (transferred from cigarette tax revenue), \$12,375,000 of Idaho Lottery proceeds directed by statute to the Bond Levy Equalization Program, and a cash balance in the Bond Levy Equalization Fund of \$421,700.

The estimated cost for charter school facilities is \$7,893,700, all from the General Fund. The estimated cost of the state facilities maintenance match is \$22,467,500 and is funded from a combination of \$3,905,000 from the General Fund and \$18,562,500 from the School District Building Account, which receives moneys directly from the Idaho Lottery.

Agency Request	0.00	7,184,400	90,000	0	7,274,400
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The Governor recommends all the nondiscretionary adjustments as requested, except from the General Fund for the Bond Levy Equalization Support Program. He recommends \$3,082,000 instead of \$5,297,300.

Governor's Recommendation	0.00	4,969,100	90,000	0	5,059,100
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FY 2019 Total					
Agency Request	0.00	24,401,800	31,359,200	0	55,761,000
Governor's Recommendation	0.00	22,186,500	31,359,200	0	53,545,700

Agency Request

Change from Original App	0.00	7,184,400	90,000	0	7,274,400
% Change from Original App		41.7%	0.3%		15.0%

Governor's Recommendation

Change from Original App	0.00	4,969,100	90,000	0	5,059,100
% Change from Original App		28.9%	0.3%		10.4%

Central Services

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	14,662,500	13,887,400	13,975,800	15,304,100	15,304,100
Percent Change:		(5.3%)	0.6%	9.5%	9.5%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	14,662,500	12,593,300	13,975,800	15,304,100	15,304,100
Capital Outlay	0	1,300	0	0	0
Trustee/Benefit	0	2,067,900	0	0	0
Lump Sum	0	(775,100)	0	0	0
Total:	14,662,500	13,887,400	13,975,800	15,304,100	15,304,100

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: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	13,975,800	13,975,800	0.00	13,975,800	13,975,800
Removal of Onetime Expenditures	0.00	(2,142,000)	(2,142,000)	0.00	(2,142,000)	(2,142,000)
FY 2019 Base	0.00	11,833,800	11,833,800	0.00	11,833,800	11,833,800
2. Mastery-Based System Development	0.00	350,000	350,000	0.00	350,000	350,000
4. Literacy Intervention/IRI Replacement	0.00	433,800	433,800	0.00	433,800	433,800
6. Content and Curriculum	0.00	300,000	300,000	0.00	300,000	300,000
9. Student Achievement Assessments	0.00	1,341,500	1,341,500	0.00	1,341,500	1,341,500
10. Professional Development	0.00	250,000	250,000	0.00	250,000	250,000
12. Wireless Infrastructure	0.00	795,000	795,000	0.00	795,000	795,000
FY 2019 Total	0.00	15,304,100	15,304,100	0.00	15,304,100	15,304,100
Change from Original Appropriation	0.00	1,328,300	1,328,300	0.00	1,328,300	1,328,300
% Change from Original Appropriation		9.5%	9.5%		9.5%	9.5%

Central Services

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	13,975,800	0	0	13,975,800
Removal of Onetime Expenditures					
This item removes \$2,142,000 in onetime FY 2018 funding for the Idaho High School Wireless Program that provides wireless networking technology to public schools serving grades 9-12. FY 2018 was the fifth year of the five-year contract.					
Agency Request	0.00	(2,142,000)	0	0	(2,142,000)
Governor's Recommendation	0.00	(2,142,000)	0	0	(2,142,000)
FY 2019 Base					
Agency Request	0.00	11,833,800	0	0	11,833,800
Governor's Recommendation	0.00	11,833,800	0	0	11,833,800

2. Mastery-Based System Development

Central Services

This is a request for \$350,000 ongoing from the General Fund for mastery-based education, which is an education system where student progress is based upon a student's demonstration of mastery of competencies and content, not seat time or the age or grade level of the student, as found in Section 33-1632, Idaho Code. All of the request is for operating expenditures, which includes funds to contract with vendors for professional development. If funded, the statewide professional development will include coaching for both teachers and administrators equal to two days per month. Trainings will take place in Boise, at the district level, and 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 participating 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.

NOTE: The balance of this request is \$1,050,000 and can be found in the Children's Programs Division, for a total overall request of \$1,400,000 in new funding for mastery-based education.

Agency Request	0.00	350,000	0	0	350,000
Governor's Recommendation	0.00	350,000	0	0	350,000

4. Literacy Intervention/IRI Replacement

Central Services

This is a request for \$433,800 ongoing from the General Fund for statewide implementation of the new Idaho Reading Indicator (IRI), replacing the legacy IRI, which has not been updated since 2007. There is currently \$166,200 in the ongoing appropriation for literacy interventions. If funded, this \$433,800 request would bring the total ongoing appropriation to \$600,000 from the General Fund.

In 2014, the Idaho Literacy Task Force, a subcommittee of the Governor's Task Force for Improving Education, made several recommendations to improve literacy outcomes for students. A primary recommendation called for an increase in state funded literacy intervention programs for struggling readers. The other critical task force recommendation called for the state to provide screening, diagnostic, and progress monitoring tools to school districts and charter schools. The Literacy Task Force established the Early Literacy Assessment Working Group to review options for expanding the IRI assessment to support early literacy initiatives. The Assessment Working Group recommended that the state adopt a comprehensive screening, diagnostic, and progress monitoring tool to support teachers and students in the development of literacy skills. The State Department of Education awarded a contract to Istation in the current year (FY 2018) to provide its Early Reading Assessment Program to Idaho schools as a replacement of the IRI.

Agency Request	0.00	433,800	0	0	433,800
Governor's Recommendation	0.00	433,800	0	0	433,800

Central Services

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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6. Content and Curriculum

Central Services

This request is for \$300,000 from the General Fund for content and curriculum. Now in its third year of implementation, the program that provides instruction and technical certification in a suite of Microsoft certifications has grown significantly. The department believes these certifications are recognized and valued by a broad spectrum of businesses and industries in Idaho and beyond. This program is used by administrators, teachers, and students. The growth is a result of voluntary demand because this program is not required. In year one (2015 - 2016), 9,600 exams were given with 3,900 certifications earned. In the second year, 15,700 exams were given with 5,100 certifications earned. One area of significant growth is at the middle school level. Educators are starting to provide these tools to help students during middle school and high school, not just after high school. There is currently \$1,000,000 in the FY 2019 Base for certifications.

Agency Request	0.00	300,000	0	0	300,000
Governor's Recommendation	0.00	300,000	0	0	300,000

9. Student Achievement Assessments

Central Services

This request includes a total increase of \$1,341,500 to support additional student participation in science assessments and PSAT and SAT administrations. This increase will also support the design and implementation of a new science assessment that is being realigned to correspond with updated science standards. Specifically, this request includes \$145,000 to support the increase in the number of students participating in the ISAT Science, PSAT, and SAT assessments. Since 2015, the department has seen an increase of 6,015 students participating in the ISAT Science Assessments. In one year, the Department of Education has seen an increase of 858 students participating in the PSAT, and an increase of 1,254 students participating in the SAT.

The request also includes an increase of \$1,196,500 to support the development of a new science assessment to meet new science standards. The State Board of Education approved new science standards in 2017 and the Idaho Legislature will consider approval of the new science content standards during the 2018 legislative session. While the Legislature reviews the proposed science standards, the department reports that it needs to begin working on a new assessment aligned to these standards to meet the deadline imposed by the U.S. Department of Education, which is spring of 2020.

Agency Request	0.00	1,341,500	0	0	1,341,500
Governor's Recommendation	0.00	1,341,500	0	0	1,341,500

Central Services

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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10. Professional Development

Central Services

This request is for \$250,000 ongoing from the General Fund for professional development to create and deliver several programs to support teacher understanding of the newly revised science content standards. There is \$2,700,000 in the FY 2019 Base for professional development. The focus of the requested development funds will be on how the science standards will impact both instruction and the manner of assessment of the standards. The department states that, while sometimes changes in content standards are relatively minor, this shift is significant because it focuses on students demonstrating deep knowledge of scientific principles and processes by directly engaging in "doing" science. This emphasis on performance, and learning by doing, is a paradigm shift with direct implications for growing a scientifically literate citizenry and workforce. The department also believes it reflects the deep interest, and profound concern, in raising the bar in science education, as indicated by several years of public and legislative input.

The current standards were first adopted nearly 20 years ago and tend to be general and broad, providing little provision and expectation that students demonstrate knowledge of science and scientific principles by actually engaging in science. Thus, there is currently a lack of guidance for teaching and learning, for teachers and students. These funds, if approved, will support regional educational workshops for teachers. Specifically, the funds will be used for multi-day workshops in four different locations in the summer of 2018. There will be 60 to 90 participants per location. Teachers work within the framework of their daily practice, building an instructional unit aligned to the standards they will teach the following year, including culminating tasks like performance assessments. The workshop trainers will be distinguished Idaho educators who have undergone year-long training in the new standards. The funds will also be used to support iSTEM workshops. According to the department, iSTEM has been a successful private/public partnership with a focus on STEM instruction inside and outside the classroom. Additionally, in the 2018-2019 school year, in conjunction with the BSU Writing Project, the department will invest in up to 20 teacher leaders from across Idaho who commit to becoming leaders of professional development in their local areas and outside of it. They work through a four-week summer intensive program and then have follow up visits during the year as they teach the unit they created, curate it, and provide professional learning for their districts. These exemplar units will be posted on the department's website in their Science Toolbox and licensed openly so that any other Idaho teacher can use and adapt these models of the science standards in action. Finally, funds will be used to print and ship a copy of the new standards booklet to all science teachers and elementary teachers, following the final approval of the standards during the 2018 legislative session.

Agency Request	0.00	250,000	0	0	250,000
Governor's Recommendation	0.00	250,000	0	0	250,000

12. Wireless Infrastructure

Central Services

This is a request for \$795,000 onetime from the General Fund to meet the obligations of the existing high school wireless contract. Since 2013, the State Department of Education (SDE) has managed a statewide wireless contract for high school students, certified staff, and administrators in Idaho public schools that serve grades 9-12. During the 2017 legislative session, the Education Opportunity Resource Committee (EORC) recommended to discontinue the existing wireless contract in a structured manner and implement a distribution model for wireless funding. The distribution model is expected to provide more local control and flexibility to school districts, as well as increased connectivity for Idaho's students. The request for this is found in the Operations Division of the Public School Support budget request.

Because of the way this contract was executed, each building receiving wireless service has a specific service end date. There is also a corresponding pro-rated annual amount of \$21/user specified in the contract that will need to be expended to meet the obligations of the contract. The vast majority of this obligation falls in FY 2019, with a few buildings remaining beyond that time.

If approved, the \$795,000 will be used to meet the obligations of the existing contract and for operating costs to manage the program. Specifically, the request includes \$775,000 to meet contractual obligations for buildings receiving service and \$20,000 for operational expenses of the SDE wireless program manager to oversee the winding down process of the contract, including travel to various buildings to ensure that the contractor is discontinuing service in accordance with the agreement.

Agency Request	0.00	795,000	0	0	795,000
Governor's Recommendation	0.00	795,000	0	0	795,000

Central Services

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	0.00	15,304,100	0	0	15,304,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>15,304,100</i>	<i>0</i>	<i>0</i>	<i>15,304,100</i>
Agency Request					
Change from Original App	0.00	1,328,300	0	0	1,328,300
% Change from Original App		9.5%			9.5%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>1,328,300</i>	<i>0</i>	<i>0</i>	<i>1,328,300</i>
<i>% Change from Original App</i>		<i>9.5%</i>			<i>9.5%</i>

Educational Services for the Deaf & Blind

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Campus Operations	6,857,500	6,524,800	6,921,100	7,086,400	7,018,000
Outreach Programs	3,454,800	3,454,800	3,963,200	4,046,200	3,956,400
Total:	10,312,300	9,979,600	10,884,300	11,132,600	10,974,400
BY FUND CATEGORY					
General	9,794,800	9,794,800	10,366,800	10,608,100	10,449,900
Dedicated	294,000	184,800	294,000	301,000	301,000
Federal	223,500	0	223,500	223,500	223,500
Total:	10,312,300	9,979,600	10,884,300	11,132,600	10,974,400
Percent Change:		(3.2%)	9.1%	2.3%	0.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	0	0	0	8,648,100	8,499,300
Operating Expenditures	0	0	0	2,272,000	2,272,000
Capital Outlay	0	0	0	212,500	203,100
Trustee/Benefit	10,312,300	9,979,600	10,884,300	0	0
Total:	10,312,300	9,979,600	10,884,300	11,132,600	10,974,400

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.

S1074 of 2009 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 chair 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: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	10,366,800	10,884,300	0.00	10,366,800	10,884,300
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	0.00	10,366,800	10,884,300	0.00	10,366,800	10,884,300
Removal of Onetime Expenditures	0.00	(200,800)	(200,800)	0.00	(200,800)	(200,800)
FY 2019 Base	0.00	10,166,000	10,683,500	0.00	10,166,000	10,683,500
Benefit Costs	0.00	(228,200)	(228,200)	0.00	(197,900)	(197,900)
Replacement Items	0.00	182,500	182,500	0.00	178,100	178,100
Change in Employee Compensation	0.00	31,600	31,600	0.00	92,800	92,800
Endowment Adjustments	0.00	0	7,000	0.00	0	7,000
FY 2019 Program Maintenance	0.00	10,151,900	10,676,400	0.00	10,239,000	10,763,500
1. Career Ladder Equivalence	0.00	426,200	426,200	0.00	185,900	185,900
2. Hydraulic Snowplow Attachment	0.00	5,000	5,000	0.00	0	0
3. Portable Auditory Response Testing	0.00	25,000	25,000	0.00	25,000	25,000
FY 2019 Total	0.00	10,608,100	11,132,600	0.00	10,449,900	10,974,400
Change from Original Appropriation	0.00	241,300	248,300	0.00	83,100	90,100
% Change from Original Appropriation		2.3%	2.3%		0.8%	0.8%

Educational Services for the Deaf & Blind

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	10,366,800	294,000	223,500	10,884,300

Noncognizable Funds and Transfers

This action spreads funds from lump sum to object codes and nets to \$0.

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 Estimated Expenditures					
Agency Request	0.00	10,366,800	294,000	223,500	10,884,300
Governor's Recommendation	0.00	10,366,800	294,000	223,500	10,884,300

Removal of Onetime Expenditures

This item removes \$29,500 that was appropriated onetime in FY 2018 for a passenger van in the Campus Operations Program. It also removes \$171,300 that was appropriated to replace three sedans, two small SUVs, seven assistive hearing personal frequency modulation (FM) systems, and eight Braille Embossers for Outreach Programs.

Agency Request	0.00	(200,800)	0	0	(200,800)
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Governor's Recommendation	0.00	(200,800)	0	0	(200,800)
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FY 2019 Base					
Agency Request	0.00	10,166,000	294,000	223,500	10,683,500
Governor's Recommendation	0.00	10,166,000	294,000	223,500	10,683,500

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(228,200)	0	0	(228,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(197,900)	0	0	(197,900)
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Replacement Items

The Campus Program requests replacement of one mid-sized school bus for \$85,000 from the General Fund. Currently there are two buses this size in the fleet that are used to transport students from designated pick-up points throughout the state and to run daily bus routes. The cost of the new bus includes a wheelchair accessibility lift. If funded, this bus would replace one that has 195,000 miles on it and is a 1999 model. This bus does not have a wheelchair lift and nearly all of the routes have students that use wheelchairs. The other mid-size bus is a 2000 model with 243,400 miles on it. The program also has five other busses in its fleet, but they are not this size.

The agency also requests \$4,400 for a commercial floor vacuum and floor buffer to clean and maintain campus buildings. If funded, this would replace items that are 15 years old, obsolete, and no longer repairable.

The Outreach Program requests replacement of four sedans at \$23,300 each, totaling \$93,100. Currently there are 39 cars in the fleet that are used 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 would replace vehicles that currently have over 120,000 miles each.

Agency Request	0.00	182,500	0	0	182,500
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The Governor does not recommend the floor maintenance equipment for \$4,400.

Governor's Recommendation	0.00	178,100	0	0	178,100
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Educational Services for the Deaf & Blind

Analyst: Lockett

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 calculation does not include the certified staff at Idaho Educational Services for the Deaf and Blind that are compensated under the public school career ladder salary compensation system.

Agency Request	0.00	31,600	0	0	31,600
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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.

Governor's Recommendation	0.00	92,800	0	0	92,800
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Endowment Adjustments

This adjustment reflects the \$7,000 increase in endowment funds for FY 2019 that would be used for additional operating expenditures.

Agency Request	0.00	0	7,000	0	7,000
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Governor's Recommendation	0.00	0	7,000	0	7,000
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FY 2019 Program Maintenance

Agency Request	0.00	10,151,900	301,000	223,500	10,676,400
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Governor's Recommendation	0.00	10,239,000	301,000	223,500	10,763,500
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1. Career Ladder Equivalence

Campus Operations, Outreach Programs

This is a request for \$426,200 ongoing from the General Fund for year two of a three-year proposed phase-in of increased instructor salaries and benefits. If fully funded, this would allow the agency to achieve levels that are equivalent to the public school career ladder salary compensation system. Of the request, \$225,700 is in the Campus Program and \$200,500 is in the Outreach Program.

Agency Request	0.00	426,200	0	0	426,200
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The Governor recommends \$185,900 from the General Fund for the second of three phases of career ladder equivalence for certified teachers of the deaf, certified teachers of the blind, and certified pupil service personnel. This recommendation reflects only those employees projected to receive certification awards in FY 2019 and ties to the career ladder (Section 33-1004B(4), Idaho Code).

Governor's Recommendation	0.00	185,900	0	0	185,900
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2. Hydraulic Snowplow Attachment

Campus Operations

The agency requests \$5,000 onetime from the General Fund for a hydraulic snowplow attachment that would attach to a dump truck it already owns. The Idaho Educational Services for the Deaf and Blind Campus in Gooding, Idaho is 40 acres in size, and it can take several hours to clear the roadways and walkways for the safety of students, parents, and staff. The agency believes that being able to remove the snow earlier in the morning will make the campus safer. The agency is requesting the snowplow attachment for a dump truck so maintenance staff can plow more quickly and efficiently with a bigger plow, and so the parking areas and campus roadways can be cleared before the staff and students arrive. In year's past, local snow removal contractors would not plow the campus until after they had completed their other snow removal jobs, or the agency paid a premium price.

Agency Request	0.00	5,000	0	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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Educational Services for the Deaf & Blind

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Portable Auditory Response Testing		Outreach Programs			
This is a request for \$25,000 onetime from the General Fund for a portable Auditory Brain Response (ABR) testing apparatus. It will be used by the agency's licensed staff audiologist. The audiologist will use this equipment for hearing tests for children under the age of five, or those with significant hearing loss, who are unable to participate in standard hearing screenings. This device would allow the audiologist the ability to test those children by measuring their brain response to outside stimuli. This is a portable device, so the audiologist would be able to travel throughout the state, providing a service not readily available in every region of Idaho's rural areas. The agency stated that early identification and intervention of a hearing loss are proven keys in a child's later success. If this request is not funded, the audiologist will test children using the existing equipment that is older and does not filter any intrinsic noise. This can skew the testing results so multiple testing sessions are often required.					
Agency Request	0.00	25,000	0	0	25,000
Governor's Recommendation	0.00	25,000	0	0	25,000
FY 2019 Total					
Agency Request	0.00	10,608,100	301,000	223,500	11,132,600
Governor's Recommendation	0.00	10,449,900	301,000	223,500	10,974,400
Agency Request					
Change from Original App	0.00	241,300	7,000	0	248,300
% Change from Original App		2.3%	2.4%	0.0%	2.3%
Governor's Recommendation					
Change from Original App	0.00	83,100	7,000	0	90,100
% Change from Original App		0.8%	2.4%	0.0%	0.8%

Idaho Legislative Budget Book

State Board of Education

2018 Legislative Session

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State Board of Education

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Ag Research & Ext Service	30,540,700	30,516,700	31,287,300	34,080,600	31,331,100
College and Universities	716,253,100	564,657,400	564,958,700	583,957,000	574,630,200
Community Colleges	38,719,000	38,719,000	40,000,900	50,933,200	46,233,900
Education, State Board of	14,715,300	4,598,400	9,036,500	9,145,000	10,240,200
Health Education Programs	14,159,000	13,573,500	15,905,800	22,214,400	18,125,200
Car Tech Education	78,159,600	81,159,000	74,754,900	76,770,300	75,258,800
Idaho Public Television	9,294,600	8,463,500	9,633,100	9,422,000	9,448,600
Special Programs	18,154,500	16,482,900	19,686,600	25,437,400	24,625,300
Supt of Public Instruction	40,890,800	29,330,600	38,818,000	39,657,200	39,451,800
Vocational Rehabilitation	27,794,900	24,878,800	28,175,900	28,149,800	28,257,400
Total:	988,681,500	812,379,800	832,257,700	879,766,900	857,602,500
BY FUND CATEGORY					
General	468,203,900	466,367,100	485,936,100	534,141,100	507,408,800
Dedicated	464,984,000	309,200,300	299,695,900	298,803,100	303,045,100
Federal	55,493,600	36,812,400	46,625,700	46,822,700	47,148,600
Total:	988,681,500	812,379,800	832,257,700	879,766,900	857,602,500
Percent Change:		(17.8%)	2.4%	5.7%	3.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	646,347,000	497,505,700	585,218,500	606,696,000	604,639,700
Operating Expenditures	214,266,800	135,651,000	143,840,100	146,006,900	143,259,800
Capital Outlay	39,190,600	24,565,000	21,881,600	34,616,100	21,087,700
Trustee/Benefit	88,351,000	154,178,400	81,317,500	92,447,900	88,615,300
Lump Sum	526,100	479,700	0	0	0
Total:	988,681,500	812,379,800	832,257,700	879,766,900	857,602,500
Full-Time Positions (FTP)	5,707.96	5,707.96	5,904.44	6,141.51	6,041.91

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 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	30,516,700	30,516,700	31,263,300	34,056,600	31,307,100
Dedicated	24,000	0	24,000	24,000	24,000
Total:	30,540,700	30,516,700	31,287,300	34,080,600	31,331,100
Percent Change:		(0.1%)	2.5%	8.9%	0.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	26,752,100	26,252,100	26,647,700	26,349,000	26,914,600
Operating Expenditures	3,638,600	3,114,600	3,638,600	3,704,100	3,638,600
Capital Outlay	150,000	1,150,000	1,001,000	4,027,500	777,900
Total:	30,540,700	30,516,700	31,287,300	34,080,600	31,331,100
Full-Time Positions (FTP)	297.01	297.01	301.44	320.34	320.34

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 and Extension Service (ARES).

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

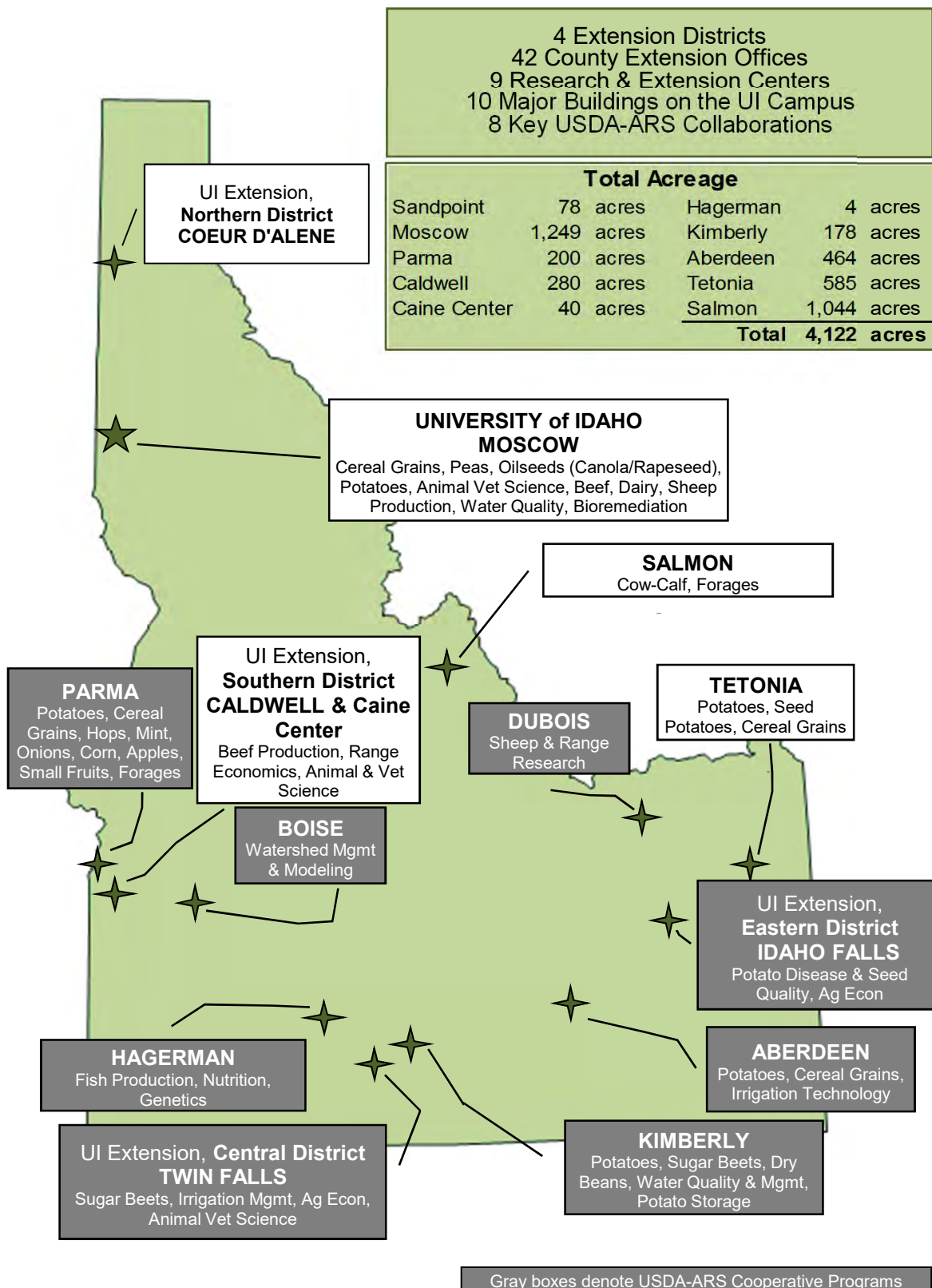
The Cooperative Extension Service has offices in 42 of Idaho's 44 counties, and operates under the leadership of faculty and staff who are specially trained to work with agriculture, 4-H programs, families, youth, and communities. The educational programs of the College of Agricultural and Life Sciences 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 for 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 2018 Estimated Operating Revenue, All Sources is: \$86,860,075

(of which 43% is from the State General Fund)

Where Budgeted	Fund Source	Amount by Source	% of Total
Appropriated in College & Universities			
State General Education	General Fund	\$ 3,568,836	4.1%
Appropriated in Special Programs			
W-I Veterinary Education	General Fund	\$ 2,076,100	2.4%
Not Appropriated			
Off-budget	Grants & Contracts	\$ 27,243,210	31.4%
Off-budget	County Expenditures	\$ 4,029,432	4.6%
Off-budget	Gifts & Miscellaneous	\$ 2,259,417	2.6%
Off-budget	Local Service Funds	\$ 10,726,080	12.3%
Off-budget	Federal Formula Funds	\$ 5,669,700	6.5%
Subtotal		\$ 49,927,839	57.5%
Appropriated to Agricultural Research & Extension Service (ARES)			
Research	General Fund	\$ 18,653,866	21.5%
Extension	General Fund	\$ 12,609,434	14.5%
Equine Education	Equine Education Fund	\$ 24,000	0.0%
Subtotal		\$ 31,287,300	36.0%
Total		\$ 86,860,075	100.0%

Of the funding appropriated in FY 2018, the following amounts were allocated to the centers below.
These centers may also receive non-appropriated moneys that are not listed.

Northern District		FTP	Approp.
Palouse (Moscow) R&E	13.00	\$	705,647
Coeur d'Alene	6.00	\$	440,257
9 Co. Offices w/ Educators	21.00	\$	1,429,936
Total	40.00	\$	2,575,840
Southern District		FTP	Approp.
Caldwell/Caine Center	4.00	\$	322,526
Parma R&E Center	12.00	\$	987,318
Boise Center	7.00	\$	787,776
9 Co. Offices w/ Educators	23.00	\$	2,575,980
Total	46.00	\$	4,673,599
Central District		FTP	Approp.
Twin Falls R&E Center	6.00	\$	632,284
Kimberly R&E Center	14.00	\$	1,087,443
10 Co. Offices w/ Educators	19.00	\$	1,437,349
Total	39.00	\$	3,157,076

Eastern District		FTP	Approp.
Aberdeen R&E Center	26.00	\$	1,808,170
Tetonia R&E Center	2.00	\$	85,967
Idaho Falls R&E Center	8.00	\$	691,397
Nancy M. Cummings Ranch (Salmon)	6.00	\$	513,839
14 Co. Offices w/ Educators	22.00	\$	1,759,629
U.S. Sheep Station Research	2.00	\$	99,720
Total	66.00	\$	4,958,722
Grand Total		191.00	\$ 15,365,237

% of FTP Off Campus 73%

% of Approp. to ARES Off Campus 58%

Agricultural Research & Extension Service

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	301.44	31,263,300	31,287,300	301.44	31,263,300	31,287,300
FTP Adjustment	18.90	0	0	18.90	0	0
FY 2018 Estimated Expenditures	320.34	31,263,300	31,287,300	320.34	31,263,300	31,287,300
Removal of Onetime Expenditure	0.00	(351,000)	(351,000)	0.00	(351,000)	(351,000)
FY 2019 Base	320.34	30,912,300	30,936,300	320.34	30,912,300	30,936,300
Benefit Costs	0.00	(550,600)	(550,600)	0.00	(427,100)	(427,100)
Inflationary Adjustments	0.00	65,500	65,500	0.00	0	0
Replacement Items	0.00	377,500	377,500	0.00	127,900	127,900
Change in Employee Compensation	0.00	251,900	251,900	0.00	694,000	694,000
FY 2019 Program Maintenance	320.34	31,056,600	31,080,600	320.34	31,307,100	31,331,100
1. Nuclear Seed Potato Facility	0.00	3,000,000	3,000,000	0.00	0	0
FY 2019 Total	320.34	34,056,600	34,080,600	320.34	31,307,100	31,331,100
Change from Original Appropriation	18.90	2,793,300	2,793,300	18.90	43,800	43,800
% Change from Original Appropriation		8.9%	8.9%		0.1%	0.1%

Agricultural Research & Extension Service

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	301.44	31,263,300	24,000	0	31,287,300

FTP Adjustment

The agency requests FTP adjustment to match the approved FY 2018 budget.

Agency Request	18.90	0	0	0	0
Governor's Recommendation	18.90	0	0	0	0

FY 2018 Estimated Expenditures					
Agency Request	320.34	31,263,300	24,000	0	31,287,300
Governor's Recommendation	320.34	31,263,300	24,000	0	31,287,300

Removal of Onetime Expenditure

This decision unit removes of onetime capital outlay from the General Fund in FY 2018 to replace tractors at Tetonia Farm Palouse Research, Extension, and Education Center.

Agency Request	0.00	(351,000)	0	0	(351,000)
Governor's Recommendation	0.00	(351,000)	0	0	(351,000)

FY 2019 Base					
Agency Request	320.34	30,912,300	24,000	0	30,936,300
Governor's Recommendation	320.34	30,912,300	24,000	0	30,936,300

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(550,600)	0	0	(550,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(427,100)	0	0	(427,100)
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Inflationary Adjustments

The agency requests \$65,500 ongoing from the General Fund for general inflation costs. The largest increases include the cost of specific supplies, employee travel, repair/maintenance, and professional services.

Agency Request	0.00	65,500	0	0	65,500
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Replacement Items

The agency requests to replace a 47-year old irrigation pipe at Tetonia Farm Palouse Research, Extension, and Education Center (\$127,900), a five-year old John Deere Green Star Unit at the Parma site (\$21,500), a 26-year old Case 225 Tractor at the Nancy M. Cummings site (\$123,000), a 40-year old Brillion Seeder at the Nancy M. Cummings site (\$18,000), potato storage environmental controls in Kimberly (\$49,000), a 30-year old Monosem onion double planter at the Parma site (\$23,200), and a nine-year old BeeGee Land Plane at the Parma site (\$14,900), for a total of \$377,500. The entirety of this request is onetime capital outlay from the General Fund.

Agency Request	0.00	377,500	0	0	377,500
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The Governor recommends \$127,900 for the replacement of irrigation pipe at the Tetonia Farm Palouse Research, Extension, and Education Center.

Governor's Recommendation	0.00	127,900	0	0	127,900
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Agricultural Research & Extension Service

Analyst: Jessup

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	251,900	0	0	251,900
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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.

Governor's Recommendation	0.00	694,000	0	0	694,000
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FY 2019 Program Maintenance

Agency Request	320.34	31,056,600	24,000	0	31,080,600
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Governor's Recommendation	320.34	31,307,100	24,000	0	31,331,100
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1. Nuclear Seed Potato Facility

Agricultural Research & Extension Service

The agency requests \$3,000,000 onetime from the General Fund for the creation of a nuclear seed potato facility in Moscow. At present, the Nuclear Seed Potato program is operated out of a multi-use building with no room for the program to grow. The new facility would support continued and expanded research and educational opportunities regarding the cultivation of potatoes, garlic, mint, hops, and other crops and would be staffed by redistributing existing personnel. The additional space would also provide opportunities for additional areas of study that could benefit agriculture in Idaho. Requested funding would complement \$2,600,000 raised through private fundraising for a total project cost of \$5,600,000.

Agency Request	0.00	3,000,000	0	0	3,000,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2019 Total

Agency Request	320.34	34,056,600	24,000	0	34,080,600
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Governor's Recommendation	320.34	31,307,100	24,000	0	31,331,100
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Agency Request

Change from Original App	18.90	2,793,300	0	0	2,793,300
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% Change from Original App	6.3%	8.9%	0.0%		8.9%
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Governor's Recommendation

Change from Original App	18.90	43,800	0	0	43,800
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% Change from Original App	6.3%	0.1%	0.0%		0.1%
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College and Universities

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Boise State University	232,211,200	196,425,000	194,753,300	209,454,600	207,688,100
Idaho State University	220,620,400	149,062,600	151,697,700	152,720,400	148,603,700
University of Idaho	206,696,100	183,356,000	177,985,500	178,967,200	177,585,700
Lewis-Clark State College	51,661,100	35,421,200	35,456,400	36,599,000	35,336,900
Systemwide	5,064,300	392,600	5,065,800	6,215,800	5,415,800
Total:	716,253,100	564,657,400	564,958,700	583,957,000	574,630,200
BY FUND CATEGORY					
General	279,546,500	279,545,000	287,053,200	306,669,200	293,607,000
Dedicated	436,706,600	285,112,400	277,905,500	277,287,800	281,023,200
Total:	716,253,100	564,657,400	564,958,700	583,957,000	574,630,200
Percent Change:		(21.2%)	0.1%	3.4%	1.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	507,675,300	424,097,500	443,074,200	454,159,500	454,396,600
Operating Expenditures	168,152,900	108,093,500	100,050,500	99,770,000	98,043,000
Capital Outlay	35,820,000	21,887,500	17,226,000	25,869,500	18,032,600
Trustee/Benefit	4,078,800	10,099,200	4,608,000	4,158,000	4,158,000
Lump Sum	526,100	479,700	0	0	0
Total:	716,253,100	564,657,400	564,958,700	583,957,000	574,630,200
Full-Time Positions (FTP)	4,386.83	4,386.83	4,559.88	4,757.06	4,672.80

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 Systemwide Programs, which includes funding for programs and efforts that benefit all four institutions. The Legislature appropriates both from the General Fund and from dedicated funds to this division. Dedicated funds include endowment funds and revenue from tuition and fees. Federal funds and other "local funds" from specific fees are not appropriated by the Legislature.

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

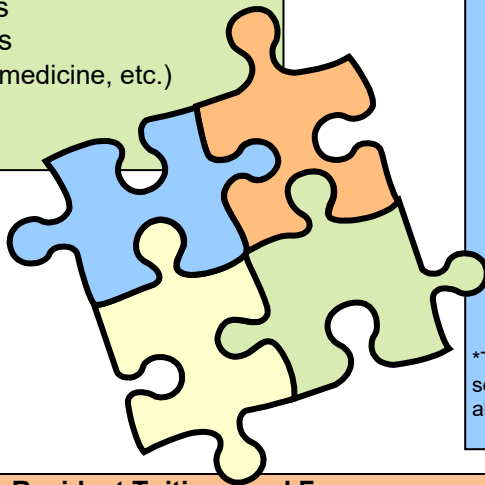
Fees Approved by Institution Presidents*

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 2014	Fall 2015	Fall 2016	Fall 2017	Annual Change
Boise State University	\$6,640	\$6,874	\$7,080	\$7,326	3.3%
Idaho State University	6,566	6,784	6,956	7,166	3.0%
University of Idaho	6,784	7,020	7,232	7,450	3.2%
Lewis-Clark State College	5,900	6,000	6,120	6,334	2.4%
Average	\$6,473	\$6,670	\$6,847	\$7,069	3.0%

College and Universities

Agency Profile

Analyst: Jessup

Terms and Definitions

Appropriated Funds: In FY 2018, the Legislature appropriated 39.5% of the funds that support the college and universities' total operating budgets. Of the total amount, the General Fund represents 20.1%, student fees represent 18.3%, and endowment earnings represent 1.13% (see Endowment Fund Investment Board agency profile in this book for a history of endowment distributions).

Non-appropriated: FY 2018 operating funds that were not appropriated by the Legislature represented 60.5% 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 and 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.

College and Universities

Agency Profile

Analyst: Jessup

Selected Measures	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Avg. Ann. Chg.
Academic Enrollment: Full-Time Equivalent (FTE)					
Boise State University	15,733	15,433	15,954	16,305	1.2%
Idaho State University	9,416	9,220	9,049	8,766	-2.3%
University of Idaho	9,610	9,384	9,422	9,433	-0.6%
Lewis-Clark St College	2,480	2,432	2,476	2,436	-0.6%
Total	37,239	36,469	36,901	36,940	-0.3%

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

Boise State University	22,239	22,086	23,854	24,121	2.8%
Idaho State University	13,455	13,032	12,928	12,505	-2.4%
University of Idaho	11,534	11,372	11,780	12,072	1.6%
Lewis-Clark St College	3,616	3,635	3,909	3,733	1.1%
Total	50,844	50,125	52,471	52,431	1.0%

Combined Annual Operating Budgets for Institutions Only¹

Selected Measures	2014-15	2015-16	2016-17	2017-18	Avg. Ann. Chg.
State General Fund	\$246,584,400	\$253,811,400	\$274,482,200	\$281,987,400	4.8%
State Endowment	12,528,000	13,980,000	15,840,000	15,840,000	8.8%
Tuition/Student Fees	234,825,500	247,721,900	257,308,600	261,830,100	3.8%
Subtotal	\$493,937,900	\$515,513,300	\$547,630,800	\$559,657,500	4.4%
Non-appropriated Funds					
Non-cog Tuition/Fees	\$8,001,800	\$8,342,100	(\$6,489,600)	(\$5,797,700)	-57.5%
Other Student Fees	85,683,700	84,103,000	88,334,700	109,741,000	9.4%
Fed Grants/Contracts	423,483,800	401,179,300	394,835,000	390,258,900	-2.6%
State Grants/Contracts	21,682,900	22,847,700	22,916,000	23,926,300	3.4%
Gifts, Grants/Contracts	67,276,600	63,564,800	63,578,500	62,421,600	-2.4%
Sales & Services	24,780,000	26,730,100	26,475,400	27,653,200	3.9%
Auxiliary Enterprises	114,684,600	108,802,300	102,304,300	100,815,600	-4.0%
Indirect Costs	19,517,200	17,811,000	17,923,600	27,158,900	13.1%
All Other	38,235,200	33,043,000	37,896,800	41,930,700	3.2%
Subtotal	\$803,345,800	\$766,423,300	\$747,774,700	\$778,108,500	-1.0%
Grand Total All Funds	\$1,297,283,700	\$1,281,936,600	\$1,295,405,500	\$1,337,766,000	1.0%

Notes:

1. Because student fee increases are typically approved by the board after the College and Universities budget has been set by the Legislature, the operating budgets will have more appropriation 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 2018 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	\$96,212,300	\$76,411,300	\$90,690,500	\$16,952,300
State General Fund O/T	0	639,000	740,600	341,400
State Endowment Funds	0	3,609,600	10,099,200	2,131,200
Onetime Other Funds	0	0	235,400	0
Tuition/Student Fees	98,541,000	71,037,800	76,219,800	16,031,500
Subtotal	\$194,753,300	\$151,697,700	\$177,985,500	\$35,456,400
Non-appropriated Funds				
Non-cog Tuition/Fees	\$4,325,700	(\$7,467,500)	(\$2,655,890)	\$0
Other Student Fees	61,889,411	24,443,860	20,443,695	2,964,000
Fed Grants/Contracts	131,000,000	106,205,599	133,945,505	19,107,789
State Grants/Contracts	5,000,000	8,537,371	8,711,156	1,677,723
Gifts, Grants/Contracts	26,335,037	9,289,083	24,632,960	2,164,488
Sales & Services	0	6,616,070	19,837,167	1,200,000
Auxiliary Enterprises	49,851,373	22,207,962	25,430,796	3,325,450
Indirect Costs	13,600,000	3,188,944	10,100,000	270,000
All Other	29,034,075	3,756,058	8,925,496	215,050
Subtotal	\$321,035,596	\$176,777,447	\$249,370,885	\$30,924,500
Grand Total All Funds	\$515,788,896	\$328,475,147	\$427,356,385	\$66,380,900
2. Uses of Funds				
Instruction	\$134,743,367	\$96,988,950	\$100,215,079	\$20,125,294
Research	30,788,167	22,675,344	64,234,293	501,474
Public Service	14,279,745	2,765,542	20,161,394	808,141
Academic Support	27,848,358	16,513,940	16,518,950	3,080,081
Libraries	8,202,604	6,257,014	10,724,812	1,374,816
Student Services	21,030,085	9,704,845	15,066,400	5,663,135
Institutional Support	54,433,048	24,157,987	38,302,854	5,596,796
Physical Plant	27,406,606	21,707,069	32,321,846	3,733,455
Scholarships & Fellowships	7,954,200	6,847,864	20,030,421	601,506
Federal Student Financial Aid	100,000,000	92,794,149	69,288,130	18,100,000
Auxiliary Enterprises	43,195,914	18,130,504	23,407,740	3,125,814
Athletics	42,826,476	9,924,602	15,451,325	3,084,702
Other (Incl Onetime Funds)	0	2,792,524	740,600	341,400
Total	\$512,708,570	\$331,260,334	\$426,463,844	\$66,136,614
Budget Under/(Over)	\$3,080,326	(\$2,785,187)	\$892,541	\$244,286

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 and Universities budget has been set by the Legislature, the operating budgets will have more appropriation for student fees than the original appropriation.

College and Universities Agency Profile

Analyst: Jessup

Net Asset Balances As of June 30, 2017

Net Assets:	BSU	ISU	UI	LCSC	TOTAL
Invested in capital assets	\$269,287,743	\$131,220,667	\$258,252,892	\$51,510,374	\$710,271,676
Restricted, expendable	13,617,685	4,380,824	39,604,882	980,320	58,583,711
Unrestricted (see detail below)	114,456,751	114,090,114	70,144,622	24,574,809	323,266,296
Total Net Assets	\$397,362,179	\$249,691,605	\$368,002,396	\$77,065,503	\$1,092,121,683

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)	\$46,308,732	\$42,887,278	\$21,132,158	\$15,183,659	\$125,511,827
Designated (Note B)	48,304,649	51,809,086	28,969,303	6,727,980	135,811,018
Unrestricted Available (Note C)	19,843,370	19,393,750	20,043,161	2,663,170	61,943,451
Total Unrestricted Net Assets	\$114,456,751	\$114,090,114	\$70,144,622	\$24,574,809	\$323,266,296

Total Operating Expenses	\$377,968,103	\$247,447,738	\$398,016,824	\$51,673,136	\$1,075,105,801
Unrestricted Available Funds as a percentage of operating expenditures	5.3%	7.8%	5.0%	5.2%	5.8%

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 2018 Original Appropriation	4,559.88	287,053,200	564,958,700	4,559.88	287,053,200	564,958,700
Reappropriation	0.00	0	164,743,600	0.00	0	164,743,600
FY 2018 Total Appropriation	4,559.88	287,053,200	729,702,300	4,559.88	287,053,200	729,702,300
Noncognizable Funds and Transfers	104.72	0	0	104.72	0	0
Expenditure Adjustments	0.00	0	(3,063,800)	0.00	0	(3,063,800)
FY 2018 Estimated Expenditures	4,664.60	287,053,200	726,638,500	4,664.60	287,053,200	726,638,500
Removal of Onetime Expenditures	0.00	(1,721,000)	(167,700,100)	0.00	(1,721,000)	(167,700,100)
Base Adjustments	0.00	0	406,300	0.00	0	406,300
FY 2019 Base	4,664.60	285,332,200	559,344,700	4,664.60	285,332,200	559,344,700
Benefit Costs	0.00	(4,587,900)	(8,040,100)	0.00	(3,548,100)	(6,211,100)
Inflationary Adjustments	0.00	767,100	2,099,500	0.00	0	1,332,400
Replacement Items	0.00	5,630,300	8,812,500	0.00	0	3,182,200
Statewide Cost Allocation	0.00	243,000	243,000	0.00	243,000	243,000
Change in Employee Compensation	0.00	2,251,400	3,954,200	0.00	6,358,800	11,170,500
Nondiscretionary Adjustments	0.00	3,239,400	3,239,400	0.00	3,239,400	3,239,400
Endowment Adjustments	0.00	0	510,100	0.00	0	347,400
FY 2019 Program Maintenance	4,664.60	292,875,500	570,163,300	4,664.60	291,625,300	572,648,500
1. Object Transfer for PC	0.00	0	0	0.00	0	0
2. Idaho Regional Optical Network (IRON)	0.00	800,000	800,000	0.00	0	0
3. Degree Audit and Data System	0.00	350,000	350,000	0.00	350,000	350,000
4. BSU, Public Service Initiative	16.66	2,147,900	2,147,900	0.00	0	0
5. BSU, Career Readiness and Success	27.00	2,575,000	2,575,000	0.00	0	0
6. ISU, Health Sci and Workforce Exp	21.00	3,351,400	3,351,400	0.00	0	0
7. LCSC, Access and Completion	8.00	649,200	649,200	0.00	0	0
8. LCSC, Compliance Efforts	2.00	177,900	177,900	0.00	0	0
9. UI, Library Investment - Phase II	5.75	1,801,300	1,801,300	0.00	0	0
10. UI, Student Success & Support	3.85	319,900	319,900	0.00	0	0
11. Occupancy Costs - BSU, ISU, UI	8.20	1,621,100	1,621,100	8.20	1,631,700	1,631,700
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	4,757.06	306,669,200	583,957,000	4,672.80	293,607,000	574,630,200
Change from Original Appropriation	197.18	19,616,000	18,998,300	112.92	6,553,800	9,671,500
% Change from Original Appropriation		6.8%	3.4%		2.3%	1.7%

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	4,559.88	287,053,200	277,905,500	0	564,958,700

Reappropriation

The agency was authorized to reappropriate or carryover is unencumbered and unspent appropriation of dedicated funds from FY 2017 into FY 2018. Carryover for Boise State University totaled \$39,819,100; Idaho State University totaled \$79,357,900; University of Idaho totaled \$25,341,000; and Lewis-Clark State College totaled \$20,225,600. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	164,743,600	0	164,743,600
Governor's Recommendation	0.00	0	164,743,600	0	164,743,600

FY 2018 Total Appropriation					
Agency Request	4,559.88	287,053,200	442,649,100	0	729,702,300
Governor's Recommendation	4,559.88	287,053,200	442,649,100	0	729,702,300

Noncognizable Funds and Transfers

The agencies request the distribution of \$4,026,600 from the Higher Education Research Council (HERC) to the individual institutions and adjustment of institution FTP. This transfer of moneys nets to zero.

Agency Request	104.72	0	0	0	0
Governor's Recommendation	104.72	0	0	0	0

Expenditure Adjustments

Boise State University: Amount includes \$4,300,000 for additional student fee revenue approved in April 2017, primarily from new academic programs; it also includes \$1,000,000 in onetime student fees collected in excess of FY 2017 appropriation.

Idaho State University: Amount includes a reduction of \$6,133,200 to reflect a decrease in student tuition and fees (dedicated funds).

University of Idaho: Amount includes a net reduction of \$1,850,100 to reflect a decrease in student tuition and fees (dedicated funds).

Agency Request	0.00	0	(3,063,800)	0	(3,063,800)
Governor's Recommendation	0.00	0	(3,063,800)	0	(3,063,800)

FY 2018 Estimated Expenditures					
Agency Request	4,664.60	287,053,200	439,585,300	0	726,638,500
Governor's Recommendation	4,664.60	287,053,200	439,585,300	0	726,638,500

Removal of Onetime Expenditures

The agency requests removal of onetime funding appropriated and reappropriated in FY 2018.

Agency Request	0.00	(1,721,000)	(165,979,100)	0	(167,700,100)
Governor's Recommendation	0.00	(1,721,000)	(165,979,100)	0	(167,700,100)

Base Adjustments

The agency requests removal of funding previously added for the Idaho Global Entrepreneurial Mission (iGEMS), Higher Education Research Council (HERC), and undergraduate research. Base adjustments also reverse and make permanent those adjustments made by institutions in the current fiscal year, including increases or decreases to student tuition and fees.

Agency Request	0.00	0	406,300	0	406,300
Governor's Recommendation	0.00	0	406,300	0	406,300

FY 2019 Base					
Agency Request	4,664.60	285,332,200	274,012,500	0	559,344,700
Governor's Recommendation	4,664.60	285,332,200	274,012,500	0	559,344,700

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(4,587,900)	(3,452,200)	0	(8,040,100)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(3,548,100)	(2,663,000)	0	(6,211,100)
Inflationary Adjustments					
Boise State University: Includes a request of \$157,000 ongoing from the General Fund and \$417,000 ongoing from dedicated funds for general inflation; it also includes \$182,900 ongoing from the General Fund for library inflation.					
Idaho State University: Includes a request of \$9,500 ongoing from the General Fund and \$490,500 ongoing from dedicated funds for general inflation; it also includes \$166,200 ongoing from the General Fund for library inflation.					
University of Idaho: Includes a request of \$56,800 ongoing from the General Fund and \$265,000 ongoing from dedicated funds for general inflation; it also includes \$176,100 ongoing from the General Fund and \$159,900 ongoing from dedicated funds for library inflation.					
Lewis-Clark State College: Includes a request of \$18,600 ongoing from the General Fund for library inflation.					
Agency Request	0.00	767,100	1,332,400	0	2,099,500
<i>The Governor recommends only dedicated fund appropriation for general inflation.</i>					
Governor's Recommendation	0.00	0	1,332,400	0	1,332,400
Replacement Items					
Boise State University: The agency requests \$2,903,100 onetime from dedicated funds for annual scheduled replacement of computer software, furniture, academic and lab equipment, vehicles, and other items.					
Idaho State University: The agency requests \$2,754,200 onetime from the General Fund for annual scheduled replacement of computer equipment and accessories, lab equipment, medical equipment, field research equipment, vehicles, and other items.					
University of Idaho: The agency requests \$2,127,800 onetime from the General Fund and \$279,100 onetime from dedicated funds for annual scheduled replacement of computers, lab equipment, media equipment, vehicles, and other items.					
Lewis-Clark State College: The agency requests \$1,027,400 onetime from the General Fund for annual scheduled replacement of computer equipment, audio visual and telecommunications equipment, educational equipment, vehicles, industrial equipment, and other items.					
Agency Request	0.00	5,630,300	3,182,200	0	8,812,500
<i>The Governor does not recommend the General Fund for replacement items.</i>					
Governor's Recommendation	0.00	0	3,182,200	0	3,182,200
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.					
Boise State University: Risk management fees will increase by \$12,000 and State Controller fees will increase by \$44,600, for a net increase of \$56,600.					
Idaho State University: Risk management fees will increase by \$58,600 and State Controller fees will increase by \$30,600, for a net increase of \$89,200.					
University of Idaho: Risk management fees will increase by \$10,800 and State Controller fees will increase by \$68,600, for a net increase of \$79,400.					
Lewis-Clark State College: Risk management fees will decrease by \$2,900 and State Controller fees will increase by \$20,700, for a net increase of \$17,800.					
Agency Request	0.00	243,000	0	0	243,000
Governor's Recommendation	0.00	243,000	0	0	243,000

College and Universities

Analyst: Jessup

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	2,251,400	1,702,800	0	3,954,200
<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. The Governor recommends the pay structure for state employees be moved by 3% and includes \$18,300 for that purpose.</i>					
Governor's Recommendation	0.00	6,358,800	4,811,700	0	11,170,500
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. The Higher Education Taskforce explored outcome based funding (OBF) but elected not to propose the implementation of OBF funding for FY 2019. The Office of the State Board of Education provided preliminary FY 2019 EWA calculations that show a reduction of \$347,300 for University of Idaho and \$73,600 for Lewis-Clark State College, and an increase of \$3,092,000 for Boise State University and \$568,300 for Idaho State University. These adjustments net to an overall increase of \$3,239,400.					
Agency Request	0.00	3,239,400	0	0	3,239,400
Governor's Recommendation	0.00	3,239,400	0	0	3,239,400
Endowment Adjustments					
The total distribution of endowment funds includes \$3,739,400 to Idaho State University (ISU), \$10,498,800 to University of Idaho (UI), and \$73,800 to Lewis-Clark State College (LCSC). The institutions use portions of endowment distributions for personnel costs. This adjustment provides appropriation for endowment funds not otherwise used for personnel costs and includes \$165,900 for ISU, \$270,400 for UI, and \$73,800 for LCSC. This adjustment nets to an overall increase of \$510,000.					
Agency Request	0.00	0	510,100	0	510,100
<i>The Governor's recommendation is less than the request because more endowment funds are being applied elsewhere in the budget for health benefit costs and the recommended 3% CEC.</i>					
Governor's Recommendation	0.00	0	347,400	0	347,400
FY 2019 Program Maintenance					
Agency Request	4,664.60	292,875,500	277,287,800	0	570,163,300
Governor's Recommendation	4,664.60	291,625,300	281,023,200	0	572,648,500

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Object Transfer for PC					
Boise State University, University of Idaho					
Boise State University (BSU) and the University of Idaho (UI) are requesting to shift a portion of the funding source that pays for personnel costs. These institutions are requesting that the General Fund cover more personnel costs, which includes employee benefit costs and the change in employee compensation (CEC). The institutions believe that this will reduce the need to increase student tuition and fees to cover changes in their personnel costs. As an offset, the institutions are requesting a transfer from the General Fund to their dedicated funds for student tuition and fees in operating expenditures and capital outlay. The overall request for the current year has a net-zero impact on each institution. Beginning in FY 2020, however, this change will add to the obligations of the General Fund.					
NOTE: BSU is requesting to shift \$7,283,100 in dedicated fund personnel costs to the General Fund, shift \$3,600,000 in operating expenditures from the General Fund to dedicated funds, and shift \$3,683,100 in capital outlay from the General Fund to dedicated funds. This shift would change the funding ratio used to determine the allocation for personnel cost increases, from 51.1% on the General Fund to 55.4%. Not including variable benefit costs, there would be an increase of \$197,400 for a 1% calculated CEC and benefit costs from the General Fund in FY 2020 that would have otherwise been paid from dedicated funds.					
UI is requesting to shift \$4,262,000 in dedicated fund personnel costs to the General Fund and shift \$4,262,000 in operating expenditures from the General Fund to dedicated funds. This shift would change the funding ratio used to determine the allocation for personnel cost increases, from 58.4% on the General Fund to 61.5% on the General Fund. Not including variable benefit costs, there would be an increase of \$177,100 for a 1% calculated CEC and benefit costs from the General Fund in FY 2020 that would have otherwise been paid from dedicated funds.					
Agency Request	0.00	0	0	0	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Idaho Regional Optical Network (IRON)					
Systemwide Programs					
Systemwide Programs request \$800,000 ongoing from the General Fund to sustain maintenance and operations for the Idaho Regional Optical Network (IRON). IRON provides high-speed interconnectivity of the research institutions throughout the state to access research networks in collaboration with the Idaho National Laboratory (INL). Funding would enhance the current infrastructure from a 10g network to a 100g network, connect new facilities, and support the work of 200 faculty/researchers within Idaho institutions. Systemwide Programs would leverage requested funds against INL and IRON non-General Fund investments of capital outlay for enhancements and initial implementation. The totality of this request is for operating expenditures to support maintenance on the network.					
Agency Request	0.00	800,000	0	0	800,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Degree Audit and Data System					
Systemwide Programs					
The agency requests \$350,000 ongoing from the General Fund to build and maintain a degree audit and data analytics system to support student retention and degree achievement. The Governor's Higher Education Taskforce met throughout 2017, and specifically recognized the need for a degree audit and data analytics system that would help postsecondary institutions identify students in need of additional support and guidance. The requested amount would be used for ongoing annual licensing and maintenance costs for a system that would be utilized by board institutions.					
Agency Request	0.00	350,000	0	0	350,000
Governor's Recommendation	0.00	350,000	0	0	350,000

College and Universities

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. BSU, Public Service Initiative					
Boise State University					
Boise State University (BSU) requests 16.66 FTP and \$2,147,900 ongoing from the General Fund for the expansion of the School of Public Service and to support the Public Service Initiative. 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 provide an alternative to costly private data and policy analysis options. If fully funded, BSU intends to construct a Public Service Data Center and Research Center to support the initiative.					
Agency Request	16.66	2,147,900	0	0	2,147,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. BSU, Career Readiness and Success					
Boise State University					
The agency requests 27.00 FTP and \$2,575,000 ongoing from the General Fund to develop a coordinated model of career advising services to support students. Boise State University has piloted the expansion of services within the College of Business and Economics and has recognized increased student engagement. Students engaged with the pilot experienced a 15% increase in graduation rates, an 18% decrease in length of academic career, increased degree declarations, and increased retention rates. Moneys would be used to expand this model across campus, expanding academic support and career counseling to improve retention and career readiness. The entirety of the request is for personnel costs and would include 18 career specialists and nine faculty.					
Agency Request	27.00	2,575,000	0	0	2,575,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. ISU, Health Sci and Workforce Exp					
Idaho State University					
The institution requests 21.00 FTP and \$3,351,400 from the General Fund to expand program and course offerings in health sciences. This request includes program expansion for occupational therapy, clinical psychopharmacology, and dental residency; enhancing the pharmacy presence in northern Idaho; and general growth and enhancement in the university's 14 in-house clinics through additional faculty and equipment purchases. Funding would also support interprofessional education; health research infrastructure; rural health outcomes and quality; marketing, promotion, and communication of the University of Idaho's health care programs; and its ability to attract rural and underrepresented minority Idaho high school students into professional health training programs.					
Agency Request	21.00	3,351,400	0	0	3,351,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
7. LCSC, Access and Completion					
Lewis-Clark State College					
The institution requests 8.00 FTP and \$649,200 from the General Fund to enable program expansion and fortified advising and counseling. This request includes expanding the social work program to accommodate 50 additional students, student counselors for career and mental health advising, and expansion of general education resources to enhance student go-on rates. New positions include two social work faculty, one interdisciplinary faculty, one humanities faculty, two career counselors, one transfer counselor, and two program advisors. Of this request, \$622,200 is ongoing and \$27,000 is onetime.					
Agency Request	8.00	649,200	0	0	649,200
<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
8. LCSC, Compliance Efforts					
Lewis-Clark State College					
The institution requests 2.00 FTP and \$177,900 from the General Fund to aid in compliance efforts in light of the Governor's Taskforce on cybersecurity findings. Funding would be utilized to hire a cybersecurity analyst to address critical security controls and support user education to minimize cyber vulnerabilities. This position would be responsible for securing infrastructure and developing an education initiative for staff and students. The institution would also hire an environmental health and safety specialist who would be responsible for developing campuswide policies and protocols pertaining to hazardous materials. At present, many persons manage hazardous materials across campus with no central oversight. The other four-year institutions in the state have dedicated staff for this purpose. Of this request, \$171,900 is ongoing and \$6,000 is onetime.					
Agency Request	2.00	177,900	0	0	177,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
9. UI, Library Investment - Phase II					
Boise State University, University of Idaho					
The University of Idaho (UI) requests 5.75 FTP and \$1,798,300 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 focused faculty. R1 is the highest classification provided for universities and indicates the highest level of research activity. Of the request, \$472,700 is ongoing for personnel costs, \$111,800 is ongoing for operating expenditures, and \$1,200,000 is ongoing for capital outlay. An additional \$16,800 is requested for onetime capital outlay. Personnel additions would include three librarians/professors, one archivist/professor, a library technician, a repository programmer, and student employees. Ongoing capital outlay would be utilized to grow the library's acquisitions and content, including moneys to continually upgrade equipment to access digital content. UI 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	5.75	1,801,300	0	0	1,801,300
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
10. UI, Student Success & Support					
University of Idaho					
The University of Idaho requests 3.85 FTP and \$319,900 from the General Fund for additional personnel in the areas of crisis management and critical support for students with autism spectrum disorders (ASD) through the Raven Scholars Program. Moneys would support the hiring of two student support case managers who would provide crisis intervention, short-term counseling, and referral support for students. Managers would coordinate with the campus's suicide intervention and mental health assessment programs as well as impact student retention and success by assuring that students can connect to all available resources for their success. Moneys would also support services through the Raven Scholars Program to students with ASD and support retention and integration into the university community.					
Agency Request	3.85	319,900	0	0	319,900
<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
11. Occupancy Costs - BSU, ISU, UI	State University, Idaho State University, University of Idaho				
Boise State University: The institution requests occupancy costs for the Fine Arts Building (to open June 2019), Campus Planning and Facilities Building (to open January 2018), and Alumni and Friends Center (occupied as of December 2017). The agency also requests a decrease of \$272,200 ongoing from the General Fund in occupancy costs related to the demolition of the University Drive Annex. These requests net to an increase of \$212,000 in ongoing occupancy costs from the General Fund.					
Idaho State University: The institution requests occupancy costs for the Eames Complex (to open July 2018), which totals \$1,347,800 ongoing from the General Fund.					
University of Idaho: The institution requests occupancy costs for the Aquaculture Research Institute Lab (to be occupied January 2018), University House (to be occupied July 2018), Food Research Center (to be opened July 2018), and Ag Science Building (to open January 2018), which totals \$61,300 ongoing from the General Fund.					
Agency Request	8.20	1,621,100	0	0	1,621,100
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	8.20	1,631,700	0	0	1,631,700
Budget Law Exemptions		BSU, ISU, UI, LCSC, and Systemwide Programs			
The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	4,757.06	306,669,200	277,287,800	0	583,957,000
Governor's Recommendation	4,672.80	293,607,000	281,023,200	0	574,630,200
Agency Request					
Change from Original App	197.18	19,616,000	(617,700)	0	18,998,300
% Change from Original App	4.3%	6.8%	(0.2%)		3.4%
Governor's Recommendation					
Change from Original App	112.92	6,553,800	3,117,700	0	9,671,500
% Change from Original App	2.5%	2.3%	1.1%		1.7%

Community Colleges

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
College of Southern Idaho	14,865,800	14,865,800	14,305,800	15,912,200	14,254,000
College of Western Idaho	11,868,200	11,868,200	12,770,000	16,230,300	14,138,900
North Idaho College	11,985,000	11,985,000	12,925,100	13,613,400	12,627,200
College of Eastern Idaho	0	0	0	5,177,300	5,213,800
Total:	38,719,000	38,719,000	40,000,900	50,933,200	46,233,900
BY FUND CATEGORY					
General	38,119,000	38,119,000	39,400,900	50,133,200	45,433,900
Dedicated	600,000	600,000	600,000	800,000	800,000
Total:	38,719,000	38,719,000	40,000,900	50,933,200	46,233,900
Percent Change:		0.0%	3.3%	27.3%	15.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	29,415,800	0	31,431,300	40,507,700	37,668,900
Operating Expenditures	8,649,800	1,270,000	7,906,200	8,742,500	7,914,600
Capital Outlay	653,400	0	663,400	1,683,000	650,400
Trustee/Benefit	0	37,449,000	0	0	0
Total:	38,719,000	38,719,000	40,000,900	50,933,200	46,233,900

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.

Codified community colleges in Idaho include the College of Southern Idaho (CSI) in Twin Falls, College of Western Idaho (CWI) in Nampa, and North Idaho College (NIC) in Coeur d'Alene. In May of 2017, voters in Bonneville County approved the creation of a taxation district to support the College of Eastern Idaho.

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. Pursuant to Section 23-404(1)(b)(iii), Idaho Code, liquor funds are divided evenly among codified institutions. The Legislature does not appropriate local property tax revenues, student tuition and fees, county tuition, or other miscellaneous revenues.

Community Colleges Agency Profile

Analyst: Jessup

Student Information	2014-15	2015-16	2016-17	2017-18	Annual Change
Fall Snapshot, Full-Time Equivalent (FTE) Academic and Career Technical, 2017					
College of Southern Idaho	3,917	3,702	3,518	3,409	-4.3%
College of Western Idaho	5,735	4,908	4,858	5,185	-3.2%
North Idaho College	3,779	3,510	3,345	3,252	-4.6%
Total	13,431	12,120	11,721	11,846	-3.9%
Fall Snapshot, Headcount, Academic and Career Technical, 2017					
College of Southern Idaho	8,357	7,570	7,021	7,063	-5.2%
College of Western Idaho	10,217	8,435	9,120	10,321	0.3%
North Idaho College	5,770	5,543	5,344	5,390	-2.2%
Total	24,344	21,548	21,485	22,774	-2.1%
Annual Student Tuition & Fees*					
College of Southern Idaho	\$2,760	\$2,880	\$3,120	\$3,120	4.3%
College of Western Idaho	\$3,264	\$3,264	\$3,336	\$3,336	0.7%
North Idaho College	\$3,022	\$3,214	\$3,288	\$3,360	3.7%

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

Financial Information	Actual Expend. FY 2017	Approp. FY 2018	Request FY 2019	\$ Change FY 2016 to FY 2018	% Change FY 2016 to FY 2018
College of Southern Idaho					
State General Fund*	\$14,665,800	\$14,105,800	\$15,712,200	\$1,046,400	7.1%
Liquor Funds*	200,000	200,000	200,000	0	0.0%
Property Tax	6,420,200	6,539,900	6,800,000	379,800	5.9%
Tuition and Fees**	11,702,700	11,206,200	11,800,000	97,300	0.8%
County Tuition	1,967,000	1,360,000	1,400,000	(567,000)	-28.8%
Miscellaneous	1,764,200	2,736,900	951,900	(812,300)	-46.0%
Total	\$36,719,900	\$36,148,800	\$36,864,100	\$144,200	0.4%
College of Western Idaho					
State General Fund*	\$11,668,200	\$12,570,000	\$16,371,700	\$4,703,500	40.3%
Liquor Funds*	200,000	200,000	200,000	0	0.0%
Property Tax	7,524,900	7,601,700	8,079,600	554,700	7.4%
Tuition and Fees**	18,814,300	21,663,500	21,387,100	2,572,800	13.7%
County Tuition	642,000	400,000	600,000	(42,000)	-6.5%
Miscellaneous & Carryover	490,700	836,100	548,000	57,300	11.7%
Total	\$39,340,100	\$43,271,300	\$47,186,400	\$7,846,300	19.9%
North Idaho College					
State General Fund*	\$11,785,000	\$12,725,100	\$13,413,400	\$1,628,400	13.8%
Liquor Funds*	200,000	200,000	200,000	0	0.0%
Property Tax	14,719,900	15,014,800	15,264,800	544,900	3.7%
Tuition and Fees**	12,211,600	12,455,800	12,784,600	573,000	4.7%
County Tuition	899,600	899,600	900,000	400	0.0%
Miscellaneous	798,800	859,300	295,000	(503,800)	-63.1%
Total	\$40,614,900	\$42,154,600	\$42,857,800	\$2,242,900	5.5%

*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			
2012	\$95.76	\$5,365,295,851	\$5,137,649
2013	\$97.07	\$5,508,098,852	\$5,346,793
2014	\$95.55	\$5,763,316,656	\$5,506,857
2015	\$96.49	\$5,958,786,059	\$5,749,361
2016	\$105.21	\$6,102,259,644	\$6,420,200
College of Western Idaho			
2012	\$19.04	\$31,243,847,551	\$5,949,783
2013	\$18.21	\$34,311,112,262	\$6,249,013
2014	\$16.63	\$39,451,900,388	\$6,560,077
2015	\$16.42	\$42,282,915,154	\$6,942,147
2016	\$15.95	\$47,177,822,649	\$7,524,878
North Idaho College			
2012	\$122.03	\$11,200,581,030	\$13,668,144
2013	\$120.15	\$11,472,122,065	\$13,783,194
2014	\$112.39	\$12,359,983,215	\$13,890,803
2015	\$109.89	\$13,087,893,022	\$14,382,710
2016	\$104.95	\$14,026,088,304	\$14,719,900

The College of Eastern Idaho anticipates proceeds from its district levy beginning in 2018.

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

College of Eastern Idaho (situated in a community college area comprised of Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, Teton, and part of Bingham counties) has one county (Bonneville) 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 2018 Original Appropriation	0.00	39,400,900	40,000,900	0.00	39,400,900	40,000,900
Removal of Onetime Expenditures	0.00	(13,000)	(13,000)	0.00	(13,000)	(13,000)
FY 2019 Base	0.00	39,387,900	39,987,900	0.00	39,387,900	39,987,900
Benefit Costs	0.00	(572,500)	(572,500)	0.00	(529,800)	(529,800)
Inflationary Adjustments	0.00	89,200	89,200	0.00	0	0
Replacement Items	0.00	756,900	756,900	0.00	0	0
Change in Employee Compensation	0.00	272,000	272,000	0.00	766,700	766,700
Enrollment Workload Adjustment	0.00	795,300	795,300	0.00	795,300	795,300
FY 2019 Program Maintenance	0.00	40,728,800	41,328,800	0.00	40,420,100	41,020,100
1. CSI, IT Platforms	0.00	774,800	774,800	0.00	0	0
2. CSI, Weekend College	0.00	195,600	195,600	0.00	0	0
3. CSI, Center for Education Innovation	0.00	67,500	67,500	0.00	0	0
4. NIC, Pathfinders Program	0.00	364,100	364,100	0.00	0	0
5. NIC, Computer Science Prog Faculty	0.00	312,900	312,900	0.00	0	0
6. NIC, Summer Completion Initiative	0.00	302,900	302,900	0.00	0	0
7. NIC, First Year Experience Program	0.00	174,500	174,500	0.00	0	0
8. CWI, Balance Funding	0.00	1,658,600	1,658,600	0.00	0	0
9. CWI, Addl Staff and Student Retention	0.00	576,200	576,200	0.00	0	0
10. CEI, Funds Transferred from CTE	0.00	1,081,200	1,081,200	0.00	1,111,100	1,111,100
11. CEI, Instruction Expansion	0.00	3,896,100	3,896,100	0.00	3,902,700	3,902,700
12. CEI, Administration Expansion	0.00	0	200,000	0.00	0	200,000
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	0.00	50,133,200	50,933,200	0.00	45,433,900	46,233,900
Change from Original Appropriation	0.00	10,732,300	10,932,300	0.00	6,033,000	6,233,000
% Change from Original Appropriation		27.2%	27.3%		15.3%	15.6%

Community Colleges

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	39,400,900	600,000	0	40,000,900

Removal of Onetime Expenditures

College of Western Idaho: Removal of onetime capital outlay purchases related to FY 2018 line items in the amount of \$8,000.

North Idaho College: Removal of onetime capital outlay purchases related to FY 2018 line items in the amount of \$5,000.

Agency Request	0.00	(13,000)	0	0	(13,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(13,000)</i>	<i>0</i>	<i>0</i>	<i>(13,000)</i>

FY 2019 Base					
Agency Request	0.00	39,387,900	600,000	0	39,987,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>39,387,900</i>	<i>600,000</i>	<i>0</i>	<i>39,987,900</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

This request includes a shift of \$5,200 from the Community College Fund to the General Fund for the College of Southern Idaho and North Idaho College to accommodate the increase for personnel costs.

Receipts from the sale of liquor deposited to the Community College Fund are fixed at \$200,000 per college.

Agency Request	0.00	(572,500)	0	0	(572,500)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(529,800)</i>	<i>0</i>	<i>0</i>	<i>(529,800)</i>
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Inflationary Adjustments

This request includes: (1) funding of \$45,800 ongoing from the General Fund for general inflation, and \$2,200 ongoing from the General Fund for library inflation submitted by the College of Southern Idaho (CSI); (2) funding of \$7,900 ongoing from the General Fund for library inflation submitted by the College of Western Idaho; and (3) funding of \$900 ongoing for general inflation from dedicated funds, \$29,800 ongoing for general inflation from the General Fund, and \$2,600 ongoing for library inflation from the General Fund submitted by North Idaho College (NIC).

This request includes a shift of \$1,500 from the Community College Fund to the General Fund for CSI and NIC to accommodate inflationary increases. Receipts from the sale of liquor deposited to the Community College Fund are fixed at \$200,000 per college.

Agency Request	0.00	89,200	0	0	89,200
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The Governor does not recommend using the General Fund for general inflation or the affiliated fund shift.

<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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Replacement Items

The College of Southern Idaho requests \$756,900 onetime from the General Fund for annual scheduled replacement of instructional equipment, computers/data processing equipment, vehicles, audio visual equipment, and other miscellaneous items.

Agency Request	0.00	756,900	0	0	756,900
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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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Community Colleges

Analyst: Jessup

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 request includes a shift of \$2,300 from the Community College Fund to the General Fund for the College of Southern Idaho and North Idaho College to accommodate changes in employee compensation. Receipts from the sale of liquor deposited to the Community College Fund are fixed at \$200,000 per college.

Agency Request	0.00	272,000	0	0	272,000
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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, but does recommend a fund shift to the General Fund.

Governor's Recommendation	0.00	766,700	0	0	766,700
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Enrollment Workload Adjustment

The enrollment workload adjustment formula (EWA) is established in State Board of Education (OSBE) policy and has been the primary formula for determining funding requests by the Legislature for the past decade. The Higher Education Taskforce explored outcome-based funding (OBF) but elected not to propose the implementation of outcome-based funding for FY 2019. OSBE provided preliminary FY 2019 EWA calculations that show reductions of \$99,000 for the College of Southern Idaho and \$399,600 for North Idaho College, and an increase of \$1,293,900 for the College of Western Idaho.

Agency Request	0.00	795,300	0	0	795,300
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Governor's Recommendation	0.00	795,300	0	0	795,300
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FY 2019 Program Maintenance

Agency Request	0.00	40,728,800	600,000	0	41,328,800
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Governor's Recommendation	0.00	40,420,100	600,000	0	41,020,100
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1. CSI, IT Platforms

College of Southern Idaho

The agency requests \$774,800 ongoing from the General Fund to purchase a new software platform that would enable the College of Southern Idaho (CSI) to secure and connect existing data systems. This new platform would allow CSI to compile data to support data-driven decisions, be more strategic, and create efficiencies within multiple current processes on campus. Personnel would include a data architect, business analyst, report writer, application support analyst, and data security specialist, for five new positions total. Ongoing operating expenditures are requested for continued assessment, compliance subscriptions, and platform subscriptions.

Agency Request	0.00	774,800	0	0	774,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. CSI, Weekend College

College of Southern Idaho

The college requests \$195,600 ongoing from the General Fund to develop a weekend college program for working adults and high school students. Students who would otherwise be unable to attend traditional courses during the workweek would be able to complete a certificate or transfer degree within two years. Funds would support a program coordinator, bilingual academic coach, adjunct faculty to teach courses, and operational funds to extend weekend hours.

Agency Request	0.00	195,600	0	0	195,600
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Community Colleges

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. CSI, Center for Education Innovation					
College of Southern Idaho					
The college requests \$67,500 onetime from the General Fund to support coordination of the Center for Education Innovation Initiative which was funded as part of Idaho State University's budget in FY 2018. Funding would support planning and design coordination - specifically a contract for a project manager. Contracted personnel would be responsible for developing the programming and facilities plan for the Education Innovation Center.					
Agency Request	0.00	67,500	0	0	67,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. NIC, Pathfinders Program					
North Idaho College					
The agency requests \$364,100 from the General Fund to hire personnel that would work with local high schools and transition students to postsecondary opportunities. Four navigators would be assigned to schools in Benewah, Bonner, Boundary, and Shoshone counties to promote and strengthen dual credit offerings and support transition. Unlike high school counselors, navigators would be able to engage recently graduated students throughout the summer and increase the go-on rates for high school students. Of this request, \$342,100 is ongoing and \$22,000 is onetime.					
Agency Request	0.00	364,100	0	0	364,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. NIC, Computer Science Prog Faculty					
North Idaho College					
The agency requests \$312,900 from the General Fund to support the hiring of one additional faculty member and the purchase of equipment for the Computer Science Program in Coeur d'Alene. Funding would support the hiring of one computer science instructor to accommodate increased demand for courses. At present, there are 50 students between the freshman and sophomore portion of the program; North Idaho College anticipates serving 90 students during the 2018-2019 academic year and 120 students during the 2019-2020 academic year. Of this request, \$96,900 is ongoing and \$216,000 is onetime.					
Agency Request	0.00	312,900	0	0	312,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. NIC, Summer Completion Initiative					
North Idaho College					
North Idaho College (NIC) requests a onetime appropriation of \$302,900 from the General Fund to pilot the Idaho Summer Completion Initiative. This initiative would enable Idaho residents to attend NIC tuition-free for the summer 2018 term, with the goal of increasing retention and completion rates. The pilot would offer 100, three credit instructional sections and is anticipated to serve 2,000 students, who in turn would be responsible for any lab fees or textbook prices. Any Idaho resident would be eligible to participate and the entirety of the request would be used to pay adjunct faculty members to provide instruction.					
Agency Request	0.00	302,900	0	0	302,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
7. NIC, First Year Experience Program					
North Idaho College					
The agency requests \$174,500 from the General Fund for the creation of the First Year Experience. Funding would support a yearlong, comprehensive program to improve retention for at-risk students. Intervention would include proactive advising, targeted cohort events, career counseling, and program related activities. Funding would be used to hire two program coordinators, and includes \$163,500 ongoing and \$11,000 onetime funding.					
Agency Request	0.00	174,500	0	0	174,500
<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
8. CWI, Balance Funding					
College of Western Idaho					
This request is for \$1,658,600 from the General Fund to ensure average weighted credit equity with the College of Southern Idaho (CSI) and North Idaho College (NIC). Of this request, \$1,478,800 is for personnel costs and \$179,800 is for operating expenditures. The College of Western Idaho (CWI) reports that the average credit hour value of \$43.05 is \$29.61 lower than the average credit hour value at CSI and NIC. As a result, CWI reports that it is underfunded by \$5.9 million compared to these other institutions, and requests this appropriation to offset this amount.					
Agency Request	0.00	1,658,600	0	0	1,658,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
9. CWI, Addl Staff and Student Retention					
College of Western Idaho					
The agency requests \$576,200 from the General Fund to hire additional staff and improve retention rates in support of Idaho's goal of having 60% of Idaho's 25- to 34-year-olds hold some form of a college degree or certificate. Of this request, \$562,200 is ongoing and \$14,000 is onetime. Funding would be used to hire crisis counselors (\$144,200), one veterans service coordinator (\$66,900), one financial success advisor for English learners (\$66,900), one computer science faculty member (\$99,500), one information technology faculty member (\$99,500), and one engineering faculty member (\$99,500). All positions would either service important student populations on the College of Western Idaho campus or provide instruction for general education credits in high-demand sectors of Idaho's economy.					
Agency Request	0.00	576,200	0	0	576,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
10. CEI, Funds Transferred from CTE					
College of Eastern Idaho					
The agency requests \$1,081,200 from the General Fund, which was previously appropriated to the Division for Career-Technical Education's Post-Secondary Program. This funding includes moneys for maintenance and administrative staff that will continue to be needed as Eastern Idaho Technical College transitions to the College of Eastern Idaho. This transfer in funding is mirrored in CTE's budget request as line item 11.					
Agency Request	0.00	1,081,200	0	0	1,081,200
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	1,111,100	0	0	1,111,100
11. CEI, Instruction Expansion					
College of Eastern Idaho					
The College of Eastern Idaho (CEI) requests \$3,896,100 ongoing from the General Fund for 72.00 new FTP to support the academic operations of the College of Eastern Idaho. In the transition from a technical college to a comprehensive community college, CEI will serve students over a ten-county region (including Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, Teton, and parts of Bingham counties). CEI will be offering new and expanded opportunities for students pursuing academic, technical, dual credit, and workforce training courses. This request would support the hiring of additional faculty and instructional administration to meet projected student enrollment for the 2018-2019 academic year. Included in this request are moneys for 32 full-time faculty, the equivalent of 32 part-time faculty, two instructional deans, two part-time deans, four office support staff, dual credit instructors, and dual credit support staff. Of this request, \$3,887,700 is ongoing personnel costs and \$8,400 is ongoing operating expenditures.					
Agency Request	0.00	3,896,100	0	0	3,896,100
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	3,902,700	0	0	3,902,700

Community Colleges

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. CEI, Administration Expansion		College of Eastern Idaho			
The agency requests \$200,000 from dedicated funds for administrative services staff for the newly formed College of Eastern Idaho. With the transition from a technical college to a comprehensive community college, significant changes are anticipated to accommodate the increased student population, dual credit students, accreditation requirements, and community expectations. The request, along with local funds, would provide the personnel costs and operating expenditures for 5.00 FTP to support staff for institutional administration, human resources, marketing, foundation, and comprehensive administrative needs similar to other community colleges.					
This appropriation is requested from the Community College Fund, a dedicated fund that receives annual disbursements from the state liquor tax. At present, this fund is capped at \$600,000 and is divided evenly among the three community colleges included in statute. This request is predicated on the passage of legislation that would adjust this cap to \$800,000, so that each community college would continue to receive \$200,000.					
Agency Request	0.00	0	200,000	0	200,000
Governor's Recommendation	0.00	0	200,000	0	200,000
Budget Law Exemptions		CSI, CWI, NIC, & CEI			
The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	0.00	50,133,200	800,000	0	50,933,200
Governor's Recommendation	0.00	45,433,900	800,000	0	46,233,900
Agency Request					
Change from Original App	0.00	10,732,300	200,000	0	10,932,300
% Change from Original App		27.2%	33.3%		27.3%
Governor's Recommendation					
Change from Original App	0.00	6,033,000	200,000	0	6,233,000
% Change from Original App		15.3%	33.3%		15.6%

Office of the State Board of Education

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
OSBE Administration	14,138,100	4,132,300	8,468,200	8,630,500	9,718,500
Charter School Commission	577,200	466,100	568,300	514,500	521,700
Total:	14,715,300	4,598,400	9,036,500	9,145,000	10,240,200
BY FUND CATEGORY					
General	3,477,000	2,824,300	5,584,900	5,694,200	6,778,900
Dedicated	6,547,000	1,211,400	715,200	713,400	721,200
Federal	4,691,300	562,700	2,736,400	2,737,400	2,740,100
Total:	14,715,300	4,598,400	9,036,500	9,145,000	10,240,200
Percent Change:		(68.8%)	96.5%	1.2%	13.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,073,400	2,579,900	3,080,900	3,174,000	3,632,400
Operating Expenditures	2,719,600	1,024,400	3,414,200	3,418,200	3,899,500
Capital Outlay	20,400	18,800	3,000	14,400	44,900
Trustee/Benefit	8,901,900	975,300	2,538,400	2,538,400	2,663,400
Total:	14,715,300	4,598,400	9,036,500	9,145,000	10,240,200
Full-Time Positions (FTP)	28.75	28.75	31.25	31.65	35.25

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.

OSBE 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 and uses for OSBE include:

1. **GENERAL FUND.** The General Fund supports general administrative functions of OSBE, membership dues (beginning in FY 2014), and programs administered by OSBE. Also supports the operating costs of the Idaho Charter School Commission.
2. **INDIRECT COST RECOVERY FUND.** This 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.** This 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 2018 Original Appropriation	31.25	5,584,900	9,036,500	31.25	5,584,900	9,036,500
Reappropriation	0.00	0	9,225,900	0.00	0	9,225,900
FY 2018 Total Appropriation	31.25	5,584,900	18,262,400	31.25	5,584,900	18,262,400
Removal of Onetime Expenditures	0.00	(93,200)	(9,319,100)	0.00	(93,200)	(9,319,100)
FY 2019 Base	31.25	5,491,700	8,943,300	31.25	5,491,700	8,943,300
Benefit Costs	0.00	(42,100)	(47,600)	0.00	(34,100)	(39,300)
Inflationary Adjustments	0.00	4,000	4,000	0.00	4,000	4,000
Replacement Items	0.00	14,400	14,400	0.00	14,400	14,400
Statewide Cost Allocation	0.00	(45,800)	(45,800)	0.00	(45,800)	(45,200)
Change in Employee Compensation	0.00	22,000	26,700	0.00	64,900	79,200
FY 2019 Program Maintenance	31.25	5,444,200	8,895,000	31.25	5,495,100	8,956,400
1. IT/Telecommunications	0.00	11,000	11,000	0.00	0	0
2. Accreditation for Psychology Internships	0.00	125,000	125,000	0.00	125,000	125,000
3. Graduate Medical Education Council	0.40	114,000	114,000	0.00	0	0
4. Systems Integration Consultant	0.00	0	0	0.00	500,000	500,000
5. Transfer CIS to Board of Education	0.00	0	0	3.00	389,300	389,300
6. Exec Officer at OSBE	0.00	0	0	1.00	269,500	269,500
FY 2019 Total	31.65	5,694,200	9,145,000	35.25	6,778,900	10,240,200
Change from Original Appropriation	0.40	109,300	108,500	4.00	1,194,000	1,203,700
% Change from Original Appropriation		2.0%	1.2%		21.4%	13.3%

Office of the State Board of Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	31.25	5,584,900	715,200	2,736,400	9,036,500

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation of dedicated and federal funds from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	5,097,300	4,128,600	9,225,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,097,300</i>	<i>4,128,600</i>	<i>9,225,900</i>

FY 2018 Total Appropriation					
Agency Request	31.25	5,584,900	5,812,500	6,865,000	18,262,400
<i>Governor's Recommendation</i>	<i>31.25</i>	<i>5,584,900</i>	<i>5,812,500</i>	<i>6,865,000</i>	<i>18,262,400</i>

Removal of Onetime Expenditures

This budget unit removes onetime funding for reappropriation and replacement of computer equipment in FY 2018.

Agency Request	0.00	(93,200)	(5,097,300)	(4,128,600)	(9,319,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(93,200)</i>	<i>(5,097,300)</i>	<i>(4,128,600)</i>	<i>(9,319,100)</i>

FY 2019 Base					
Agency Request	31.25	5,491,700	715,200	2,736,400	8,943,300
<i>Governor's Recommendation</i>	<i>31.25</i>	<i>5,491,700</i>	<i>715,200</i>	<i>2,736,400</i>	<i>8,943,300</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(42,100)	(5,200)	(300)	(47,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(34,100)</i>	<i>(4,900)</i>	<i>(300)</i>	<i>(39,300)</i>
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Inflationary Adjustments

This budget unit includes funding of \$4,000 for contract costs associated with the Western Interstate Commission for Higher Education (WICHE) membership fees.

Agency Request	0.00	4,000	0	0	4,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,000</i>	<i>0</i>	<i>0</i>	<i>4,000</i>

Replacement Items

The Office of the State Board of Education requests \$14,400 from the General Fund to replace one laptop computer (\$1,400), one desktop computer (\$800), one iPad (\$1,000), and one server (\$11,200), for a total of \$14,400.

Agency Request	0.00	14,400	0	0	14,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>14,400</i>	<i>0</i>	<i>0</i>	<i>14,400</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 decrease by \$400, State Controller fees will increase by \$600, State Treasurer fees will decrease by \$100, and Attorney General fees will decrease by \$45,900, for a net reduction of \$45,800.

Agency Request	0.00	(45,800)	0	0	(45,800)
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The Governor's recommendation also includes funding for Legislative Audits fees, which will increase by \$600 from dedicated funds.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(45,800)</i>	<i>600</i>	<i>0</i>	<i>(45,200)</i>
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Office of the State Board of Education

Analyst: Jessup

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	22,000	3,400	1,300	26,700
<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>					
Governor's Recommendation	0.00	64,900	10,300	4,000	79,200
FY 2019 Program Maintenance					
Agency Request	31.25	5,444,200	713,400	2,737,400	8,895,000
Governor's Recommendation	31.25	5,495,100	721,200	2,740,100	8,956,400
1. IT/Telecommunications			OSBE Administration		
Pursuant to Executive Order No. 2017-02, agencies are required to undertake a number of cybersecurity changes to comply with the National Institute of Standards and Technology Cybersecurity Framework. Of this request, \$4,400 is ongoing operating expenses for internet and network security and \$6,600 is onetime for the purchase of Microsoft Office 365 software.					
Agency Request	0.00	11,000	0	0	11,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Accreditation for Psychology Internship			OSBE Administration		
The agency requests \$125,000 ongoing from the General Fund to help establish accreditation standards for psychology internships and fund subsequent psychology internships. All counties in Idaho are designated as mental health professional shortage areas by the Idaho Department of Health and Welfare, and multiple residency programs have been proposed that would place interns/residents throughout the state. At present, there is no statewide accreditation standard directing institutions on the development of such programs. The agency proposes to work with the Western Interstate Commission for Higher Education (WICHE), which has assisted other states to develop standards for accredited psychology programs. In FY 2019, funding would support the creation of accreditation standards, which would enable multiple institutions to develop internship programs to address the shortage in Idaho. Beginning in FY 2020, funding would be used to support psychology internships throughout the state.					
Agency Request	0.00	125,000	0	0	125,000
Governor's Recommendation	0.00	125,000	0	0	125,000
3. Graduate Medical Education Council			OSBE Administration		
The Office of the State Board of Education has developed a 10-year strategic plan to expand program offerings and residency opportunities for medical professionals throughout Idaho. This plan proposes a 222% increase in the program offerings, and 237 increase in the number of graduates from these programs. The board requests 0.40 FTP and \$114,000 ongoing from the General Fund to staff and provide for a Graduate Medical Education Council. This council would oversee the implementation of new programs and advise decision-makers on the medical education pipeline. The council would be comprised of key stakeholders in Idaho to include residency program directors, medical school leaders, hospital leaders, the State Board of Education as well as representatives from medical organizations, higher education, Governor's office, and the Legislature. Requested FTP would be for a part-time physician coordinator who would provide administrative support to the Council. The entirety of this request is personnel costs and is part of an overall statewide \$5,239,000 increase to GME funding.					
Agency Request	0.40	114,000	0	0	114,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Office of the State Board of Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Systems Integration Consultant					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$500,000 onetime from the General Fund for a contracted systems integration consultant to study and report on how best to implement the Higher Education Task Force recommendation. The consultant would be responsible for advising the board how to best integrate, systemize, and more efficiently manage business functions and automate back office functions including information technology, finance, human resources, and procurement across higher education.</i>					
Governor's Recommendation	0.00	500,000	0	0	500,000
5. Transfer CIS to Board of Education					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends 3.0 FTP and \$389,300 from the General Fund to transfer of the Career Information System (CIS) from the Department of Labor to the Office of the State Board of Education (OSBE). The Governor believes consolidating these functions will better address the need for centralized and improved college and career counseling tools identified in the recommendation from both the Workforce Development Task Force and Higher Education Task Force. OSBE aides the preparation of students for life after high school through the coordination of statewide college-to-career activities, the Next Steps Idaho initiative, and website resources. CIS will complement and enhance OSBE's efforts to provide tools for college and career planning to students, school districts, and public post-secondary institutions. It will also more efficiently centralize state resources and eliminate duplicative efforts. Of this recommendation, \$257,100 is ongoing for personnel costs, \$103,700 is ongoing for operating expenditures, and \$28,500 is onetime for capital outlay.</i>					
<i>Legislative Analyst Note: The Department of Labor's budget contains a line item that reduces the agency's appropriation of dedicated funds by \$810,800 and removes 6.00 FTP, thus removing the CIS program. Only a portion of the CIS program, as it existed in the Department of Labor, is being transitioned to OSBE.</i>					
Governor's Recommendation	3.00	389,300	0	0	389,300
6. Exec Officer at OSBE					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends 1.00 FTP and \$269,500 from the General Fund for an executive officer of the State Board of Education. This position would be responsible for implementing the recommendations of the Higher Education Task Force, including the creation of an integrated higher education system for the purpose of eliminating inefficiencies and generating cost savings. Integrated systems would include the shared service operation to support back office functions including information technology, finance, human resources, and procurement across higher education. Of this recommendation, \$254,500 is ongoing for personnel costs, \$13,000 is ongoing for operating expenditures, and \$2,000 is onetime for capital outlay.</i>					
Governor's Recommendation	1.00	269,500	0	0	269,500
FY 2019 Total					
Agency Request	31.65	5,694,200	713,400	2,737,400	9,145,000
Governor's Recommendation	35.25	6,778,900	721,200	2,740,100	10,240,200
Agency Request					
Change from Original App	0.40	109,300	(1,800)	1,000	108,500
% Change from Original App	1.3%	2.0%	(0.3%)	0.0%	1.2%
Governor's Recommendation					
Change from Original App	4.00	1,194,000	6,000	3,700	1,203,700
% Change from Original App	12.8%	21.4%	0.8%	0.1%	13.3%

Health Education Programs

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
W-I Veterinary Education	2,088,400	2,088,400	2,076,100	2,111,200	2,116,500
WWAMI Medical Education	4,876,100	4,876,100	5,303,400	6,462,100	6,399,500
Idaho Dental Education	2,155,600	1,570,100	1,811,600	1,819,900	1,828,400
Univ. of Utah Med. Ed.	1,466,200	1,466,200	1,576,000	1,694,900	1,694,900
Family Medicine Residencies	3,174,900	3,174,900	4,440,900	7,253,500	4,435,900
Boise Internal Medicine	240,000	240,000	540,000	945,000	540,000
Psychiatry Residency	157,800	157,800	157,800	397,800	240,000
Eastern Idaho Med Residencies	0	0	0	705,000	405,000
Bingham Internal Medicine	0	0	0	825,000	465,000
Total:	14,159,000	13,573,500	15,905,800	22,214,400	18,125,200
BY FUND CATEGORY					
General	13,514,000	13,378,300	15,594,200	21,897,100	17,804,200
Dedicated	645,000	195,200	311,600	317,300	321,000
Total:	14,159,000	13,573,500	15,905,800	22,214,400	18,125,200
Percent Change:		(4.1%)	17.2%	39.7%	14.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,169,700	2,577,900	3,132,500	4,292,000	3,644,000
Operating Expenditures	1,927,300	2,282,000	1,922,400	2,232,500	2,219,200
Capital Outlay	74,900	199,000	244,000	188,100	93,000
Trustee/Benefit	8,987,100	8,514,600	10,606,900	15,501,800	12,169,000
Total:	14,159,000	13,573,500	15,905,800	22,214,400	18,125,200
Full-Time Positions (FTP)	24.80	24.80	25.80	35.15	30.15

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 in 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 occur at the Boise VA, St. Alphonsus, and St. Luke's medical centers, as well as at rural rotations around the state.
8. The Eastern Idaho Medical Residencies program allows training at rural and underserved sites in eastern Idaho, based from the Eastern Idaho Regional Medical Center in Idaho Falls.
9. The Boise Internal Medicine (BIM) residency program allows training at rural and underserved sites in eastern Idaho, based out of Blackfoot.

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 (2017-2018)				
1st Year Students	40	10	8	11
2nd Year Students	40	10	8	11
3rd Year Students	35	8	8	11
4th Year Students	30	8	8	11
Total Idaho Students	145	36	32	44
Annual Costs Per Student				
Student Paid Tuition & Fees (2017-2018)	\$ 37,101	\$ 38,932	\$ 27,260	\$ 24,933
Avg. State Support (FY 2018 Approp.) ¹	\$ 36,600	\$ 43,800	\$ 50,000	\$ 44,900
Total Cost Per Seat Per Year	\$ 73,701	\$ 82,732	\$ 77,260	\$ 69,833
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/W.I.M.U.
Rate of Return to Idaho/ Return on Investment				
Idaho Students	50% ⁵	N/A ⁶	65%	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 and fees (\$7,166) and the IDEP program fee. The second, third, and fourth-year students only pay the IDEP program fee.

³ A portion of the year will be online.

⁴ The third and fourth-year clinical rotations can be completed 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.

Residency & Fellowship Program in Idaho

Types	Speciality	Location	Budgeted Program	Year Established	Total Number of Resident/Fellows	Residents/Fellows per Year
Residency	Family Medicine	Boise	FMR	1974	33	11 - 11 - 11
Residency	Family Medicine	Caldwell	FMR	1995	9	3 - 3 - 3
Residency	Family Medicine	Magic Valley	FMR	2009	6	2 - 2 - 2
Residency	Family Medicine	Pocatello	FMR	1992	21	7 - 7 - 7
Residency	Family Medicine	Coeur d'Alene	FMR	2014	18	6 - 6 - 6
Residency	Internal Medicine	Boise VA	BIM	2011	25	9 - 8 - 8
Residency	Internal Medicine	Blackfoot	BIM	2014	11	4 - 4 - 4
Residency	Psychiatry	Boise	Psych Ed	2006	7	0 - 0 - 4 - 3
Transitional	Transitional Internship	Boise VA	BIM	1977	4	4
Fellowship	Sports Medicine	Boise	FMR	1995	1	1
Fellowship	HIV/Viral Hepatitis	Boise	FMR	2006	1	1
Fellowship	Geriatrics	Boise	FMR	2013	1	1
Fellowship	Obstetrics	Boise	FMR	2015	1	1

Health Education Programs

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	25.80	15,594,200	15,905,800	25.80	15,594,200	15,905,800
Reappropriation	0.00	0	748,400	0.00	0	748,400
FY 2018 Total Appropriation	25.80	15,594,200	16,654,200	25.80	15,594,200	16,654,200
Expenditure Adjustments	0.00	0	6,500	0.00	0	6,500
FY 2018 Estimated Expenditures	25.80	15,594,200	16,660,700	25.80	15,594,200	16,660,700
Removal of Onetime Expenditures	0.00	(238,500)	(986,900)	0.00	(238,500)	(986,900)
FY 2019 Base	25.80	15,355,700	15,673,800	25.80	15,355,700	15,673,800
Benefit Costs	0.00	(41,600)	(44,000)	0.00	(31,800)	(33,600)
Inflationary Adjustments	0.00	572,400	572,400	0.00	559,100	559,100
Replacement Items	0.00	7,500	7,500	0.00	0	0
Change in Employee Compensation	0.00	28,300	29,900	0.00	79,200	83,900
FY 2019 Program Maintenance	25.80	15,922,300	16,239,600	25.80	15,962,200	16,283,200
1. WWAMI, 18 Month Curriculum	4.35	887,200	887,200	4.35	802,200	802,200
2. UUSOM, Year 3 Build-out	0.00	87,600	87,600	0.00	87,600	87,600
3. FMR, Residency Costs & Prgm Growth	5.00	2,825,000	2,825,000	0.00	0	0
4. BIM, Residency Costs	0.00	405,000	405,000	0.00	0	0
5. PE, Residency Costs	0.00	240,000	240,000	0.00	82,200	82,200
6. EIMR, Residency Prgm Creation	0.00	705,000	705,000	0.00	405,000	405,000
7. Bingham IM, Residency Prgm Creation	0.00	825,000	825,000	0.00	465,000	465,000
FY 2019 Total	35.15	21,897,100	22,214,400	30.15	17,804,200	18,125,200
Change from Original Appropriation	9.35	6,302,900	6,308,600	4.35	2,210,000	2,219,400
% Change from Original Appropriation		40.4%	39.7%		14.2%	14.0%

Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	25.80	15,594,200	311,600	0	15,905,800

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation of dedicated funds from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	748,400	0	748,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>748,400</i>	<i>0</i>	<i>748,400</i>

FY 2018 Total Appropriation					
Agency Request	25.80	15,594,200	1,060,000	0	16,654,200
<i>Governor's Recommendation</i>	<i>25.80</i>	<i>15,594,200</i>	<i>1,060,000</i>	<i>0</i>	<i>16,654,200</i>

Expenditure Adjustments

Idaho Dental Education Program: Request to adjust expenditures due to fees received by the program in excess of expectations.

Agency Request	0.00	0	6,500	0	6,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>6,500</i>	<i>0</i>	<i>6,500</i>

FY 2018 Estimated Expenditures					
Agency Request	25.80	15,594,200	1,066,500	0	16,660,700
<i>Governor's Recommendation</i>	<i>25.80</i>	<i>15,594,200</i>	<i>1,066,500</i>	<i>0</i>	<i>16,660,700</i>

Removal of Onetime Expenditures

The WWAMI Regional Medical Education Program requests the removal of onetime capital outlay funding provided via a FY 2018 line item to update and equip additional laboratory space for students. The Idaho Dental Education Program requests the removal of the carryover for FY 2017 for dedicated funds. Family Medical Residencies requests the removal of onetime capital outlay funding provided via a FY 2018 line item to replace computer equipment.

Agency Request	0.00	(238,500)	(748,400)	0	(986,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(238,500)</i>	<i>(748,400)</i>	<i>0</i>	<i>(986,900)</i>

FY 2019 Base					
Agency Request	25.80	15,355,700	318,100	0	15,673,800
<i>Governor's Recommendation</i>	<i>25.80</i>	<i>15,355,700</i>	<i>318,100</i>	<i>0</i>	<i>15,673,800</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(41,600)	(2,400)	0	(44,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(31,800)</i>	<i>(1,800)</i>	<i>0</i>	<i>(33,600)</i>
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Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					
The Washington-Idaho Veterinary Education Program includes a request of \$3,900 for general inflation, and a \$36,900 (2.2% increase) for contract cost escalation with Washington State University College of Veterinary Medicine.					
WWAMI Regional Medical Education Program: Includes request of \$3,400 for general inflation, and \$487,300 for contract cost escalation with the University of Washington School of Medicine.					
Idaho Dental Education Program: Includes request of \$3,700 for contract cost escalation with Creighton University School of Dentistry.					
University of Utah School of Medicine: Includes request of \$31,300 for contract cost escalation with the University of Utah School of Medicine.					
Family Medical Residencies: Includes request of \$6,000 for general inflation					
Agency Request	0.00	572,400	0	0	572,400
<i>For the Washington-Idaho Veterinary Education Program, the Governor does not recommend funding for general inflation, but does recommend \$36,800 from the General Fund for contract cost escalation with Washington State University College of Veterinary Medicine.</i>					
<i>For the WWAMI Regional Medical Education Program, the Governor does not recommend funding for general inflation, but does recommend \$487,300 from the General Fund for contract cost escalation with the University of Washington School of Medicine.</i>					
<i>For the Idaho Dental Education Program, the Governor recommends \$3,700 from the General Fund for contract cost escalation with Creighton University School of Dentistry.</i>					
<i>For the University of Utah School of Medicine, the Governor recommends \$31,300 for contract with the University of Utah School of Medicine.</i>					
<i>For Family Medical Residencies, the Governor does not recommend funding for general inflation.</i>					
Governor's Recommendation	0.00	559,100	0	0	559,100
Replacement Items					
Family Medical Residencies: The agency requests \$7,500 for the replacement of computer equipment, including a high definition LCD projector and an Apple iMAC computer.					
Agency Request	0.00	7,500	0	0	7,500
<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	28,300	1,600	0	29,900
<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>					
Governor's Recommendation	0.00	79,200	4,700	0	83,900
FY 2019 Program Maintenance					
Agency Request	25.80	15,922,300	317,300	0	16,239,600
Governor's Recommendation	25.80	15,962,200	321,000	0	16,283,200

Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. WWAMI, 18 Month Curriculum		WWAMI Medical Education			
The agency requests 4.35 FTP and \$871,700 from the General Fund to support class expansion and operations of an 18-month curriculum for medical students attending classes on the University of Idaho campus. University of Idaho's WWAMI students have historically utilized laboratory space pursuant to an interagency agreement with Washington State University, but this agreement is coming to an end. Additionally, with an 18-month curriculum, there is anticipated overlap of student cohorts on campus. Funding would enable students to utilize newly constructed laboratory space at the Gritman Medical Center in Moscow (\$250,000), the hiring of new personnel to support instruction (\$452,100), travel for new faculty (\$10,000), and four ten-passenger vans to transport students to regional clinics in Idaho (\$175,100). Of this amount, \$712,100 is ongoing and \$175,100 is onetime.					
Agency Request	4.35	887,200	0	0	887,200
The Governor recommends 4.35 FTP and \$802,200 from the General Fund to support new faculty and staff, operating expenditures to lease space at the new Gritman Medical Center, and the purchase of two ten-passenger vans to transport students to regional clinics in Idaho. Of this recommendation, \$454,700 is ongoing for personnel costs, \$260,000 is ongoing for operating expenditures, and \$87,500 is onetime for capital outlay.					
Governor's Recommendation	4.35	802,200	0	0	802,200
2. UUSOM, Year 3 Build-out		University of Utah Medical Education			
The agency requests \$87,600 for two additional seats for third-year students. In FY 2017, two additional seats were added to the incoming class of students, increasing the incoming class to ten students and increasing the number of students in the program. The addition of these seats required a commitment of new funds for FY 2017, FY 2018, FY 2019, and FY 2020 as the new class progresses towards graduation, increasing the total number of students in the program from 32 to 40 students over four years. For FY 2019, there will be ten students in the first, second, and third years of the medical school program for a total of 38 students.					
Agency Request	0.00	87,600	0	0	87,600
Governor's Recommendation	0.00	87,600	0	0	87,600

Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. FMR, Residency Costs & Prgm Growth				Family Medicine Residencies	

The agency requests 5.00 FTP and \$2,825,000 ongoing from the General Fund to enhance resident salaries and benefits, expand pharmacy residency opportunities, and support residencies out of Idaho State University (ISU). This line item has multiple parts:

(1) Residence Costs. The annual cost of training a resident for one year is \$194,000. Historically, the Legislature has contributed \$30,000 per resident, or 15% of the cost, while programs, sponsoring institutions, and hospitals shoulder the remaining 85%. Based on recommendations from the Medical Association Graduate Medical Education (GME) Subcommittee, this request would double the state match for residents, increasing state support from \$30,000 to \$60,000 per resident. Family Medical Residencies (FMR) believes that reducing the burden on sponsoring institutions and hospitals would in turn enable programs to grow the number of residencies offered in the future and ensure that existing programs are a sustainable foundation for expansion. The subtotal for this part of the line item is \$1,440,000.

(2) HIV/Viral Hepatitis. Included in this line item is a request of \$60,000 for a second fellowship position within the field of HIV/Viral Hepatitis. At present, there is one such fellowship funded through FMR.

(3) Pharmacy Residency Program. Residencies for pharmacy students are approximately half the cost of a residency of other graduate medical students. FMR would like to start a Pharmacy Residency Program to increase the number of pharmacists in the state. This request includes \$30,000 for a program director, \$10,000 for an administrative coordinator, and \$30,000 for one resident, for a subtotal of \$70,000 to start the program. It is likely that additional funding will be requested in later years to grow the number of residents in this program. This part of the request is distinct from the Pharmacy Residency Program, in that it does not tie directly to ISU's existing programming and will serve regions outside eastern Idaho.

(4) ISU Family Medical Residencies. Included in this line item is a request for 3.00 FTP and \$585,000 to support the existing residency program at ISU and provide stability for staff salaries. The ISU residency program uses multiple sources of funding, including Medicare pass-through funds and clinic fees. ISU is proposing to use appropriated funds for salaries for a hospitalist/in-patient medicine service director, rural GME director, and one hospitalist fellowship. Other sources of funding would be available to redistribute the costs of residents. The subtotal for this part of the request is \$585,000.

(5) ISU Pharmacy Residency Program. Included in this line item is a request of 2.00 FTP and \$130,000 to continue the pharmacy residency program in Pocatello. At present, the ISU Department of Family Medicine operates a pharmacy residency program but is reportedly unable to fund the program from clinic fees as it has historically done. This part of the request is distinct from the Pharmacy Residency Program in that it ties directly to ISU's existing programs, and serves primarily eastern Idaho. This request would appropriate \$30,000 for a program director, \$10,000 for an administrative coordinator, and \$90,000 for three pharmacy residents. The subtotal for this part of the request is \$130,000.

(6) Kootenai Clinic Increases. At present, the Kootenai Clinic hosts 18 residents. Increasing state support from \$30,000 to \$60,000 per resident would result in an overall increase of \$540,000.

These enhancements would directly affect 66 existing residents currently working with Family Medical Residency, Boise Internal Medicine, Psychiatry Education programs, and six additional residency opportunities to FMR. This request is part of an overall statewide \$5,239,000 increase to GME funding.

Agency Request	5.00	2,825,000	0	0	2,825,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. BIM, Residency Costs					
Boise Internal Medicine					
<p>The agency requests \$405,000 ongoing from the General Fund to increase state funding for residents and add new residency positions. The Boise Internal Medicine program (BIM) receives half of its funding through the US Department of Veterans Affairs, and half of its support through the state of Idaho. Therefore, the program is only requesting that half of the increase be borne by the state, which is less than other residency programs (\$15,000 per resident, per year as opposed to \$30,000). The program currently offers 31 residencies specializing in internal medicine. Increasing state support of these seats from \$15,000 to \$30,000 per resident, per year would total \$465,000. Included in this request is funding for four additional residents, at a cost of \$240,000 (\$30,000 per resident, per year). In FY 2018, the Legislature appropriated \$300,000 to BIM to increase its number of residencies offered. Accounting for this previous appropriation, the program has determined that it only requires \$405,000 to ensure that each residency position is fully funded.</p>					
Agency Request	0.00	405,000	0	0	405,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. PE, Residency Costs					
Psychiatry Education					
<p>The agency requests \$240,000 ongoing from the General Fund to increase state funding for eight residents. The annual cost of training a resident for one year is \$194,000. Historically, the Legislature has contributed \$30,000 per resident, or 15% of the cost, while programs, sponsoring institutions, and hospitals shoulder the remaining 85%. Based on recommendations from the Medical Association Graduate Medical Education (GME) Subcommittee, this request would double the state match for residents, increasing state support from \$30,000 to \$60,000 per resident. This request is part of an overall statewide \$5,239,000 increase to GME funding.</p>					
Agency Request	0.00	240,000	0	0	240,000
<i>The Governor recommends \$82,200 ongoing from the General Fund to increase the state's share of funding to \$30,000 per resident, creating a minimum level of funding equity of \$30,000 per resident when compared to other graduate medical education programs.</i>					
Governor's Recommendation	0.00	82,200	0	0	82,200
6. EIMR, Residency Prgm Creation					
Eastern Idaho Med Residencies					
<p>The State Board of Education requests \$705,000 ongoing from the General Fund to support the creation of medical residencies at the Eastern Idaho Regional Medical Center (EIMR) in Idaho Falls. The request includes \$80,000 for a program director, \$25,000 for a residency coordinator, and \$600,000 for 10 new internal medicine residents (\$60,000 per resident, per year). EIMR received its institutional accreditation from the Accreditation Council for Graduate Medical Education (GME) in May 2017, and is now eligible to host residents. EIMR believes that hosting these residents would help them meet the medical needs of eastern Idaho's population. This request is part of an overall statewide \$5,239,000 increase to GME funding.</p>					
Agency Request	0.00	705,000	0	0	705,000
<i>The Governor recommends \$405,000 ongoing from the General Fund for an internal medicine director, internal medicine residency coordinator, and ten internal medicine residents at the Eastern Idaho Regional Medical Center (EIRMC). This recommendation will fund ten new residents at the per resident amount of \$30,000 and will be the first year of a three-year commitment that will result in a total of 30 internal medicine residents.</i>					
Governor's Recommendation	0.00	405,000	0	0	405,000

Health Education Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Bingham IM, Residency Prgm Creation		Bingham Internal Medicine			
The State Board of Education requests \$825,000 ongoing from the General Fund to support the creation of new medical residencies at the Idaho Physicians Clinic in Blackfoot. The request includes \$80,000 for a program director, \$25,000 for a residency coordinator, and \$900,000 for 15 new internal medicine residents (\$60,000 per resident, per year). The residency program at the Idaho Physicians Clinic is an accredited residency program through the American Osteopathic Association that hosted and successfully graduated its first residents in 2017. State support would enable the program to expand the number of residencies available and meet the medical needs of citizens in eastern Idaho. This request is part of an overall statewide \$5,239,000 increase to Graduate Medical Education funding.					
Agency Request	0.00	825,000	0	0	825,000
The Governor recommends \$465,000 ongoing from the General Fund for an internal medicine director, internal medicine residency coordinator, and 12 internal medicine residents. The recommendation would fund 12 residents, of which 11 are existing and one is new, at the per resident amount of \$30,000.					
Governor's Recommendation	0.00	465,000	0	0	465,000
FY 2019 Total					
Agency Request	35.15	21,897,100	317,300	0	22,214,400
Governor's Recommendation	30.15	17,804,200	321,000	0	18,125,200
Agency Request					
Change from Original App	9.35	6,302,900	5,700	0	6,308,600
% Change from Original App	36.2%	40.4%	1.8%		39.7%
Governor's Recommendation					
Change from Original App	4.35	2,210,000	9,400	0	2,219,400
% Change from Original App	16.9%	14.2%	3.0%		14.0%

Division of Career Technical Education

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
State Leadership/Tech. Assist.	2,932,500	2,774,900	3,182,900	3,291,000	3,315,400
General Programs	24,795,400	20,150,900	20,525,300	21,263,500	20,871,700
Postsecondary Programs	44,463,900	53,557,400	46,511,900	46,529,700	45,608,200
Dedicated Programs	1,245,000	500,000	795,000	1,852,000	1,627,000
Related Services	4,722,800	4,175,800	3,739,800	3,834,100	3,836,500
Total:	78,159,600	81,159,000	74,754,900	76,770,300	75,258,800
BY FUND CATEGORY					
General	62,057,600	62,045,000	65,372,000	67,218,700	65,693,500
Dedicated	1,819,100	10,302,100	556,700	634,800	634,800
Federal	14,282,900	8,811,900	8,826,200	8,916,800	8,930,500
Total:	78,159,600	81,159,000	74,754,900	76,770,300	75,258,800
Percent Change:		3.8%	(7.9%)	2.7%	0.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	43,807,100	11,948,300	44,988,700	44,558,300	44,885,300
Operating Expenditures	4,156,000	1,608,900	4,825,600	5,222,800	5,092,300
Capital Outlay	1,061,200	12,700	1,038,600	1,401,700	318,500
Trustee/Benefit	29,135,300	67,589,100	23,902,000	25,587,500	24,962,700
Total:	78,159,600	81,159,000	74,754,900	76,770,300	75,258,800
Full-Time Positions (FTP)	569.46	569.46	582.96	582.26	575.26

Division Description

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

1. The State Leadership and 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 moneys from the General Fund, dedicated funds, and federal funds to provide secondary students with career and technical programs. General Programs also provides individuals in the workforce with the skills necessary to maintain and/or advance in their chosen occupation.
3. Postsecondary Programs provides 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, North Idaho College, and the College of Eastern Idaho.
4. Dedicated Programs include funding for the Centers for New Directions at the six technical colleges, which provide 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 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	5-Year % Chg
1 Secondary Students Who Achieve Positive Placement or Transition¹							
Agriculture & Natural Resources	94.2%	91.9%	93.2%	89.7%	90.6%	96.2%	2.2%
Business Technology	92.8%	95.1%	92.4%	92.4%	92.4%	96.9%	4.4%
Health Professions	97.3%	96.1%	96.8%	96.5%	96.5%	96.5%	-0.9%
Family and Consumer Sciences	91.6%	92.3%	93.3%	92.2%	92.2%	94.9%	3.6%
Marketing Education	94.7%	98.7%	99.3%	99.4%	99.4%	98.5%	4.1%
Engineering & Technology Ed	90.2%	96.4%	93.4%	95.1%	95.1%	92.0%	2.0%
Skilled & Technical Sciences	86.7%	93.7%	95.0%	95.0%	94.9%	96.4%	11.2%
Individualized Occup. Training	86.8%	86.0%	90.6%	90.7%	90.6%	93.0%	7.2%
Annual Average	91.8%	93.8%	93.9%	93.7%	93.2%	95.8%	4.4%
2 Secondary Students Who Transition to Postsecondary Education or Training							
Agriculture & Natural Resources	55.6%	55.9%	59.0%	52.0%	52.5%	54.4%	-2.2%
Business Technology	72.4%	76.0%	73.0%	72.8%	72.8%	78.4%	8.3%
Health Professions	77.1%	73.6%	78.0%	76.2%	76.0%	75.5%	-2.0%
Family and Consumer Sciences	60.5%	58.1%	66.0%	56.6%	56.6%	61.4%	1.6%
Marketing Education	78.0%	71.2%	79.0%	75.0%	75.0%	71.5%	-8.3%
Engineering & Technology Ed	70.2%	77.3%	71.0%	77.1%	77.1%	73.0%	4.0%
Skilled & Technical Sciences	52.8%	41.8%	46.0%	45.5%	44.9%	58.8%	11.3%
Individualized Occup. Training	50.6%	54.7%	55.0%	53.2%	53.2%	53.8%	6.4%
Annual Average	64.7%	63.6%	64.2%	64.4%	63.3%	65.9%	1.9%
3 Technical College Completers Who Achieve a Positive Placement or Transition							
College of Western Idaho	86.0%	88.5%	92.4%	91.4%	92.2%	100.0%	16.3%
Idaho State University	91.9%	91.1%	92.3%	97.1%	96.9%	96.0%	4.5%
Lewis-Clark State College	85.3%	87.4%	96.8%	96.8%	89.3%	98.6%	15.6%
College of Southern Idaho	94.3%	91.7%	91.2%	94.5%	97.1%	92.9%	-1.5%
North Idaho College	95.0%	90.3%	91.4%	97.2%	83.1%	93.4%	-1.7%
College of Eastern Idaho	91.7%	91.8%	93.8%	94.6%	95.4%	92.9%	1.3%
Annual Average	90.7%	90.1%	92.4%	95.2%	93.7%	96.4%	6.2%
4. Technical College: Number of Adult Education (AE) Clients Served (headcount)							
College of Western Idaho	2,157	1,927	1,680	1,867	1,840	2,090	-3.1%
Idaho State University	509	472	452	383	432	323	-36.5%
Lewis-Clark State College	281	263	226	180	154	170	-39.5%
College of Southern Idaho	1,220	1,241	1,061	957	887	755	-38.1%
North Idaho College	569	420	408	354	331	373	-34.4%
College of Eastern Idaho	647	608	516	521	546	639	-1.2%
Idaho Dept. of Correction	947	707	762	801	755	880	-7.1%
Unduplicated Total²	6,675	6,329	5,633	5,086	5,053	5,224	-21.7%

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 2018 Original Appropriation	582.96	65,372,000	74,754,900	582.96	65,372,000	74,754,900
Reappropriation	0.00	0	5,918,600	0.00	0	5,918,600
1. Dental Hygiene Funds to Nursing	0.00	0	0	0.00	0	0
FY 2018 Total Appropriation	582.96	65,372,000	80,673,500	582.96	65,372,000	80,673,500
Noncognizable Funds and Transfers	(8.57)	0	0	(8.57)	0	0
FY 2018 Estimated Expenditures	574.39	65,372,000	80,673,500	574.39	65,372,000	80,673,500
Removal of Onetime Expenditures	0.00	(1,310,800)	(7,229,400)	0.00	(1,310,800)	(7,229,400)
Base Adjustments	8.57	0	(3,900)	8.57	0	(3,900)
FY 2019 Base	582.96	64,061,200	73,440,200	582.96	64,061,200	73,440,200
Benefit Costs	0.00	(973,600)	(989,900)	0.00	(788,900)	(803,800)
Replacement Items	0.00	643,900	643,900	0.00	22,700	22,700
Statewide Cost Allocation	0.00	2,700	2,700	0.00	2,700	1,700
Change in Employee Compensation	0.00	362,600	369,500	0.00	1,052,600	1,072,800
FY 2019 Program Maintenance	582.96	64,096,800	73,466,400	582.96	64,350,300	73,733,600
1. CTE Middle School Quality Program	2.00	173,700	173,700	2.00	176,900	176,900
2. CTE Secondary Incentive Funding	0.00	700,000	700,000	0.00	300,000	300,000
3. Postsecondary Capacity Expansion	14.30	2,079,500	2,079,500	7.30	978,900	978,900
4. Workforce Training Centers	0.00	750,000	750,000	0.00	750,000	750,000
5. Centers for New Direction	0.00	200,000	200,000	0.00	0	0
6. Ag Startup Funding	0.00	25,000	25,000	0.00	0	0
7. Program Alignment	0.00	178,000	178,000	0.00	178,000	178,000
8. Online CTE Course Development	0.00	70,000	70,000	0.00	70,000	70,000
9. Standard Alignment for Trades	0.00	0	82,000	0.00	0	82,000
10. Reorganization Correction	0.00	0	0	0.00	0	0
11. Shift of Funds to CEI	(17.00)	(1,081,200)	(1,081,200)	(17.00)	(1,111,100)	(1,111,100)
12. IT/Telecommunications	0.00	26,900	26,900	0.00	500	500
14. Increase Funds for Adult Ed	0.00	0	100,000	0.00	0	100,000
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	582.26	67,218,700	76,770,300	575.26	65,693,500	75,258,800
Change from Original Appropriation	(0.70)	1,846,700	2,015,400	(7.70)	321,500	503,900
% Change from Original Appropriation		2.8%	2.7%		0.5%	0.7%

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	582.96	65,372,000	556,700	8,826,200	74,754,900

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	447,600	5,471,000	5,918,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>447,600</i>	<i>5,471,000</i>	<i>5,918,600</i>

1. Dental Hygiene Funds to Nursing

In FY 2018, the Legislature appropriated \$598,900 to the agency for the College of Western Idaho (CWI) to start a dental hygiene program. After the close of the legislative session, a dental hygiene program was started by Idaho State University (ISU) at the Meridian campus to address this need in the Treasure Valley. CWI was approached by industry partners in healthcare and asked to begin a nursing program instead of duplicating ISU's efforts. The agency is requesting to utilize the FY 2018 appropriation to start a nursing program in place of the proposed dental hygiene program at CWI, a significant deviation from the proposed use of funds. No additional funds are being requested.

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 Appropriation					
Agency Request	582.96	65,372,000	1,004,300	14,297,200	80,673,500
<i>Governor's Recommendation</i>	<i>582.96</i>	<i>65,372,000</i>	<i>1,004,300</i>	<i>14,297,200</i>	<i>80,673,500</i>

Noncognizable Funds and Transfers

Within the Postsecondary Programs, adjustments include removing 8.57 FTP and transferring \$800,500 from personnel costs to operating expenditures for better alignment with estimated expenditures.

Agency Request	(8.57)	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>(8.57)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2018 Estimated Expenditures					
Agency Request	574.39	65,372,000	1,004,300	14,297,200	80,673,500
<i>Governor's Recommendation</i>	<i>574.39</i>	<i>65,372,000</i>	<i>1,004,300</i>	<i>14,297,200</i>	<i>80,673,500</i>

Removal of Onetime Expenditures

The agency requests removal of onetime funding appropriated, and reappropriated, in FY 2018.

Agency Request	0.00	(1,310,800)	(447,600)	(5,471,000)	(7,229,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,310,800)</i>	<i>(447,600)</i>	<i>(5,471,000)</i>	<i>(7,229,400)</i>

Base Adjustments

In FY 2018, the division transferred FTP and funding to the Division of Human Resources for the Certified Public Manager (CPM) and Health Matters programs. This reduction permanently removes appropriation for these expenses from the agency's budget.

Agency Request	8.57	0	(3,900)	0	(3,900)
<i>Governor's Recommendation</i>	<i>8.57</i>	<i>0</i>	<i>(3,900)</i>	<i>0</i>	<i>(3,900)</i>

FY 2019 Base					
Agency Request	582.96	64,061,200	552,800	8,826,200	73,440,200
<i>Governor's Recommendation</i>	<i>582.96</i>	<i>64,061,200</i>	<i>552,800</i>	<i>8,826,200</i>	<i>73,440,200</i>

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(973,600)	0	(16,300)	(989,900)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(788,900)	0	(14,900)	(803,800)
Replacement Items					
The State Leadership and Technical Assistance Program requests \$22,700 of onetime capital outlay from the General Fund to replace computer equipment, including ten desktop computers and six surface tablets. The agency uses a four-year replacement cycle to replace computers.					
The Postsecondary Program requests onetime capital outlay from the General Fund to replace equipment at the six postsecondary technical colleges in the amount of \$621,200.					
Agency Request	0.00	643,900	0	0	643,900
<i>The Governor recommends \$22,700 from the General Fund for ten desktop computers and six surface tablets to State Leadership and Technical Assistance Program. The Governor does not recommend repair and replacement items for Postsecondary Programs.</i>					
Governor's Recommendation	0.00	22,700	0	0	22,700
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 \$700, State Controller fees will increase by \$2,400, and Attorney General fees will decrease by \$400, for a net increase of \$2,700.					
Agency Request	0.00	2,700	0	0	2,700
<i>The Governor's recommendation also includes funding for Legislative Audits fees, which will decrease by \$1,000 from federal funds.</i>					
Governor's Recommendation	0.00	2,700	0	(1,000)	1,700
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	362,600	0	6,900	369,500
<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	1,052,600	0	20,200	1,072,800
FY 2019 Program Maintenance					
Agency Request	582.96	64,096,800	552,800	8,816,800	73,466,400
Governor's Recommendation	582.96	64,350,300	552,800	8,830,500	73,733,600

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. CTE Middle School Quality Program			State Leadership & Technical Assist		
The agency requests 2.00 FTP and \$173,700 from the General Fund to support career exploration programs for middle school programs. At present, Career Technical Education (CTE) programming begins in the 9th grade and exposes students to high-skill, high-demand professions. Funding would assist in the launching of newly developed CTE programming for middle school career exploration courses and activities. The agency would hire two personnel, including a program quality manager and administrative assistant. The new manager would be responsible for working with career counselors and existing CTE staff to develop CTE pathways for grades 7-14. Of this request, \$136,700 is ongoing for personnel costs, \$10,000 is ongoing for operating expenditures (travel), and \$27,000 is onetime for capital outlay (repurpose existing office space and furniture).					
Agency Request	2.00	173,700	0	0	173,700
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	2.00	176,900	0	0	176,900
2. CTE Secondary Incentive Funding			General Programs		
The agency requests \$700,000 ongoing from the General Fund to expand funding for Career Technical Education secondary incentive grants. In FY 2018, the Legislature appropriated \$300,000 ongoing from the General Fund to provide incentive funding for agriculture programs and 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. The agency now requests an additional \$700,000 to expand these programs to serve additional students. The entirety of this request is in trustee and benefit payments.					
Agency Request	0.00	700,000	0	0	700,000
Recommended by the Governor, but at a less than requested amount.					
Governor's Recommendation	0.00	300,000	0	0	300,000

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Postsecondary Capacity Expansion

Postsecondary Programs

This request is for 14.30 FTP and \$2,079,500 from the General Fund to support the continued expansion and creation of programs at Idaho's six post secondary technical colleges. Of this request, \$1,148,900 is for ongoing personnel costs, \$199,800 is for ongoing operating expenditures, and \$730,800 is for onetime capital outlay. Expansion would accommodate an additional 245 students and provide training opportunities in high-demand career fields. This request would seek to expand or initiate 16 postsecondary Career Technical Education (CTE) programs throughout the state, including:

- College of Southern Idaho: apprenticeship program (new) and paramedic program;
- College of Western Idaho: occupational therapy assistant (new), unmanned aerial systems (new), and paralegal (new);

- College of Eastern Idaho: RN nursing (average of 150 students waitlisted) and web development technology (average of ten students waitlisted);

- Idaho State University: energy electrical engineering (average of 9 students waitlisted), unmanned aerial systems (average of 5 students waitlisted), information technology systems (average of 4 students waitlisted), and computerized machining technology;

- Lewis-Clark State College: graphic communications (average of 6 students waitlisted) and diesel tech/collision repair (average of 8 students waitlisted); and

- North Idaho College: dental hygiene (average of 80 students waitlisted) and cybersecurity.

Agency Request	14.30	2,079,500	0	0	2,079,500
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This request is for 7.30 FTP and \$978,900 from the General Fund to support the continued expansion and creation of programs at Idaho's six post secondary technical colleges. Of this request, \$613,400 is for ongoing personnel costs, \$96,700 is for ongoing operating expenditures, and \$268,800 is for onetime capital outlay. The Governor recommends funding the following programs:

- College of Southern Idaho: \$238,100 for paramedic program;

- College of Western Idaho: \$217,300 for a new occupational therapy assistant program;

- College of Eastern Idaho: \$111,800 for registered nursing program;

- Idaho State University: \$155,000 for energy electrical engineering program;

- Lewis-Clark State College: \$83,300 for graphic communications program and \$52,500 for diesel tech/collision repair program; and

- North Idaho College: \$120,900 for dental hygiene program.

Governor's Recommendation	7.30	978,900	0	0	978,900
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4. Workforce Training Centers

Dedicated Programs

In response to recommendations from the Governor's Workforce Development Task Force, the agency requests \$750,000 ongoing in trustee and benefit payments from the General Fund. This funding would provide an additional \$125,000 to each of the six workforce training centers (WTCs) to provide responsive, adaptive, industry directed training in communities throughout the state. At present, the WTCs each receive approximately \$80,500 from Career Technical Education. The Task Force believes that the WTCs are often the most efficient option for providing training services, and recommends enabling WTCs to serve more Idahoans through additional funding.

Agency Request	0.00	750,000	0	0	750,000
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Governor's Recommendation	0.00	750,000	0	0	750,000
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5. Centers for New Direction

Dedicated Programs

The agency requests \$200,000 ongoing from the General Fund to support the efforts of Centers for New Directions (CNDs) to people reentering the workforce. Since 1982, state divorce filing fees of \$20 have been deposited in a dedicated fund to support the CNDs. The number of divorces occurring in Idaho has decreased over the past 34 years, and CNDs anticipate cuts in FY 2019 without an additional source of income. In 2012, the Legislature reduced \$200,000 from the General Fund for CNDs. CTE requests that the \$200,000 previously appropriated to the CNDs be restored, whereby the centers can continue to provide services uninterrupted.

Agency Request	0.00	200,000	0	0	200,000
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Not recommended by the Governor.

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
6. Ag Startup Funding		Dedicated Programs			
The agency requests \$25,000 ongoing from the General Fund for additional support of agriculture program startups as part of the Idaho Quality Program standards. In FY 2018, six new programs were approved but Career Technical Education (CTE) only has funding to support one start-up program. In the first year, new agriculture programs receive a grant of \$25,000 to invest in onetime equipment expenses in addition to the existing funding that supports new program course offerings. Requested funding would enable CTE to fund one additional startup program each year.					
Agency Request	0.00	25,000	0	0	25,000
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
7. Program Alignment		General Programs			
The agency requests \$178,000 onetime from the General Fund to support the alignment of 15 programs in secondary and postsecondary courses. Amendments to Section 33-2205(3) and (4), Idaho Code, in 2015 included intent language that the Division of Career Technical Education (CTE) would work to incentivize public colleges and universities to align foundational courses to achieve uniformity and transferability. Program and course alignment enables students to transition directly from secondary to post secondary programs. In FY 2018, CTE was appropriated \$196,000 onetime from the General Fund for this purpose. The entirety of this request is in operating expenditures.					
Agency Request	0.00	178,000	0	0	178,000
Governor's Recommendation	0.00	178,000	0	0	178,000
8. Online CTE Course Development		General Programs			
The agency requests \$70,000 onetime from the General Fund to develop four online CTE courses through Idaho Digital Learning Academy, which serves over 1,000 students and 101 school districts across the state. Online CTE courses enable students to pursue interests in high demand, high paying careers independent of their location in the state or local access to CTE programming.					
Agency Request	0.00	70,000	0	0	70,000
Governor's Recommendation	0.00	70,000	0	0	70,000
9. Standard Alignment for Trades		Dedicated Programs			
The agency requests \$82,000 of dedicated funds from the Division of Building Safety to update industry standards and develop end-of-course assessments for HVAC and plumbing professionals. The request to develop these standards and assessments comes from the HVAC and Plumbing Boards, and CTE anticipates completion of the project with the Division of Building Safety in FY 2019. This request is also reflected in the budget for the Division of Building Safety, which has requested \$82,000 from the State Regulatory Fund to pay CTE. This payment would be deposited in the division's Miscellaneous Revenue Fund to be spent by CTE.					
Agency Request	0.00	0	82,000	0	82,000
The Governor recommends \$82,000 from the dedicated funds, but on a onetime basis.					
Governor's Recommendation	0.00	0	82,000	0	82,000

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. Reorganization Correction	State Leadership & Technical Assist, General Programs				
The agency requests this line item to correct a previous appropriation error regarding the State Leadership and Technical Assistance and General Programs within the Division of Career Technical Education (CTE). In FY 2017, the division transferred six positions formerly paid through contracts and reclassified five existing positions. The adjustment overlooked the reclassification of the five positions. In FY 2018, the legislature approved requests by the agency to shift funding to accommodate this reorganization. As a part of this reorganization, six employees were funded at a 50-50 split between the General Fund and federal funds, but the agency doubts sustainability of these federal funds long-term. Consequently, CTE requests that 0.50 FTP and some personnel costs be shifted from federal to state personnel costs with an offset to trustee and benefit payments funding. The result of this transaction moves \$10,500 from trustee and benefits payments to personnel costs and moves \$7,900 in funding from General Programs to State Leadership. The impact to the General Fund and federal funds for FY 2019 nets to zero, but the General Fund would be obligated to support variable benefit cost increases in the future.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	0	0	0	0
11. Shift of Funds to CEI	Postsecondary Programs				
In May of 2017, Bonneville County voters approved a measure to convert Eastern Idaho Technical College into the College of Eastern Idaho (CEI). The agency requests the ongoing reduction of 17.00 FTP and \$1,081,200 from the Postsecondary Program. This funding includes funds for maintenance and administrative staff that will continue to be needed as Eastern Idaho Technical College transitions to CEI. This shift is mirrored in CEI's budget request as line item 10.					
Agency Request	(17.00)	(1,081,200)	0	0	(1,081,200)
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	(17.00)	(1,111,100)	0	0	(1,111,100)
12. IT/Telecommunications	State Leadership & Technical Assist				
The agency requests \$26,900 from the General Fund for the estimated increase in operating expenditures for IT and telecommunication support services provided by the Department of Administration. Specifically, \$10,300 is ongoing operating expenses for internet and network security and network hosting services, and \$6,600 is onetime for the purchase of cybersecurity software.					
Agency Request	0.00	26,900	0	0	26,900
<i>The Governor recommends funding for projected annual information technology billings. The Governor does not recommend the General Fund for software purchases and maintenance fees related to cybersecurity.</i>					
Governor's Recommendation	0.00	500	0	0	500
14. Increase Funds for Adult Ed	Related Services				
The agency requests \$100,000 from federal funds to support continued adult education. Career Technical Education utilizes a federal grant to support adult education throughout the state, but the current appropriation is anticipated to fall short of the federal award amount. This request would enable the division to access all federal funds available for adult education.					
Agency Request	0.00	0	0	100,000	100,000
Governor's Recommendation	0.00	0	0	100,000	100,000
Budget Law Exemptions	Postsecondary Programs				
The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments for the Postsecondary Program only. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	582.26	67,218,700	634,800	8,916,800	76,770,300
Governor's Recommendation	575.26	65,693,500	634,800	8,930,500	75,258,800

Division of Career Technical Education

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	(0.70)	1,846,700	78,100	90,600	2,015,400
% Change from Original App	(0.1%)	2.8%	14.0%	1.0%	2.7%
Governor's Recommendation					
Change from Original App	(7.70)	321,500	78,100	104,300	503,900
% Change from Original App	(1.3%)	0.5%	14.0%	1.2%	0.7%

Idaho Public Television

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	3,022,100	3,022,100	3,327,200	3,485,300	2,985,300
Dedicated	6,272,500	5,441,400	6,305,900	5,670,400	6,122,900
Federal	0	0	0	266,300	340,400
Total:	9,294,600	8,463,500	9,633,100	9,422,000	9,448,600
Percent Change:		(8.9%)	13.8%	(2.2%)	(1.9%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,551,400	4,510,000	4,720,100	4,832,500	4,973,400
Operating Expenditures	3,537,400	3,041,200	3,510,500	3,508,400	3,550,900
Capital Outlay	1,205,800	912,300	1,402,500	1,081,100	924,300
Total:	9,294,600	8,463,500	9,633,100	9,422,000	9,448,600
Full-Time Positions (FTP)	64.48	64.48	65.48	67.48	68.48

Division Description

Idaho Public Television (IdahoPTV) operates under the State Board of Education and is an integral part of its strategic plan. IdahoPTV has two functional areas: (1) a statewide delivery system; and (2) content creation and acquisition. The General Fund supports the maintenance and administration of the statewide delivery system, which delivers educational, governmental, informational, and cultural content via a statewide infrastructure that reaches nearly 100% of Idaho households. Similar content is available online via internet-attached devices. Additionally, IdahoPTV receives support from membership donations, which provide for the production of local programs such as Dialogue, Idaho Reports, Outdoor Idaho, Science Trek, and Idaho in Session, as well as acquisition of PBS and other programming.

Per national industry peer comparison reports, Idaho Public Television is a highly efficient entity in private fundraising, market penetration, operational efficiencies, and the leader in the limited use of state funding.

Under the supervision of the State Board of Education, IdahoPTV provides:

1. Coordination, promotion, and distribution of educational and instructional TV programs and services for all Idaho citizens at school, work, and home;
2. Production, acquisition, and broadcasting of programming services responsive to the interests of Idaho citizens;
3. Real-time coverage of the Idaho Legislature, Idaho Supreme Court hearings, and other media activities. Basic operational support includes production management, engineering maintenance, and website management;
4. Information technology support as well as facilities and engineering support for communications programs at the University of Idaho and Idaho State University; and
5. Partnerships with the Bureau of Homeland Security and the Idaho Technology Authority for the digital delivery systems across the state, and the maintenance of the statewide broadcast delivery system.

Idaho Public Television

Agency Profile

Analyst: Randolph

Selected Performance Measures

	FY 2014	FY 2015	FY 2016	FY 2017
1) Channel hours for:				
Children (under the age of 12)	14,374	14,233	14,636	14,252
Ethnic minorities	5,455	5,797	5,981	5,319
Learners	13,733	14,141	13,852	14,047
Public affairs	12,654	13,450	12,702	12,219
Idaho-specific programming	2,074	1,955	2,050	1,568
2) Total number of visitors to idahoptv.org	1,520,814	1,670,923	1,901,477	1,981,837
3) Number of awards for IdahoPTV media and services	61	55	55	49
4) Idaho population with IdahoPTV digital TV coverage	98.4%	98.4%	98.4%	99.47%

Fund Source and Description

1. General Fund (0001)

The General Fund consists of revenue from individual income tax, corporate income tax, sales tax, and miscellaneous sources. This fund is primarily used for the maintenance and administration of the statewide delivery system, which allows for the distribution of broadcast and media content.

2. Miscellaneous Revenue (0349)

Primary sources of funding include private donations and grants, corporate and nonprofit entities, and an annual grant from the Corporation for Public Broadcasting (CPB). These funds are via Friends of Idaho Public Television, Inc. (Friends), a nonprofit corporation. Funds are transferred from Friends to the State Treasurer. 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. Idaho Public Television provides educational, informational, and cultural programs as well as media content. The CPB funds are restricted by federal law for use by the grantee for educational broadcasting and specified broadcast-related purposes only.

3. Federal Grant (0348)

The primary source of federal funding is from the Federal Communications Commission for the completion of moving broadcast signals following the broadcast spectrum repacking, which impacted northern Idaho transmitter KCDT and seven translators, and will potentially impact up to 18 additional translators across the state. These funds are onetime.

Annual Budget by Fund: Dollar Amount and Percent of Total

	FY 2016 Actual		FY 2017 Actual		FY 2018 Orig. Approp.		FY 2019 Request	
FUND	Dollar Amount	Percent of Total	Dollar Amount	Percent of Total	Dollar Amount	Percent of Total	Dollar Amount	Percent of Total
0001	\$ 2,322,900	29.9%	\$ 3,022,100	35.7%	\$ 3,327,200	34.5%	\$ 3,485,300	37.0%
0349	\$ 5,451,500	70.1%	\$ 5,441,400	64.3%	\$ 6,305,900	65.5%	\$ 5,670,400	60.2%
0348	-	-	-	-	-	-	\$ 266,300	2.8%
TOTAL	\$ 7,774,400	100%	\$ 8,463,500	100%	\$ 9,633,100	100%	\$ 9,422,000	100%

Percentages may not add due to rounding.

Idaho Public Television

Analyst: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	65.48	3,327,200	9,633,100	65.48	3,327,200	9,633,100
Noncognizable Funds and Transfers	0.00	0	283,700	0.00	0	283,700
FY 2018 Estimated Expenditures	65.48	3,327,200	9,916,800	65.48	3,327,200	9,916,800
Removal of Onetime Expenditures	0.00	(1,006,500)	(1,686,200)	0.00	(1,006,500)	(1,686,200)
FY 2019 Base	65.48	2,320,700	8,230,600	65.48	2,320,700	8,230,600
Benefit Costs	0.00	(18,300)	(95,300)	0.00	(17,900)	(85,300)
Replacement Items	0.00	653,800	1,075,100	0.00	500,000	921,300
Statewide Cost Allocation	0.00	(5,100)	(6,100)	0.00	(5,100)	(5,100)
Change in Employee Compensation	0.00	10,800	39,500	0.00	111,100	111,500
FY 2019 Program Maintenance	65.48	2,961,900	9,243,800	65.48	2,908,800	9,173,000
1. Fund Shift - Personnel Sustainability	0.00	345,200	0	0.00	0	0
2. FCC Engineering Requirements	1.00	89,100	89,100	1.00	76,500	76,500
3. Educational Outreach Project Coord.	1.00	89,100	89,100	0.00	0	0
4. Office of Spec. Ed. and Rehab. Serv. Grant	0.00	0	0	0.00	0	74,100
5. Idaho Experience Grant	0.00	0	0	1.00	0	125,000
6. American Graduate Grant	0.00	0	0	1.00	0	0
FY 2019 Total	67.48	3,485,300	9,422,000	68.48	2,985,300	9,448,600
Change from Original Appropriation	2.00	158,100	(211,100)	3.00	(341,900)	(184,500)
% Change from Original Appropriation		4.8%	(2.2%)		(10.3%)	(1.9%)

Idaho Public Television

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	65.48	3,327,200	6,305,900	0	9,633,100

Noncognizable Funds and Transfers

This decision unit is for an approved onetime noncognizable Federal Grant Fund appropriation for the remainder of FY 2018 for two purposes: (1) \$258,700 for capital outlay purchases to replace equipment due to FCC spectrum repacking; and (2) \$25,000 for an Office of Special Education and Rehabilitative Services (OSERS) grant to promote literacy-based best teaching practices for students with disabilities. There was no prior FY 2018 Federal Grant Fund appropriation.

Agency Request	0.00	0	0	283,700	283,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>283,700</i>	<i>283,700</i>

FY 2018 Estimated Expenditures					
Agency Request	65.48	3,327,200	6,305,900	283,700	9,916,800
<i>Governor's Recommendation</i>	<i>65.48</i>	<i>3,327,200</i>	<i>6,305,900</i>	<i>283,700</i>	<i>9,916,800</i>

Removal of Onetime Expenditures

This decision unit removes onetime expenditures for replacement items from the General Fund and Miscellaneous Revenue Fund, as well as the noncognizable onetime funds for the FCC spectrum repackaging from the Federal Grant Fund.

Agency Request	0.00	(1,006,500)	(396,000)	(283,700)	(1,686,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,006,500)</i>	<i>(396,000)</i>	<i>(283,700)</i>	<i>(1,686,200)</i>

FY 2019 Base					
Agency Request	65.48	2,320,700	5,909,900	0	8,230,600
<i>Governor's Recommendation</i>	<i>65.48</i>	<i>2,320,700</i>	<i>5,909,900</i>	<i>0</i>	<i>8,230,600</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(18,300)	(77,000)	0	(95,300)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(17,900)</i>	<i>(67,400)</i>	<i>0</i>	<i>(85,300)</i>
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Idaho Public Television

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
IdahoPTV requests \$653,800 from the General Fund, \$155,000 from the Miscellaneous Revenue Fund, and \$266,300 from the Federal Grant Fund for a total request of \$1,075,100 for capital outlay to replace the following items, in order of priority:					
\$20,000 General Fund - KAID building Cat6e wiring upgrade. According to the agency, in order to take advantage of current technology, the leased facility wiring, last updated in 1993, must be upgraded.					
\$80,000 General Fund - enterprise network infrastructure/system. This request would upgrade much of the enterprise network equipment, which includes routers, switches, servers, storage, etc., which are at or past their useful life. Factory support is no longer available in most instances, putting the agency at risk of critical system failures.					
\$400,000 General Fund - ethernet microwave system - 2 of 3. This is the second in a series of three annual requests to replace the current ethernet backbone microwave system which IdahoPTV shares with the Bureau of Homeland Security; the total cost to replace the current ethernet backbone microwave is \$1,200,000. This purchase will reduce IdahoPTV data haul charges that could be incurred if it does not replace the current microwave radios it shares with the state.					
\$15,500 General Fund - radio frequency (RF) transcoders for translators. This request would replace the five oldest transcoders in the fleet at a cost of \$3,100 each. These units receive the primary station over-the-air (OTS) signal and convert it to the local translator channel.					
\$60,000 General Fund - linear tape-open (LTO) library additional frame. This additional LTO (magnetic tape data storage) frame allows for online access at the existing disaster recovery (DR) site library, which is a continuation of the archive replacement. As the media at the DR site library continues to grow at a substantial rate, the need to have online access to the data also grows. Without this item, trips to Meridian to exchange LTP cartridges must occur in order to access the data, which is not an efficient use of agency resources.					
\$38,300 General Fund - vehicle replacement, PB 15. This request would replace a Ford F-350 heavy-duty truck, used primarily by field engineering in northern Idaho, with a medium duty (F-250) truck plus a bumper/winich. Current odometer as of September 2017: 119,788.					
\$38,300 General Fund - vehicle replacement, PB 2. This request would replace a Ford F-350 heavy-duty truck, used primarily by field engineering in eastern Idaho, with a medium duty (F-250) truck plus a bumper/winich. Current odometer as of September 2017: 100,756.					
\$1,700 General Fund - building signage. Replace two IdahoPTV illuminated signs on the leased building in Boise. Ground signs were replaced in FY 2017.					
\$266,300 Federal Grant Fund - FCC auction repack KCDT. This is the remainder of the \$525,000 expected funds from the FCC for the signal repack; \$258,700 was approved as a noncognizable item in FY 2018.					
\$55,000 Micellaneous Revenue Fund - video camera packages with lenses. Replaces cameras and technology that are ten years old to ensure the continued ability of IdahoPTV to produce quality local productions.					
\$100,000 Micellaneous Revenue Fund - edit system computers. This edit system works in concert with the video camera package request above and is needed to maintain high quality local productions.					
Agency Request	0.00	653,800	155,000	266,300	1,075,100
<i>The Governor does not recommend the replacement of five radio frequency transcoders, linear tape-open library frame, two vehicle replacements, and building signage, for a difference of \$153,800 from the General Fund.</i>					
Governor's Recommendation	0.00	500,000	155,000	266,300	921,300

Idaho Public Television

Analyst: Randolph

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 \$3,100, risk management costs will decrease by \$4,900, and State Controller fees will increase by \$1,900, for a net reduction of \$6,100.					
Agency Request	0.00	(5,100)	(1,000)	0	(6,100)
<i>The Governor's recommendation also includes funding for Legislative Audits, which will increase by \$1,000.</i>					
Governor's Recommendation	0.00	(5,100)	0	0	(5,100)

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	10,800	28,700	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 \$400 for that purpose. The Governor recommends a fund shift of \$79,000 from the Miscellaneous Revenue Fund to the General Fund for the change in employee compensation increases that cannot be covered by the agency's Miscellaneous Revenue Fund.</i>					
Governor's Recommendation	0.00	111,100	400	0	111,500

FY 2019 Program Maintenance

Agency Request	65.48	2,961,900	6,015,600	266,300	9,243,800
Governor's Recommendation	65.48	2,908,800	5,997,900	266,300	9,173,000

1. Fund Shift - Personnel Sustainability

This request would move 6.00 FTP from the Miscellaneous Revenue Fund to the General Fund and includes a request for \$345,200 in ongoing personnel costs from the General Fund. Currently three of the six positions are partially funded by the General Fund and partially funded by the Miscellaneous Revenue Fund for FY 2018, per agency adjustment. The agency asserts this request will allow the Miscellaneous Revenue Fund to better support the content side of IdahoPTV for which people donate, while the General Fund will support the maintenance and distribution of the IdahoPTV signal to all parts of the state.

According to the agency, this shift would ensure the sustainability of the statewide delivery system that provides a broadcast signal to nearly all regions of the state. All six of the positions provide support for the maintenance and delivery of IdahoPTV's signal to all parts of the state: one broadcast maintenance position provides support in Boise for any equipment that may break; three broadcast system operators are master control operators who provide continuous oversight of the signal and perform needed recordings of TV programming; one administrative assistant works directly for the general manager of IdahoPTV; and one human resources associate.

Agency Request	0.00	345,200	(345,200)	0	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Idaho Public Television

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. FCC Engineering Requirements					
IdahoPTV requests 1.00 FTP and \$89,100 from the General Fund to hire a new engineer to help with increased workload brought on by the FCC's Spectrum Auction and Repacking process. Of the request, \$84,100 would be ongoing personnel costs, \$2,000 would be ongoing operating expenditures, and \$3,000 would be onetime capital outlay.					
Over the next several years, IdahoPTV is mandated by the FCC to move its KCDT transmitter (Coeur d'Alene) and 14 or more of its translators to new channels. This move requires the acquisition and installation of new equipment and related engineering, frequency interference studies, permitting, and coordination with other site users. While the costs of the equipment for the KCDT channel change are covered by the FCC auction proceeds, the station staffing costs to undertake this move are not covered by the FCC funds. Additionally, the FCC has recently adopted a new television standard, ATSC 3.0, that will require updating nearly all of IdahoPTV's broadcast equipment over the next decade or more. This new position will be utilized to address these updated standards and the workload involved with moving to a new standard after the KCDT channel repackaging is completed.					
Agency Request	1.00	89,100	0	0	89,100
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	76,500	0	0	76,500
3. Educational Outreach Project Coord.					
IdahoPTV requests 1.00 FTP and \$89,100 ongoing from the General Fund to hire a project coordinator to enhance existing educational outreach efforts. The project coordinator would serve as supervisor to the two existing education specialists, as well as perform the same services to communities as the existing positions.					
This position will coordinate efforts to travel the state to inform communities about free services offered by IdahoPTV. Through increased knowledge about these educational services, IdahoPTV hopes to increase the use of these resources and the effectiveness of the learning process, thus improving standardized test scores in literacy and STEM subjects. This position would produce educational components for local programs as well as educational video segments, lesson plans based on state standards, teacher guides and websites, and other digital learning materials. This position would continue to work closely with the Idaho State Department of Education, Office of the State Board of Education, Idaho Commission for Libraries, the STEM Action Center, and other local educational organizations.					
Agency Request	1.00	89,100	0	0	89,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Office of Spec. Ed. and Rehab. Serv. Gra					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$74,100 from the Federal Grant Fund for video production and dissemination services to highlight the work of the National Comprehensive Center on Improving Literacy for Students with Disabilities, of which \$30,600 is for personnel costs and \$43,500 is for operating expenditures.</i>					
Governor's Recommendation	0.00	0	0	74,100	74,100
5. Idaho Experience Grant					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends 1.00 FTP and \$125,000 from the Miscellaneous Revenue Fund for personnel costs for a three-year grant from the J.A. and Kathryn Albertson Family Foundation to support the production of a new television series, Idaho Experience.</i>					
Governor's Recommendation	1.00	0	125,000	0	125,000
6. American Graduate Grant					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends 1.00 FTP for a limited service position to develop a television series through an American Graduate grant, which will raise awareness about career education opportunities after high school.</i>					
Governor's Recommendation	1.00	0	0	0	0

Idaho Public Television

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	67.48	3,485,300	5,670,400	266,300	9,422,000
<i>Governor's Recommendation</i>	<i>68.48</i>	<i>2,985,300</i>	<i>6,122,900</i>	<i>340,400</i>	<i>9,448,600</i>
Agency Request					
Change from Original App	2.00	158,100	(635,500)	266,300	(211,100)
% Change from Original App	3.1%	4.8%	(10.1%)		(2.2%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>3.00</i>	<i>(341,900)</i>	<i>(183,000)</i>	<i>340,400</i>	<i>(184,500)</i>
<i>% Change from Original App</i>	<i>4.6%</i>	<i>(10.3%)</i>	<i>(2.9%)</i>		<i>(1.9%)</i>

Special Programs

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Forest Utilization Research	1,268,400	1,268,400	1,347,100	1,582,700	1,281,100
Geological Survey	1,123,300	1,123,300	1,080,400	1,170,600	1,085,100
Scholarships and Grants	14,453,600	12,872,500	15,854,100	20,853,000	20,854,900
Museum of Natural History	532,700	532,700	625,400	697,300	616,200
Small Bus. Development Centers	610,100	519,600	613,100	658,200	619,500
TechHelp	166,400	166,400	166,500	475,600	168,500
Total:	18,154,500	16,482,900	19,686,600	25,437,400	24,625,300
BY FUND CATEGORY					
General	15,430,100	14,912,500	15,562,200	21,313,300	20,500,700
Dedicated	1,000,000	20,700	1,000,000	1,000,000	1,000,000
Federal	1,724,400	1,549,700	3,124,400	3,124,100	3,124,600
Total:	18,154,500	16,482,900	19,686,600	25,437,400	24,625,300
Percent Change:		(9.2%)	19.4%	29.2%	25.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,501,200	2,911,100	3,599,700	4,305,400	3,639,300
Operating Expenditures	215,100	605,500	218,100	307,100	218,100
Capital Outlay	70,300	171,200	100,900	57,000	0
Trustee/Benefit	14,367,900	12,795,100	15,767,900	20,767,900	20,767,900
Total:	18,154,500	16,482,900	19,686,600	25,437,400	24,625,300
Full-Time Positions (FTP)	42.13	42.13	43.13	50.07	43.13

Division Description

Organized under the State Board of Education, Special Programs includes 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 in Moscow, ID with an office in Boise and a field office at Boise State University.

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 (IMNH), 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 (SBDC) 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 2015 Original Approp.	Allocation FY 2016 Original Approp.	Allocation FY 2017 Original Approp.	Allocation FY 2018 Original Approp.	Allocation FY 2019 Request
General Fund					
Idaho Robert R. Lee Promise Scholarship - Category A	\$82,500	\$72,000	\$15,000	\$3,000	\$0
Idaho Robert R. Lee Promise Scholarship - Category B	67,500	0	0	0	0
Atwell Parry Work Study Program	1,186,000	1,186,000	1,186,000	1,186,000	1,186,000
Teachers/Nurses Loan Forgiveness Program	80,000	80,000	40,000	0	0
Armed Forces and Public Safety Officer (fee waiver)	120,000	179,052	280,000	180,000	180,000
Opportunity Scholarship	5,127,300	5,146,248	10,142,300	10,294,300	15,297,300
Adult Completers Scholarship	0	0	0	0	0
STATE TOTAL	\$6,663,300	\$6,663,300	\$11,663,300	\$11,663,300	\$16,663,300
Miscellaneous Funds					
Postsecondary Credit Scholarships	0	0	1,000,000	1,000,000	1,000,000
MISCELLANEOUS TOTAL	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000
Federal Funds					
Unallocated Federal Appropriation	34,700	0	0	0	0
GEAR UP Appropriation	1,669,900	2,064,600	1,704,600	3,104,600	3,104,600
FEDERAL TOTAL	\$1,704,600	\$2,064,600	\$1,704,600	\$3,104,600	\$3,104,600
GRAND TOTAL	\$8,367,900	\$8,727,900	\$13,367,900	\$14,767,900	\$19,767,900

Scholarship Descriptions

S1027 of 2013 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 high school 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. [Section 33-4303, Idaho Code].

Atwell Parry Work Study Program: An employment program that assists students with financial or academic needs 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. [Section 33-4401, Idaho Code, and H916 of 1994].

Postsecondary Credit Scholarship: H477 of 2016 established the Postsecondary Credit Scholarship program for students who have earned at least ten postsecondary credits while attending high school. The award amount shall not be more than the matching merit based business or industry scholarship received by the applicant.

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. [Section 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. [Section 33-4302, Idaho Code].

GEAR UP Idaho 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 Idaho 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 2018 Original Appropriation	43.13	15,562,200	19,686,600	43.13	15,562,200	19,686,600
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	43.13	15,562,200	19,686,600	43.13	15,562,200	19,686,600
Removal of Onetime Expenditures	0.00	(100,900)	(100,900)	0.00	(100,900)	(100,900)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	43.13	15,461,300	19,585,700	43.13	15,461,300	19,585,700
Benefit Costs	0.00	(74,600)	(75,000)	0.00	(56,700)	(57,000)
Inflationary Adjustments	0.00	3,900	3,900	0.00	0	0
Replacement Items	0.00	7,200	7,200	0.00	0	0
Change in Employee Compensation	0.00	32,500	32,600	0.00	96,100	96,600
FY 2019 Program Maintenance	43.13	15,430,300	19,554,400	43.13	15,500,700	19,625,300
1. FUR, Wood Utilization/Bldg Faculty	1.00	137,900	137,900	0.00	0	0
2. FUR, Livestock Impacts on Rangeland	0.00	185,400	185,400	0.00	0	0
3. IGS, Publication Editor and Staff	1.48	101,900	101,900	0.00	0	0
4. IMNH, Digital Outreach	1.00	93,500	93,500	0.00	0	0
5. SBDC, Small Business Development	0.96	53,500	53,500	0.00	0	0
6. TH, Business Development	2.50	310,800	310,800	0.00	0	0
7. S&G, Opportunity Scholarship	0.00	5,000,000	5,000,000	0.00	5,000,000	5,000,000
FY 2019 Total	50.07	21,313,300	25,437,400	43.13	20,500,700	24,625,300
Change from Original Appropriation	6.94	5,751,100	5,750,800	0.00	4,938,500	4,938,700
% Change from Original Appropriation		37.0%	29.2%		31.7%	25.1%

Special Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	43.13	15,562,200	1,000,000	3,124,400	19,686,600

Noncognizable Funds and Transfers

The Small Business Development Center requests a transfer of \$400,000 from personnel costs to operating expenditures. This transfer nets to zero.

TechHelp requests a transfer of \$1,000 from personnel costs to operating expenditures. This transfer nets to zero.

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 Estimated Expenditures					
Agency Request	43.13	15,562,200	1,000,000	3,124,400	19,686,600
Governor's Recommendation	43.13	15,562,200	1,000,000	3,124,400	19,686,600

Removal of Onetime Expenditures

The agency request removal of onetime expenditures that were appropriated in FY 2018.

Agency Request	0.00	(100,900)	0	0	(100,900)
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Governor's Recommendation	0.00	(100,900)	0	0	(100,900)
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Base Adjustments

The Small Business Development Center requests to reverse the transfer of \$400,000 from personnel costs to operating expenditures. This transfer netted to zero.

TechHelp requests to reverse transfer of \$1,000 from personnel costs to operating expenditures. This transfer netted to zero.

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 2019 Base					
Agency Request	43.13	15,461,300	1,000,000	3,124,400	19,585,700
Governor's Recommendation	43.13	15,461,300	1,000,000	3,124,400	19,585,700

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(74,600)	0	(400)	(75,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(56,700)	0	(300)	(57,000)
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Special Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Inflationary Adjustments

The Forest Utilization Research requests \$2,900 for general inflation related to repair and maintenance, computer supplies, and rental leases.

The Idaho Geological Survey requests \$600 for general inflation related to general services, repair and maintenance, and miscellaneous expenditures.

The Idaho Museum of Natural History requests \$400 for general inflation related to communication costs, rental leases, and general services.

Agency Request	0.00	3,900	0	0	3,900
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Replacement Items

Idaho Geological Survey: The agency requests funding for two workstations with lidar-capable computers (\$4,600), one Wacom Cintiq digitizing tablet (\$2,000), and one color printer (\$600).

Agency Request	0.00	7,200	0	0	7,200
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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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	32,500	0	100	32,600
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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.

Governor's Recommendation	0.00	96,100	0	500	96,600
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FY 2019 Program Maintenance

Agency Request	43.13	15,430,300	1,000,000	3,124,100	19,554,400
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Governor's Recommendation	43.13	15,500,700	1,000,000	3,124,600	19,625,300
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1. FUR, Wood Utilization/Bldg Faculty

Forest Utilization Research

The agency requests 1.00 FTP and \$137,900 from the General Fund for a Wood Utilization in Commercial Building faculty member to enhance scholarly activity and outreach with Idaho's forest industry and commercial building sectors. The APA-Engineered Wood Association is forecasting that the demand for North American engineered wood products will grow 20-25% during the years 2015-2019. The agency believes that creation of the new faculty position would have academic and economic benefits and position the state to take advantage of this forecasted growth. Of this amount, \$132,900 is ongoing and \$5,000 is onetime.

Agency Request	1.00	137,900	0	0	137,900
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. FUR, Livestock Impacts on Rangeland

Forest Utilization Research

The agency requests \$185,400 from the General Fund for two graduate-level student positions to serve as field researchers to study grazing and sage grouse on Idaho's rangelands. Funds would support research, outreach, and education that can be leveraged against non-appropriated moneys to further research economic and land use issues. The agency anticipates direct impacts to ranchers and rangeland owners who would be affected by Idaho-specific research findings and best practice development. Of this amount, \$144,300 is ongoing and \$41,100 is onetime.

Agency Request	0.00	185,400	0	0	185,400
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Special Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. IGS, Publication Editor and Staff					
Geological Survey					
The agency requests 1.48 FTP and \$101,900 ongoing from the General Fund for a geological publication editor and administrative assistant to support the Idaho Geological Survey (IGS) staff. IGS claims that public demand for geological and geospatial services has grown, with nearly 400,000 visiting online resources to utilize IGS publications which include maps, technical reports, databases, and geological research. The editor (1.00 FTP) would facilitate interactions with the public and support the dissemination of IGS publications from the IGS Moscow office. The administrative assistant (0.48 FTP) is requested to support IGS staff working in Boise, including the geologists and professional staff. These FTP would complement existing FTP funding and operations of the Moscow and Boise offices.					
Agency Request	1.48	101,900	0	0	101,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. IMNH, Digital Outreach					
Museum of Natural History					
The agency requests 1.00 FTP and an ongoing \$93,500 for personal costs from the General Fund for a digital outreach manager. The manager's responsibilities will include the development of online educational programming, support curriculum for K-12, and the creation of virtual collections of its fossils and artifacts to reach populations beyond the Idaho Museum of Natural History (IMNH) facility. The position will leverage existing staff and computer facilities at IMNH and will restructure the facility's digital lab to prioritize outreach and education.					
Agency Request	1.00	93,500	0	0	93,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. SBDC, Small Business Development					
Small Business Development Centers					
The agency requests 0.96 FTP and \$53,500 from the General Fund for two part-time positions to assist Idaho businesses with government contracting through the Procurement Technical Assistance Center (PTAC) located with the Small Business Development Center (SBDC) in Boise. The Idaho SBDC/PTAC provides no-cost coaching, consulting, training, and bid matching to Idaho businesses in all of Idaho's 44 counties. Two new part-time PTAC staff would be located in northern and eastern Idaho to enhance government contracting assistance in those areas. The SBDC/PTAC would be able to use the requested state funds to increase the amount of federal funding received, which has not historically been utilized to the maximum amount available. Of this request, \$49,800 is ongoing personnel costs and \$3,700 is onetime capital outlay.					
Agency Request	0.96	53,500	0	0	53,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. TH, Business Development					
TechHelp					
The agency requests 2.50 FTP and \$310,800 ongoing from the General Fund for manufacturing specialists. Specialists would work out of Boise State University, Idaho State University, and University of Idaho (UI) campuses, and would have regional and statewide responsibilities. The agency believes these funds would accelerate expansion of existing manufacturing businesses in Idaho, especially those that are small and medium-sized at present. UI/Ag Extension has committed to funding 0.50 FTP ongoing for the position, which will focus on food and dairy production statewide. Of this request, \$288,900 is for personnel costs and \$22,200 is for operating expenditures to travel to manufacturing operations, partner meetings, and conferences.					
Agency Request	2.50	310,800	0	0	310,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Special Programs

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. S&G, Opportunity Scholarship			Scholarships and Grants		
The State Board of Education requests \$5,000,000 ongoing from the General Fund to expand the Opportunity Scholarship to serve an additional 1,490 students. In FY 2018, the Board received 4,055 scholarship applications from eligible Idaho students, but placed 1,780 students on a waitlist because there was not sufficient funds to grant scholarships to all eligible applicants. The Governor's Higher Education Task Force recommended the appropriation of additional moneys to the Opportunity Scholarship as a means to lower the cost of college and improve access for Idaho students. The request could cover the costs of as many as 1,525 additional eligible students, who could receive up to \$3,500 each. The average award for applicants is \$3,355.					
Agency Request	0.00	5,000,000	0	0	5,000,000
Governor's Recommendation	0.00	5,000,000	0	0	5,000,000
FY 2019 Total					
Agency Request	50.07	21,313,300	1,000,000	3,124,100	25,437,400
Governor's Recommendation	43.13	20,500,700	1,000,000	3,124,600	24,625,300
Agency Request					
Change from Original App	6.94	5,751,100	0	(300)	5,750,800
% Change from Original App	16.1%	37.0%	0.0%	0.0%	29.2%
Governor's Recommendation					
Change from Original App	0.00	4,938,500	0	200	4,938,700
% Change from Original App	0.0%	31.7%	0.0%	0.0%	25.1%

Superintendent of Public Instruction

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	14,184,800	13,833,100	14,189,200	15,034,400	14,698,600
Dedicated	9,319,900	4,307,600	10,226,300	10,245,600	10,285,400
Federal	17,386,100	11,189,900	14,402,500	14,377,200	14,467,800
Total:	40,890,800	29,330,600	38,818,000	39,657,200	39,451,800
Percent Change:		(28.3%)	32.3%	2.2%	1.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	13,658,400	12,295,000	13,736,500	13,745,700	13,965,800
Operating Expenditures	19,533,900	13,079,700	16,609,800	17,316,800	16,915,000
Capital Outlay	67,000	144,000	40,200	163,200	139,500
Trustee/Benefit	7,631,500	3,811,900	8,431,500	8,431,500	8,431,500
Total:	40,890,800	29,330,600	38,818,000	39,657,200	39,451,800
Full-Time Positions (FTP)	142.00	142.00	142.00	143.00	143.00

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.

Superintendent of Public Instruction

Agency Profile

Analyst: Lockett

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 Content Standards in English/Language Arts (ELA) and Mathematics. The ISAT's are administered in grades 3 - 8 and grade 10, and include interim assessments and the Digital Resource Library.
2. The Idaho Standards Achievement Test, which is aligned to the Idaho Content Standards in Science. Science assessments are administered in grades 5 and 7.
3. 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 grade 11. The alternate assessment in Science is a student portfolio completed in grades 5, 7, and 10.
4. The Idaho English Language Proficiency Assessment (ELPA) is the English language proficiency assessment administered to students in Kindergarten through 12th grade who have been identified as English Learners.
5. Idaho Reading Indicator (IRI), a screener for early literacy skills, is administered in grades K - 3.
6. Civics End of Course Assessment, which is administered any time after the 7th grade, and is documented on the student transcript for the graduation requirement.
7. Biology End of Course Assessment, which is tested after the completion of a high school Biology course.
8. Chemistry End of Course Assessment, which is tested after the completion of a high school Chemistry course.
9. SAT, which is administered by the College Board in the 11th grade.
10. PSAT, which is administered by the College Board, and is traditionally given in the 10th grade.
11. National Assessment on Educational Progress (NAEP): Reading and Math assessments administered to a sample of Idaho students in grades 4, 8, and 12.

ISAT Results for 2015, 2016, and 2017

Percentage of Students Proficient and Advanced

Grade	English / Language Arts			Math		
	2015	2016	2017	2015	2016	2017
3	48%	49%	47%	50%	52%	50%
4	46%	50%	48%	43%	47%	47%
5	52%	54%	54%	38%	40%	42%
6	49%	51%	51%	37%	39%	40%
7	51%	53%	54%	38%	42%	42%
8	52%	54%	52%	37%	38%	39%
10	61%	62%	59%	30%	31%	32%

Superintendent of Public Instruction

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	142.00	14,189,200	38,818,000	142.00	14,189,200	38,818,000
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	142.00	14,189,200	38,818,000	142.00	14,189,200	38,818,000
Removal of Onetime Expenditures	0.00	0	(41,800)	0.00	0	(41,800)
FY 2019 Base	142.00	14,189,200	38,776,200	142.00	14,189,200	38,776,200
Benefit Costs	0.00	(100,000)	(207,800)	0.00	(96,200)	(196,700)
Replacement Items	0.00	84,600	166,800	0.00	59,100	141,300
Statewide Cost Allocation	0.00	1,200	0	0.00	1,200	0
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	53,700	116,300	0.00	160,500	346,200
FY 2019 Program Maintenance	142.00	14,229,700	38,852,500	142.00	14,314,800	39,068,000
1. Rural Education Support Network	0.00	300,000	300,000	0.00	0	0
2. Advanced Opportunities	0.00	25,000	25,000	0.00	0	0
3. Student Assessment Growth	0.00	305,000	305,000	0.00	305,000	305,000
4. Bias and Sensitivity Committee	0.00	75,000	75,000	0.00	0	0
5. IT FTP for Accountability Report Card	1.00	99,700	99,700	1.00	78,800	78,800
FY 2019 Total	143.00	15,034,400	39,657,200	143.00	14,698,600	39,451,800
Change from Original Appropriation	1.00	845,200	839,200	1.00	509,400	633,800
% Change from Original Appropriation		6.0%	2.2%		3.6%	1.6%

Superintendent of Public Instruction

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	142.00	14,189,200	10,226,300	14,402,500	38,818,000

Noncognizable Funds and Transfers

This decision unit adjusts FTP to match estimated expenditures by fund source by requesting to move 2.61 FTP from the Federal Grant Fund to state funds in FY 2018 and 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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FY 2018 Estimated Expenditures					
Agency Request	142.00	14,189,200	10,226,300	14,402,500	38,818,000
Governor's Recommendation	142.00	14,189,200	10,226,300	14,402,500	38,818,000

Removal of Onetime Expenditures

This decision unit removes onetime funding from FY 2018 for 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)
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Governor's Recommendation	0.00	0	(24,800)	(17,000)	(41,800)
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FY 2019 Base					
Agency Request	142.00	14,189,200	10,201,500	14,385,500	38,776,200
Governor's Recommendation	142.00	14,189,200	10,201,500	14,385,500	38,776,200

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(100,000)	(35,700)	(72,100)	(207,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(96,200)	(33,000)	(67,500)	(196,700)
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Replacement Items

This is a request for onetime replacement items that includes: 11 network servers for \$99,000; five network switches for \$13,000; four UPS backup systems for \$4,200; miscellaneous equipment including laptop computers, keyboards, and docking stations for \$47,000; and \$3,600 for software, for a total request of \$166,800.

NOTE: In the past several years, the Superintendent has requested two servers per year, however the office's total server count has long hovered around 30. With a replacement cycle slated to be every three years, that would put the replacement schedule up to ten servers each year. In some instances, the agency has extended the life of many of its servers to five years, but many of the servers are no longer viable technology. Additionally, in 2013, the agency continued the build-out of its statewide longitudinal data system and information management system with moneys from the General Fund, and from dedicated funds, and purchased and deployed 16 servers at that time. Those servers are now at their end of life so this request would replace 11 of 16 servers.

Agency Request	0.00	84,600	61,800	20,400	166,800
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The Governor recommends all the requested replacement items except for \$25,500 from the General Fund for laptop computers, keyboards, docking stations, and software maintenance.

Governor's Recommendation	0.00	59,100	61,800	20,400	141,300
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Superintendent of Public Instruction

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. Attorney General fees will increase by \$600, risk management costs will decrease by \$3,200, State Controller fees will increase by \$2,800, and State Treasurer fees will decrease by \$200, for a net change of zero.					
Agency Request	0.00	1,200	(1,200)	0	0
Governor's Recommendation	0.00	1,200	(1,200)	0	0

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, 2018, through December 31, 2018. The Superintendent's salary for calendar year 2018 is \$107,357.

Agency Request	0.00	1,000	0	0	1,000
Governor's Recommendation	0.00	1,000	0	0	1,000

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	53,700	19,200	43,400	116,300
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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	160,500	56,300	129,400	346,200
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FY 2019 Program Maintenance

Agency Request	142.00	14,229,700	10,245,600	14,377,200	38,852,500
Governor's Recommendation	142.00	14,314,800	10,285,400	14,467,800	39,068,000

1. Rural Education Support Network

This is a request for \$300,000 ongoing from the General Fund for seed money to initialize and assist in the creation of a Rural Education Support Network. The funds may be used to hire a full-time contract position to administer the network's activities, as well as for operating expenditures of the network. The network would create a hub for coordination among the member districts and charters, and would devote time and talent to ensuring that education resources are working towards enabling school districts to cooperatively work, plan, and share resources when feasible, assist rural districts in filling hard-to-fill positions, and buy equipment collectively through economies of scale. The network's scope of services would also include, at a minimum: curriculum, instructional support (professional development) and assessment, business operations, transportation, printing, public relations/communications, data processing, payroll, fingerprinting, network support, statewide computer networks, driver's education, construction management, homeless transportation, para-educator training, and special education.

According to the Superintendent of Public Instruction, the establishment of a network should not be seen as an attempt to consolidate school districts, nor should it be viewed as injecting administrative bureaucracy. The creation of the network, as requested, should rather be seen as a cooperative center for resource sharing of district and state services as well as a collective purchasing solution to meet the needs of Idaho's most underserved rural school districts and their students. This appropriation is requested as ongoing for three years until the network becomes self-sufficient.

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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Superintendent of Public Instruction

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Advanced Opportunities

This is a request for \$25,000 in ongoing operating expenditures from the General Fund to support the growth of the Advanced Opportunities Program in the public schools budget. With this request, existing operations will be expanded to sustain the growth by broadening capacity to address technical issues, training needs, and guidance for colleges and school personnel, plus students and their parents. Given the program growth, the Superintendent of Public Instruction believes the current resources are insufficient to assure the field is trained on how the program works. There is also concern about timely review of data accuracy, payments to providers being accurate and timely, and implementing program enhancements and updates to the student portal, which is the online mechanism for students to request funding. The existing agency staffing level is 1.00 FTP with the intermittent support of an administrative assistant and department director, but no new funds are being requested for their work. The existing appropriation for the Advanced Opportunities Program is \$95,000 from the General Fund. The program provides students in grades 7-12 an amount of \$4,125 to apply toward the following opportunities, and will enable increased communication and face-to-face training to assure students make the most informed use of their funds:

Dual credit courses (courses that result in a student earning high school and college credits simultaneously);

Career / Technical Education (professional certifications);

College credit-bearing exams (Advanced Placement, International Baccalaureate, and the College Level Examination Program);

Overload courses (high school courses in excess of a student's full credit load); and the

The Early Graduation Scholarship (approximately \$1,500 for every year a student graduates early. This is restricted to Idaho public postsecondary institutions).

The Advanced Opportunities Program exists to address financial barriers to postsecondary education. When students earn postsecondary credit and technical certifications in high school, they are more likely to graduate and pursue a postsecondary program of study. This program aligns with the State Board of Education's goal for 60% of Idahoans between the ages of 25 and 34 to attain a postsecondary degree or certificate by the year 2020. Additionally, the Advanced Opportunities Program supports the State Department of Education's goal that all Idaho students persevere in life and are ready for college and careers. The reason for the request is due to rapid program growth (a 76% increase of students participating from FY 2016 to FY 2017 and a 312% increase in dual credits earned from FY 2016 to FY 2017). Student participation in the program was 15,500 in FY 2016 and 27,900 in FY 2017. Dual credits earned in the program were 49,200 in FY 2016 and 153,700 in FY 2017.

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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Superintendent of Public Instruction

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Student Assessment Growth					
<p>This is a request for \$305,000 in ongoing operating expenditures from the General Fund to support an increase in the number of students participating in proficiency assessments. As background, most students in grades K - 12 are required to participate in the following assessments: the Idaho Reading Indicator (IRI), the National Assessment of Educational Progress (NAEP), the Idaho English Language Proficiency Assessment (ELPA), the Idaho Standards Achievement Tests (ISAT) in English Language Arts, Math and Science, the Idaho Alternate Assessments, and a college entrance exam. IDAPA 08.02.03.111 governs the testing populations for each assessment, the assessment program schedule, and the portion of the costs that are paid by the state. Since 2015, the department has seen an increase of 8,300 students participating in these assessments. The cost of the ISAT assessment itself has remained the same at \$26.95 per student, but the student population has grown. The ISAT numbers have increased from 150,800 students in the spring of 2015 to 159,100 students in the spring of 2017. Approximately \$223,300 of this request covers that growth, while the remainder of \$81,700 covers the cost of an increase of 2,600 students participating in the English Language Proficiency Assessment, from 13,200 to 15,800, during the same time period.</p>					
Agency Request	0.00	305,000	0	0	305,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>305,000</i>	<i>0</i>	<i>0</i>	<i>305,000</i>

4. Bias and Sensitivity Committee

This is a request for \$75,000 in ongoing operating expenditures from the General Fund to support the Bias and Sensitivity Committee. Section 33-134, Idaho Code, establishes the committee, comprised of two parents of public school or charter school students; one public school or charter school teacher; one public or charter school administrator; and one member from the district board of trustees or public charter school board of directors from each of the six regions of the state. They are charged with review of all summative computer adaptive test questions for bias and sensitivity. The committee is authorized to make recommendations to the State Board of Education and the State Department of Education to revise or eliminate test questions from the state assessments. This review ensures that assessments administered to students in Idaho contain appropriate material.

The Bias and Sensitivity Committee meets annually in person and requires travel by out of region attendees. The actual cost associated with the Bias and Sensitivity Committee meeting in 2016 was \$135,500 for two days, including meals, lodging, per diem, and a substitute reimbursement for teachers serving on the committee. The majority of the expenses were due to the agency's assessment vendor in the amount of \$122,000. These amounts exceeded the current ongoing appropriation of \$75,000. If funded, this request will cover the actual costs of the committee meeting, and allow for meetings to extend beyond two days, when necessary.

Agency Request	0.00	75,000	0	0	75,000
<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>

Superintendent of Public Instruction

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. IT FTP for Accountability Report Card

This is a request for 1.00 FTP and \$99,700 from the General Fund for a position to aid in the development, implementation, and maintenance of a state and school district accountability report card system as mandated under Title I of the reauthorized federal Every Student Succeeds Act (ESSA). The law requires that report cards include a number of descriptions (e.g., a description of the state's accountability system, a description of its methodology for identifying a school as in need of comprehensive support and improvement, or for targeted support and improvement) and a number of data items (e.g., the percentage of students in different subgroups attaining different levels of achievement on state assessments). Current estimates for Idaho's report card include approximately 300,000 discrete data items.

This is a complex and comprehensive project that has been affected in scope and timeline by numerous administrative changes at the federal level. This system must be operational by December 31, 2018 and updated annually to meet the federal deadline. The Superintendent of Public Instruction's office does not have staff available to dedicate to this project without negatively affecting ongoing and existing programs. Therefore, the office is requesting an IT systems analyst to design, implement, and maintain the new report card system. This position will evaluate available options and procure and implement either the necessary business intelligence tools and data visualization tools required, or a corresponding comprehensive software platform that provides this capability.

This position will work closely with numerous members of the State Department of Education's IT and program staff to document the necessary business rules and deliver a solution that meets all federal and state requirements. These steps will enable the department to deliver timely, transparent information to Idaho's school districts. As a benefit of developing such a system, additional tools for data visibility and transparency will be made available to deliver actionable data to internal staff and external stakeholders such as policy makers, parents, community members, and researchers. Additionally, this position will work closely with the department's communications team to facilitate the collection of external stakeholder input into the design of the system. Once the system has been implemented and deployed, this position will continue to collaborate with various stakeholders to maintain and update the system, including importing data and modifying the report cards regularly.

Agency Request	1.00	99,700	0	0	99,700
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	1.00	78,800	0	0	78,800
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FY 2019 Total					
Agency Request	143.00	15,034,400	10,245,600	14,377,200	39,657,200
Governor's Recommendation	143.00	14,698,600	10,285,400	14,467,800	39,451,800

Agency Request

Change from Original App	1.00	845,200	19,300	(25,300)	839,200
% Change from Original App	0.7%	6.0%	0.2%	(0.2%)	2.2%

Governor's Recommendation

Change from Original App	1.00	509,400	59,100	65,300	633,800
% Change from Original App	0.7%	3.6%	0.6%	0.5%	1.6%

Vocational Rehabilitation

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Extended Employment Services	4,207,200	4,044,000	4,423,400	4,419,500	4,427,300
Vocational Rehabilitation	23,368,900	20,620,800	23,532,600	23,430,000	23,609,000
Deaf & Hard of Hearing Council	218,800	214,000	219,900	300,300	221,100
Total:	27,794,900	24,878,800	28,175,900	28,149,800	28,257,400
BY FUND CATEGORY					
General	8,336,100	8,171,100	8,589,000	8,639,100	8,599,600
Dedicated	2,049,900	2,009,500	2,050,700	2,109,800	2,112,600
Federal	17,408,900	14,698,200	17,536,200	17,400,900	17,545,200
Total:	27,794,900	24,878,800	28,175,900	28,149,800	28,257,400
Percent Change:		(10.5%)	13.3%	(0.1%)	0.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	10,742,600	10,333,900	10,806,900	10,771,900	10,919,400
Operating Expenditures	1,736,200	1,531,200	1,744,200	1,784,500	1,768,600
Capital Outlay	67,600	69,500	162,000	130,600	106,600
Trustee/Benefit	15,248,500	12,944,200	15,462,800	15,462,800	15,462,800
Total:	27,794,900	24,878,800	28,175,900	28,149,800	28,257,400
Full-Time Positions (FTP)	152.50	152.50	152.50	154.50	153.50

Division Description

The Idaho Division of Vocational Rehabilitation (IDVR) is an agency under the oversight of the Office of the State Board of Education. IDVR 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 IDVR:

Vocational Rehabilitation (VR): The 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. The VR program is a way to self-sufficiency, and works in concert with the State Rehabilitation Council (SRC); the SRC serves in an advisory capacity.

Extended Employment Services (EES): The EES program provides skill development in a non-integrated setting, or longterm on-the-job supports in community competitive employment for individuals with the most significant disabilities, which 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 ongoing support.

Council for the Deaf and Hard of Hearing (CDHH): CDHH is an independent agency organized under IDVR. This is a flow-through council for budgetary and administrative support purposes only, with no direct programmatic implication for IDVR. CDHH'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: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	152.50	8,589,000	28,175,900	152.50	8,589,000	28,175,900
Removal of Onetime Expenditures	0.00	(32,900)	(162,000)	0.00	(32,900)	(162,000)
FY 2019 Base	152.50	8,556,100	28,013,900	152.50	8,556,100	28,013,900
Benefit Costs	0.00	(52,700)	(243,300)	0.00	(47,300)	(217,400)
Inflationary Adjustments	0.00	3,100	14,500	0.00	3,100	14,500
Replacement Items	0.00	27,600	123,900	0.00	23,300	103,900
Statewide Cost Allocation	0.00	2,100	9,900	0.00	2,100	9,900
Change in Employee Compensation	0.00	20,300	88,400	0.00	62,300	271,100
FY 2019 Program Maintenance	152.50	8,556,500	28,007,300	152.50	8,599,600	28,195,900
1. Community Outreach Coordinator	1.00	82,600	82,600	0.00	0	0
2. Social Security Reimbursement Coord.	1.00	0	59,900	1.00	0	61,500
FY 2019 Total	154.50	8,639,100	28,149,800	153.50	8,599,600	28,257,400
Change from Original Appropriation	2.00	50,100	(26,100)	1.00	10,600	81,500
% Change from Original Appropriation		0.6%	(0.1%)		0.1%	0.3%

Vocational Rehabilitation

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	152.50	8,589,000	2,050,700	17,536,200	28,175,900

Removal of Onetime Expenditures

This request removes onetime capital outlay expenses, including replacement items.

Agency Request	0.00	(32,900)	0	(129,100)	(162,000)
Governor's Recommendation	0.00	(32,900)	0	(129,100)	(162,000)

FY 2019 Base					
Agency Request	152.50	8,556,100	2,050,700	17,407,100	28,013,900
Governor's Recommendation	152.50	8,556,100	2,050,700	17,407,100	28,013,900

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(52,700)	(1,400)	(189,200)	(243,300)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(47,300)	(1,300)	(168,800)	(217,400)
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Inflationary Adjustments

This request accounts for inflation for IDVR office leases, which is a 3% increase over the FY 2019 Base.

Agency Request	0.00	3,100	0	11,400	14,500
Governor's Recommendation	0.00	3,100	0	11,400	14,500

Replacement Items

The agency requests \$54,000 in onetime capital outlay funds, of which \$12,600 would be from the General Fund and \$41,400 would be from the Federal Grant Fund for replacement items. Of the total amount, \$9,400 is for video conference displays, \$33,900 is for computer equipment, \$4,000 is for battery system replacement, and \$20,000 is for office furniture.

Agency Request	0.00	27,600	0	96,300	123,900
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The Governor does not recommend the replacement of 100 office chairs, for a difference of \$20,000.

Governor's Recommendation	0.00	23,300	0	80,600	103,900
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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 increase by \$10,800, risk management costs will decrease by \$900, State Controller fees will increase by \$1,400, and State Treasurer fees will decrease by \$1,400, for a net increase of \$9,900.

Agency Request	0.00	2,100	0	7,800	9,900
Governor's Recommendation	0.00	2,100	0	7,800	9,900

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	20,300	600	67,500	88,400
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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 \$7,700 for that purpose.

Governor's Recommendation	0.00	62,300	1,700	207,100	271,100
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FY 2019 Program Maintenance					
Agency Request	152.50	8,556,500	2,049,900	17,400,900	28,007,300
Governor's Recommendation	152.50	8,599,600	2,051,100	17,545,200	28,195,900

Vocational Rehabilitation

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Community Outreach Coordinator					
Council for the Deaf and Hard of Hearing					
The Council for the Deaf and Hard of Hearing (CDHH) requests 1.00 FTP and \$82,600 from the General Fund, of which \$78,600 would be ongoing personnel costs and operating expenditures, and \$4,000 would be onetime capital outlay. This request would create a communication and outreach coordinator within CDHH. Currently there are 2.35 FTP working for CDHH: 1.00 FTP for the executive director and 1.35 FTP for administrative assistants (the 0.35 FTP splits time with the Vocational Rehabilitation program).					
The role of the communication and outreach coordinator would be to increase awareness of CDHH's role, services, and programs throughout the state of Idaho. Using the formula provided by the Gallaudet Research Institute, an estimated 203,785 (13%) people in Idaho have some level of hearing loss. With the establishment of Idaho Sound Beginnings (newborn hearing screening), children who have hearing loss are identified earlier. Additionally, there is an increased need for services due to the aging baby-boomer population and veterans returning to civilian life with hearing loss.					
Agency Request	1.00	82,600	0	0	82,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Social Security Reimbursement Coord.					
Vocational Rehabilitation					
The Vocational Rehabilitation (VR) program is requesting 1.00 FTP, \$57,200 in personnel costs, and \$2,700 in onetime capital outlay from the Rehabilitation Revenue and Refunds Fund to manage a Cost Reimbursement and Ticket to Work program, for a total of \$59,900 from the dedicated fund.					
According to the agency, this position will become self-supporting. Currently, the VR program is unable to capture all of the possible Social Security reimbursement funds available from its customers who receive Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits and who become employed as a result of VR services. Proposed changes in the Ticket to Work program would increase the revenue stream available to fund ongoing supports for individuals with the most severe disabilities; this requested position would allow VR to capture more of those available funds.					
Agency Request	1.00	0	59,900	0	59,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	61,500	0	61,500
FY 2019 Total					
Agency Request	154.50	8,639,100	2,109,800	17,400,900	28,149,800
Governor's Recommendation	153.50	8,599,600	2,112,600	17,545,200	28,257,400
Agency Request					
Change from Original App	2.00	50,100	59,100	(135,300)	(26,100)
% Change from Original App	1.3%	0.6%	2.9%	(0.8%)	(0.1%)
Governor's Recommendation					
Change from Original App	1.00	10,600	61,900	9,000	81,500
% Change from Original App	0.7%	0.1%	3.0%	0.1%	0.3%

Idaho Legislative Budget Book

Health and Human Services

2018 Legislative Session

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Catastrophic Health Care Program

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	18,000,000	18,000,000	17,999,500	9,999,700	9,999,700
Percent Change:		0.0%	0.0%	(44.4%)	(44.4%)
BY OBJECT OF EXPENDITURE					
Operating Expenditures	387,700	387,700	387,200	386,900	386,900
Trustee/Benefit	17,612,300	17,612,300	17,612,300	9,612,800	9,612,800
Total:	18,000,000	18,000,000	17,999,500	9,999,700	9,999,700

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	All Cases		CAT Board Approved Cases		Previous Year Bills		Reimbursed	Seatbelt Income	Original Appropriation	Supplemental/ Rescission	Actual State Payments	Total Reported Program Costs
	4,910	4,872	810	849	\$690,000	\$170,000	\$2,047,548	\$143,759	\$8,961,700	\$4,000,000	\$14,907,239	\$27,780,612
2004	4,910	4,872	810	849	\$690,000	\$170,000	\$2,047,548	\$143,759	\$8,961,700	\$4,000,000	\$14,907,239	\$27,780,612
2005	4,872	3,832	1,063	969	\$3,575,000	\$0	\$3,176,882	\$121,321	\$20,766,800	\$0	\$24,648,020	\$38,366,817
2006	3,709	3,771	1,101	1,187	\$0	\$0	\$3,583,869	\$107,669	\$20,768,400	\$0	\$25,423,697	\$41,740,875
2007	4,323	4,358	1,298	1,286	\$833,110	\$2,733,308	\$2,932,069	\$139,168	\$20,767,700	\$2,500,000	\$26,677,166	\$44,516,529
2008	4,358	4,590	1,286	1,292	\$2,733,308	\$5,548,363	\$2,769,736	\$132,548	\$19,771,700	\$14,000,000	\$31,181,297	\$44,566,305
2009	4,590	6,491	1,292	1,150	\$5,548,363	\$349,919	\$2,320,990	\$152,832	\$18,271,200	\$4,325,000	\$31,230,609	\$51,115,564
2010	6,491	5,308	1,150	1,108	\$349,919	\$0	\$2,726,508	\$152,017	\$22,267,700	\$14,070,000	\$38,585,800	\$55,272,391
2011	5,308	4,839	1,108	721	\$0	\$155,894	\$2,222,572	\$126,887	\$36,532,800	(\$6,000,000)	\$31,061,400	\$52,670,052
2012	4,839	3,795	721	634	\$155,894	\$0	\$2,525,675	\$91,915	\$34,830,100	(\$6,430,773)	\$28,388,435	\$51,528,726
2013	3,795	4,080	634	584	\$0	\$0	\$2,540,678	\$106,697	\$34,966,300	\$0	\$18,970,491	\$36,329,213
2014	4,080	4,195	584		\$0	\$0	\$3,006,344	\$98,578	\$27,000,000	(\$28,892,700)	\$16,582,239	\$33,949,636
2015	4,195				\$0	\$0	\$2,445,474	\$77,541	\$18,000,000	(\$4,945,100)	\$12,352,238	\$29,405,434

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 Section 49-673, Idaho Code.

Original Appropriation: Original appropriation for that fiscal year.

Supplemental/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 2018 Original Appropriation	0.00	17,999,500	17,999,500	0.00	17,999,500	17,999,500
1. Rescission	0.00	0	0	0.00	(7,999,500)	(7,999,500)
FY 2018 Total Appropriation	0.00	17,999,500	17,999,500	0.00	10,000,000	10,000,000
Base Adjustments	0.00	(7,999,500)	(7,999,500)	0.00	0	0
FY 2019 Base	0.00	10,000,000	10,000,000	0.00	10,000,000	10,000,000
Statewide Cost Allocation	0.00	(300)	(300)	0.00	(300)	(300)
FY 2019 Total	0.00	9,999,700	9,999,700	0.00	9,999,700	9,999,700
Change from Original Appropriation	0.00	(7,999,800)	(7,999,800)	0.00	(7,999,800)	(7,999,800)
% Change from Original Appropriation		(44.4%)	(44.4%)		(44.4%)	(44.4%)

Catastrophic Health Care Program

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	17,999,500	0	0	17,999,500

1. Rescission

Agency Request	0.00	0	0	0	0
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The Governor recommends an ongoing General Fund rescission in trustee and benefit payments. The agency requested this same reduction as an FY 2019 base adjustment, but the Governor recommends the reduction in FY 2018.

Governor's Recommendation	0.00	(7,999,500)	0	0	(7,999,500)
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FY 2018 Total Appropriation					
Agency Request	0.00	17,999,500	0	0	17,999,500
Governor's Recommendation	0.00	10,000,000	0	0	10,000,000

Base Adjustments

The Catastrophic Health Care Program requests a base reduction of \$7,999,500. This request would realign the FY 2019 Base with estimated ongoing needs for the program at \$10 million. Further, the CAT Fund maintains a cash balance of more than \$8 million; this is unspent and unencumbered money from the General Fund.

Agency Request	0.00	(7,999,500)	0	0	(7,999,500)
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The Governor recommends this reduction occur as an FY 2018 rescission.

Governor's Recommendation	0.00	0	0	0	0
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FY 2019 Base					
Agency Request	0.00	10,000,000	0	0	10,000,000
Governor's Recommendation	0.00	10,000,000	0	0	10,000,000

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. State Controller fees will decrease by \$200 and State Treasurer fees will decrease by \$100, for a net reduction of \$300.

Agency Request	0.00	(300)	0	0	(300)
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Governor's Recommendation	0.00	(300)	0	0	(300)
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FY 2019 Total					
Agency Request	0.00	9,999,700	0	0	9,999,700
Governor's Recommendation	0.00	9,999,700	0	0	9,999,700

Agency Request

Change from Original App	0.00	(7,999,800)	0	0	(7,999,800)
% Change from Original App		(44.4%)			(44.4%)

Governor's Recommendation

Change from Original App	0.00	(7,999,800)	0	0	(7,999,800)
% Change from Original App		(44.4%)			(44.4%)

Idaho Legislative Budget Book

Department of Health and Welfare

2018 Legislative Session

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Department of Health and Welfare

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Child Welfare	66,592,900	61,883,800	69,504,900	76,673,100	77,210,200
Developmentally Disabled Srvcs	31,280,300	28,964,000	31,546,200	32,430,900	32,813,100
Independent Councils	9,001,300	7,714,000	9,083,100	9,066,200	9,082,000
Indirect Support Services	41,838,300	39,758,500	46,381,700	51,682,300	48,720,200
Medicaid, Division of	2,221,946,000	2,121,358,600	2,285,308,600	2,548,565,800	2,540,565,300
Mental Health Services	43,177,000	39,336,300	50,429,400	54,668,600	53,137,300
Psychiatric Hospitalization	38,575,600	39,233,400	38,663,400	39,182,700	38,815,600
Public Health Services	116,827,400	103,058,500	116,831,700	120,256,000	120,204,300
Service Integration	6,043,500	5,612,600	6,062,100	6,023,500	6,067,500
Substance Abuse	18,322,800	17,786,200	14,825,700	17,184,500	17,206,300
Welfare, Division of	169,066,000	161,582,500	172,320,100	174,292,300	175,052,500
Healthcare Policy Initiatives	10,235,900	9,526,400	12,942,700	17,933,300	17,945,400
Licensing and Certification	7,518,900	7,579,400	6,895,700	7,328,300	7,434,400
Total:	2,780,425,900	2,643,394,200	2,860,795,300	3,155,287,500	3,144,254,100
BY FUND CATEGORY					
General	672,719,600	670,084,700	706,107,500	805,454,700	788,086,000
Dedicated	387,250,800	325,972,000	400,541,000	372,499,200	384,145,300
Federal	1,720,455,500	1,647,337,500	1,754,146,800	1,977,333,600	1,972,022,800
Total:	2,780,425,900	2,643,394,200	2,860,795,300	3,155,287,500	3,144,254,100
Percent Change:		(4.9%)	8.2%	10.3%	9.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	215,486,200	203,061,300	220,583,500	221,392,100	223,666,000
Operating Expenditures	188,413,300	159,636,000	190,526,300	220,345,200	218,264,800
Capital Outlay	1,372,300	3,505,200	3,859,600	3,933,400	2,439,400
Trustee/Benefit	2,372,447,400	2,277,191,700	2,445,825,900	2,709,616,800	2,699,883,900
Lump Sum	2,706,700	0	0	0	0
Total:	2,780,425,900	2,643,394,200	2,860,795,300	3,155,287,500	3,144,254,100
Full-Time Positions (FTP)	2,892.43	2,892.43	2,918.38	2,949.71	2,931.71

Department Description

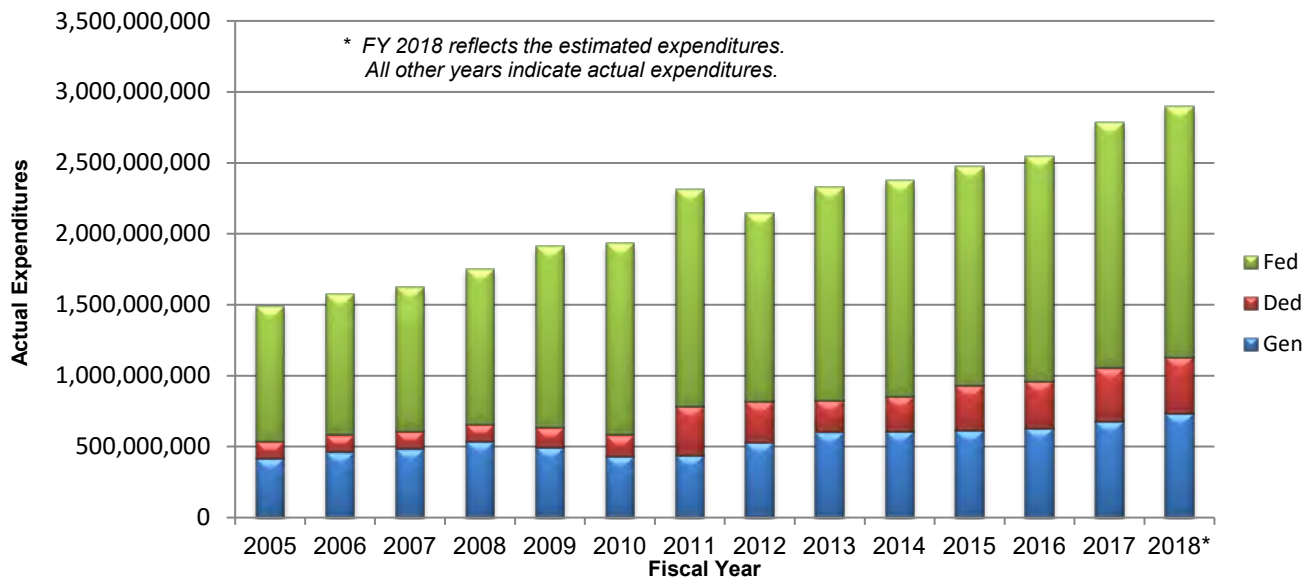
The Idaho Department of Health and Welfare provides services and regulatory programs in partnership with taxpayers, consumers, and providers to promote economic well-being, support vulnerable children and adults, enhance public health, and encourage self-sufficiency.

Department of Health and Welfare Agency Profile

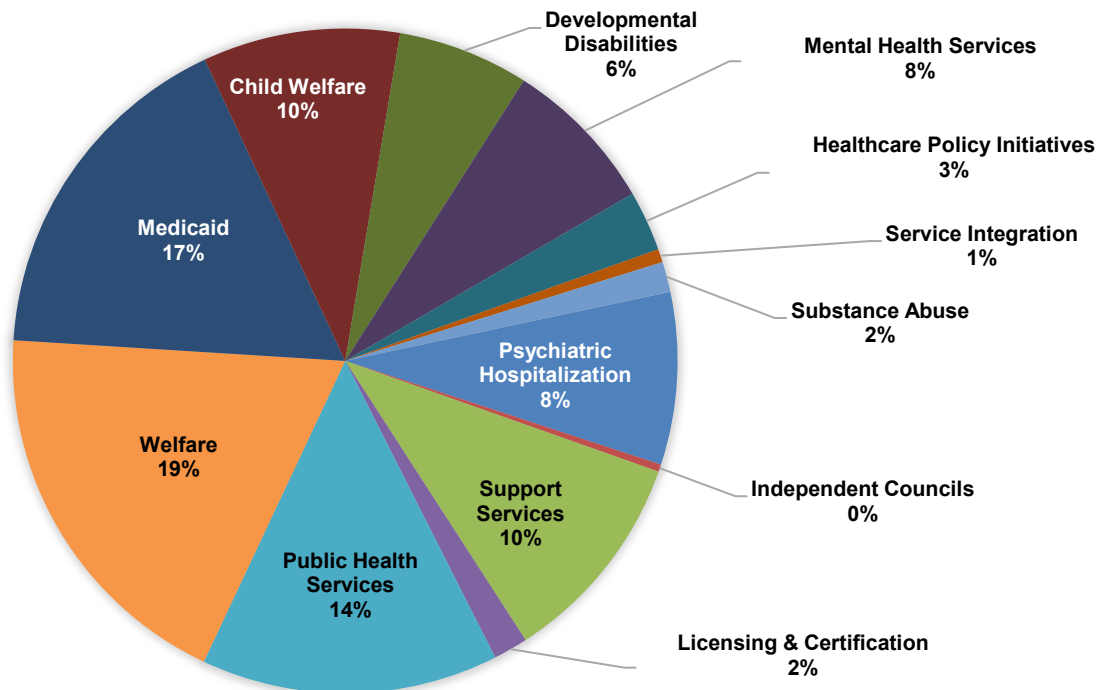
Analyst: Tatro

Budget Overview

Expenditures by General, Dedicated, and Federal Funds, FY 2005 - FY 2018



FY 2018 Original Appropriation by Division, Personnel Costs and Operating Expenditures Only



Personnel costs and operating expenditures account for 14.4% or \$411,109,800 of the \$2,860,795,300 FY 2018 Original Appropriation.

Department of Health and Welfare

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	2,918.38	706,107,500	2,860,795,300	2,918.38	706,107,500	2,860,795,300
Supplementals						
Child Welfare						
5. Child Welfare Additional Staff	13.00	133,500	267,000	13.00	130,800	261,600
Services for the Developmentally Disabled						
5. FTP Transfer for Child Welfare Staffing	(3.00)	0	0	(3.00)	0	0
Division of Medicaid						
1. Backfill FY 2017 Held Payments	0.00	10,701,000	56,329,200	0.00	10,701,000	56,329,200
2. Receipt Authority Fund Shift	0.00	7,186,200	0	0.00	7,186,200	0
3. KW Lawsuit Compliance	0.00	155,800	311,500	0.00	155,800	311,500
6. Provider Rate Incrs - Supported Living	0.00	259,500	900,000	0.00	259,500	900,000
7. Community-Based Personal Care Svcs	0.00	477,500	1,656,200	0.00	477,500	1,656,200
8. Provider-Data Software Improvements	0.00	254,100	2,541,000	0.00	254,100	2,541,000
Mental Health Services						
4. Jeff D Settlement Implementation	0.00	322,300	644,600	0.00	322,300	644,600
Psychiatric Hospitalization						
7. Community Hospitalization Shortfall	0.00	1,000,000	1,000,000	0.00	1,000,000	1,000,000
8. SHS - Accounting Error Correction	0.00	1,889,300	0	0.00	1,889,300	0
9. Additional Costs for Medical Care	0.00	116,600	116,600	0.00	116,600	116,600
Public Health Services						
8. Ryan White Grant	0.00	0	1,000,000	0.00	0	1,000,000
9. Expanded Access Program	0.00	26,800	26,800	0.00	26,800	26,800
Division of Welfare						
5. FTP Transfer for Child Welfare Staffing	(10.00)	0	0	(10.00)	0	0
FY 2018 Total Appropriation	2,918.38	728,630,100	2,925,588,200	2,918.38	728,627,400	2,925,582,800
Noncognizable Funds and Transfers	0.00	0	1,955,000	0.00	0	1,955,000
FY 2018 Estimated Expenditures	2,918.38	728,630,100	2,927,543,200	2,918.38	728,627,400	2,927,537,800
Removal of Onetime Expenditures	0.00	(15,376,700)	(77,416,600)	0.00	(15,376,700)	(77,416,600)
Base Adjustments	0.00	(45,600)	(45,600)	0.00	(45,600)	(45,600)
FY 2019 Base	2,918.38	713,207,800	2,850,081,000	2,918.38	713,205,100	2,850,075,600
Benefit Costs	0.00	(1,868,300)	(4,267,400)	0.00	(1,679,600)	(3,823,800)
Inflationary Adjustments	0.00	130,000	130,000	0.00	124,000	124,000
Replacement Items	0.00	3,146,400	5,684,000	0.00	1,743,400	3,351,600
Statewide Cost Allocation	0.00	231,700	452,700	0.00	231,700	452,700
Annualizations	0.00	4,088,000	13,534,600	0.00	4,080,700	13,520,000
Change in Employee Compensation	0.00	860,900	1,924,900	0.00	2,318,100	5,402,900
Nondiscretionary Adjustments	0.00	38,670,400	132,798,900	0.00	38,670,400	132,798,900
Endowment Adjustments	0.00	(518,000)	0	0.00	(375,500)	0
FY 2019 Program Maintenance	2,918.38	757,948,900	3,000,338,700	2,918.38	758,318,300	3,001,901,900
Line Items						
Child Welfare						
3. Child Welfare Information System	0.00	3,900,000	7,800,000	0.00	3,900,000	7,800,000
Services for the Developmentally Disabled						
27. Infant Toddler Early Intervention Svcs	0.00	321,100	1,129,800	0.00	321,100	1,129,800
41. Transfer to Community DD Crisis Team	0.00	0	0	0.00	0	0
Indirect Support Services						
10. Cisco Enterprise License Agreement	0.00	549,300	989,400	0.00	549,300	989,400
12. SCO Mainframe Costs	0.00	464,100	1,067,400	0.00	464,100	1,067,400
16. Criminal History Unit New Staff	2.00	7,200	130,600	2.00	0	118,900
22. CDA Office Relocation Expenses	0.00	182,000	349,100	0.00	0	0
23. Operational Services Staff	1.00	62,600	99,500	0.00	0	0
24. Medicaid Integrity Unit New Staff	1.00	0	59,400	1.00	0	60,800
25. IT Software Licenses	0.00	133,800	241,000	0.00	0	0

Department of Health and Welfare

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
28. Fraud Analysis New Staff	1.00	0	66,700	1.00	0	68,400
35. New IT Staff	4.00	153,300	383,300	0.00	0	0
37. IT Position Salary Increases	0.00	66,800	167,000	0.00	0	0
50. Criminal History Unit Grant	0.00	175,000	700,000	0.00	175,000	700,000
Division of Medicaid						
1. Idaho Health Care Plan	4.00	29,249,600	100,779,300	4.00	17,824,600	100,786,600
6. MMIS Independent Verification	0.00	200,000	2,000,000	0.00	200,000	2,000,000
7. Jeff D Settlement Implementation	0.00	1,181,600	1,181,600	0.00	1,181,600	1,181,600
8. MMIS Related Staff	1.00	50,200	100,400	0.00	0	0
15. Provider-Data Software Improvements	0.00	293,300	2,553,000	0.00	293,300	2,553,000
27. Infant Toddler Early Intervention Svcs	0.00	(321,100)	(1,126,700)	0.00	(321,100)	(1,126,700)
33. Provider Enrollment Changes	0.00	289,200	2,892,000	0.00	289,200	2,892,000
38. Children's DDA Rate Change	0.00	577,200	2,000,000	0.00	0	0
39. Asst Living Facility - Personal Care Svcs	0.00	1,501,400	5,202,500	0.00	0	0
45. External Quality Review	0.00	240,000	480,000	0.00	0	0
48. Estate Recovery New Staff	2.00	18,200	36,400	0.00	0	0
53. Contract Manager Staff	1.00	46,100	172,300	0.00	0	0
54. Data and Financial Management Staff	2.00	72,300	144,600	0.00	0	0
55. Jeff D Settlement Related Staff	2.00	86,500	172,900	0.00	0	0
Mental Health Services						
2. Community Crisis Centers	0.00	4,535,000	4,535,000	0.00	2,567,500	2,567,500
7. Jeff D Settlement Implementation	0.00	(931,600)	(681,600)	0.00	(931,600)	(681,600)
Psychiatric Hospitalization						
18. Medical Director Pay Increase	0.00	65,400	65,400	0.00	65,400	65,400
36. SHN Infection Prevention Officer	1.00	77,400	77,400	0.00	0	0
40. SHN Health Information Manager	1.00	72,800	72,800	0.00	0	0
43. Automated Medication Storage Systems	0.00	40,800	40,800	0.00	0	0
44. SHS Reclassify LPNs to RNs	0.00	92,000	92,000	0.00	0	0
46. SHS Advanced Physical Skills Training	0.00	30,000	30,000	0.00	0	0
47. SHS Additional Staffing	2.00	101,400	101,400	0.00	0	0
57. Reduction for IDOC Beds	0.00	0	0	0.00	(295,700)	(295,700)
Public Health Services						
13. Food Protection Program Specialist	1.00	77,400	77,400	0.00	0	0
17. Rural Health Research Analyst	0.33	0	19,900	0.33	0	19,800
19. eWIC Implementation Project Grant	1.00	0	2,111,600	1.00	0	2,113,700
20. Vital Statistics Object Transfer	0.00	0	0	0.00	0	0
21. Cancer Data Registry	0.00	106,000	106,000	0.00	0	0
26. Time Sensitive Emergencies	0.00	0	200,000	0.00	0	200,000
31. Electronic Death Registration System	0.00	75,000	75,000	0.00	0	0
34. Youth Suicide Prevention	0.00	523,800	523,800	0.00	256,600	256,600
42. Clinical Services New Position	1.00	0	69,800	1.00	0	71,600
51. Physician Pay Fund Shift	0.00	73,300	12,700	0.00	0	0
56. Expanded Access Program	0.00	0	0	0.00	158,600	158,600
Substance Abuse Treatment & Prevention						
14. Provider Rate Increase	0.00	256,000	256,000	0.00	256,000	256,000
29. Opioid Crisis Grant	0.00	0	1,955,000	0.00	0	1,955,000
52. Tobacco Permit Fees	0.00	0	160,000	0.00	0	160,000
Division of Welfare						
4. Child Support System Modernization	0.00	2,720,000	8,000,000	0.00	2,720,000	8,000,000
5. SNAP Employment & Training Svcs	0.00	0	2,000,000	0.00	0	2,000,000
30. Ongoing Object Transfer PC to OE	0.00	0	0	0.00	0	0
Healthcare Policy Initiatives						
9. SHIP Grant	0.00	0	5,000,000	0.00	0	5,000,000

Department of Health and Welfare

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
Licensing and Certification						
11. New Surveyors - Asst Living Facilities	3.00	91,400	276,900	3.00	93,800	284,100
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	2,949.71	805,454,700	3,155,287,500	2,931.71	788,086,000	3,144,254,100
Chg from FY 2018 Orig Approp.	31.33	99,347,200	294,492,200	13.33	81,978,500	283,458,800
% Chg from FY 2018 Orig Approp.	1.1%	14.1%	10.3%	0.5%	11.6%	9.9%

Child Welfare

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Child Welfare	37,323,300	33,802,000	39,413,400	46,581,600	47,118,700
Foster & Assistance Payments	29,269,600	28,081,800	30,091,500	30,091,500	30,091,500
Total:	66,592,900	61,883,800	69,504,900	76,673,100	77,210,200
BY FUND CATEGORY					
General	21,714,100	21,584,800	23,408,100	27,330,500	27,498,200
Dedicated	1,046,900	144,500	797,100	797,100	797,100
Federal	43,831,900	40,154,500	45,299,700	48,545,500	48,914,900
Total:	66,592,900	61,883,800	69,504,900	76,673,100	77,210,200
Percent Change:		(7.1%)	12.3%	10.3%	11.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	29,170,700	27,302,200	30,466,700	30,903,400	31,440,500
Operating Expenditures	8,152,600	6,460,800	8,944,700	15,678,200	15,678,200
Capital Outlay	0	39,000	2,000	0	0
Trustee/Benefit	29,269,600	28,081,800	30,091,500	30,091,500	30,091,500
Total:	66,592,900	61,883,800	69,504,900	76,673,100	77,210,200
Full-Time Positions (FTP)	388.75	388.75	396.75	408.80	408.80

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 and Assistance Payments Program includes trustee and 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 2018 Original Appropriation	396.75	23,408,100	69,504,900	396.75	23,408,100	69,504,900
5. Child Welfare Additional Staff	13.00	133,500	267,000	13.00	130,800	261,600
FY 2018 Total Appropriation	409.75	23,541,600	69,771,900	409.75	23,538,900	69,766,500
Noncognizable Funds and Transfers	(0.95)	(58,100)	(193,800)	(0.95)	(58,100)	(193,800)
FY 2018 Estimated Expenditures	408.80	23,483,500	69,578,100	408.80	23,480,800	69,572,700
Removal of Onetime Expenditures	0.00	(311,400)	(1,054,700)	0.00	(311,400)	(1,054,700)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	408.80	23,172,100	68,523,400	408.80	23,169,400	68,518,000
Benefit Costs	0.00	(187,500)	(587,400)	0.00	(168,500)	(528,000)
Statewide Cost Allocation	0.00	(6,900)	(23,300)	0.00	(6,900)	(23,300)
Annualizations	0.00	354,200	708,400	0.00	346,900	693,800
Change in Employee Compensation	0.00	80,400	252,000	0.00	239,100	749,700
Nondiscretionary Adjustments	0.00	18,200	0	0.00	18,200	0
FY 2019 Program Maintenance	408.80	23,430,500	68,873,100	408.80	23,598,200	69,410,200
3. Child Welfare Information System	0.00	3,900,000	7,800,000	0.00	3,900,000	7,800,000
FY 2019 Total	408.80	27,330,500	76,673,100	408.80	27,498,200	77,210,200
Change from Original Appropriation	12.05	3,922,400	7,168,200	12.05	4,090,100	7,705,300
% Change from Original Appropriation		16.8%	10.3%		17.5%	11.1%

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	396.75	23,408,100	797,100	45,299,700	69,504,900

5. Child Welfare Additional Staff

Child Welfare

The department requests 13.00 FTP and \$975,400 to hire additional staff. This includes a supplemental request of 13.00 FTP and \$267,000 for FY 2018, and an annualization request of \$708,400 for FY 2019. The overall request is split equally between the General Fund and federal funds. The requested positions consist of seven social workers, two social worker supervisors, one program manager, two business analysts, and one communication specialist. The social workers and supervisors will primarily be located in the Caldwell and Boise areas, with one position in the Lewiston area. These positions are being requested to address the increase in caseload and workload. In FY 2017, there were 2,714 children in care statewide, which is a 6% increase over FY 2016, and a 13.6% increase since FY 2013. Further, for three of the last five years, more children have entered foster care than have left the system. In FY 2017, the difference was 184 more children entering than exiting. The department attributes a significant portion of the increase to the nationwide opioid crisis and parental substance use addictions. The request for the non-social worker positions is to assist the department in its approach to "streamline and standardize child welfare delivery throughout the state." These four positions would be located at the central office in Boise and would need to perform their jobs in concert with the updated Child Welfare Information System (iCare) (see line item 3). The FTP authority would be transferred from within the department with 10.00 FTP from Self-Reliance Operations and 3.00 FTP from the Southwest Idaho Treatment Center. The salaries for the program manager and business analyst are being requested at department averages for comparable positions rather than the suggested 80% of policy; all other positions are requested at 80% of their pay grade policy. [Ongoing and Onetime]

Agency Request	13.00	133,500	0	133,500	267,000
<i>Recommended by the Governor with changes to compensation.</i>					
Governor's Recommendation	13.00	130,800	0	130,800	261,600

FY 2018 Total Appropriation					
Agency Request	409.75	23,541,600	797,100	45,433,200	69,771,900
Governor's Recommendation	409.75	23,538,900	797,100	45,430,500	69,766,500

Noncognizable Funds and Transfers

This decision unit transfers 1.05 FTP from Self-Reliance Operations to Child Welfare. It also transfers 2.00 FTP and \$193,800 from Child Welfare to Licensing and Certification to align the Children's Licensing Unit (CLU) with other licensing and regulatory functions. This transfer was approved by the Division of Financial Management on October 23, 2017.

Agency Request	(0.95)	(58,100)	0	(135,700)	(193,800)
Governor's Recommendation	(0.95)	(58,100)	0	(135,700)	(193,800)

FY 2018 Estimated Expenditures					
Agency Request	408.80	23,483,500	797,100	45,297,500	69,578,100
Governor's Recommendation	408.80	23,480,800	797,100	45,294,800	69,572,700

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for year two of the child welfare IT system modernization line item.

Agency Request	0.00	(311,400)	0	(743,300)	(1,054,700)
Governor's Recommendation	0.00	(311,400)	0	(743,300)	(1,054,700)

Base Adjustments

This decision unit restores 2.00 FTP and associated funding for the positions that were transferred to Licensing and Certification on a onetime basis, and then transfers those same positions back to Licensing and Certification as an ongoing base adjustment.

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

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Base					
Agency Request	408.80	23,172,100	797,100	44,554,200	68,523,400
Governor's Recommendation	408.80	23,169,400	797,100	44,551,500	68,518,000

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(187,500)	0	(399,900)	(587,400)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(168,500)	0	(359,500)	(528,000)
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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 costs will decrease by \$23,300.

Agency Request	0.00	(6,900)	0	(16,400)	(23,300)
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Governor's Recommendation	0.00	(6,900)	0	(16,400)	(23,300)
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Annualizations

Child Welfare

The department requests an annualization of \$708,400 for the 13.00 FTP requested in supplemental appropriation 5.

Agency Request	0.00	354,200	0	354,200	708,400
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	0.00	346,900	0	346,900	693,800
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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	80,400	0	171,600	252,000
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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	239,100	0	510,600	749,700
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Nondiscretionary Adjustments

This adjustment increases the General Fund by \$18,200 and decreases a like amount in federal funds to reflect a change 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 71.17% to 71.13% for FY 2019.

Agency Request	0.00	18,200	0	(18,200)	0
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Governor's Recommendation	0.00	18,200	0	(18,200)	0
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FY 2019 Program Maintenance					
Agency Request	408.80	23,430,500	797,100	44,645,500	68,873,100
Governor's Recommendation	408.80	23,598,200	797,100	45,014,900	69,410,200

Child Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Child Welfare Information System					Child Welfare

The department requests \$7,800,000 for the third year of a five-year project to replace the child welfare information system used by social workers, known as iCare. This request is split equally between the General Fund and federal funds. The department uses iCare, a case management system, 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, to determine funding eligibility, and to generate referrals to Medicaid and Child Support. The Child Welfare Program served more than 2,700 children in foster care in FY 2017 and processed \$13.8 million in payments for these placements. While iCare remains relatively functional in its current form, the department indicates that 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. For FY 2018, the department requested and the Legislature appropriated \$1,026,700 to procure contracted resources that will eventually lead project efforts, continue to analyze current and proposed business processes, and cover the department's indirect rates. For FY 2019, the department's request for funding is to continue with enhancement efforts including the enhancement of mobile technology that will support staff in the field with the use of tablets.

The department is currently estimating that the project will take several years and cost approximately \$25,000,000 (all fund sources). For FY 2020, the department anticipates a request of \$11,000,000 with areas of focus on eligibility, document management, and fiscal controls. In FY 2021, the final phase, the department estimates its request will be about \$8,000,000 and will focus on decreasing the time to permanency and leveraging increased data quality toward predictive analytics. [Onetime]

Agency Request	0.00	3,900,000	0	3,900,000	7,800,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,900,000</i>	<i>0</i>	<i>3,900,000</i>	<i>7,800,000</i>

FY 2019 Total					
Agency Request	408.80	27,330,500	797,100	48,545,500	76,673,100
<i>Governor's Recommendation</i>	<i>408.80</i>	<i>27,498,200</i>	<i>797,100</i>	<i>48,914,900</i>	<i>77,210,200</i>

Agency Request					
Change from Original App	12.05	3,922,400	0	3,245,800	7,168,200
% Change from Original App	3.0%	16.8%	0.0%	7.2%	10.3%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>12.05</i>	<i>4,090,100</i>	<i>0</i>	<i>3,615,200</i>	<i>7,705,300</i>
<i>% Change from Original App</i>	<i>3.0%</i>	<i>17.5%</i>	<i>0.0%</i>	<i>8.0%</i>	<i>11.1%</i>

Services for the Developmentally Disabled

Analyst: Tatiro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Community DD Services	20,414,600	19,406,500	20,492,300	21,607,400	21,852,200
Southwest Idaho Treatment Center	10,865,700	9,557,500	11,053,900	10,823,500	10,960,900
Total:	31,280,300	28,964,000	31,546,200	32,430,900	32,813,100
BY FUND CATEGORY					
General	13,066,200	12,762,500	13,231,800	13,477,700	13,646,700
Dedicated	2,492,500	1,547,500	2,496,500	1,364,600	1,371,300
Federal	15,721,600	14,654,000	15,817,900	17,588,600	17,795,100
Total:	31,280,300	28,964,000	31,546,200	32,430,900	32,813,100
Percent Change:		(7.4%)	8.9%	2.8%	4.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	21,138,600	20,190,900	21,441,400	21,171,600	21,553,800
Operating Expenditures	4,767,500	4,055,100	4,796,800	4,846,200	4,846,200
Capital Outlay	0	46,700	74,700	50,000	50,000
Trustee/Benefit	5,374,200	4,671,300	5,233,300	6,363,100	6,363,100
Total:	31,280,300	28,964,000	31,546,200	32,430,900	32,813,100
Full-Time Positions (FTP)	307.71	307.71	307.71	304.71	304.71

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 or ISSH): 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 2018 Original Appropriation	307.71	13,231,800	31,546,200	307.71	13,231,800	31,546,200
5. FTP Transfer for Child Welfare Staffing	(3.00)	0	0	(3.00)	0	0
FY 2018 Total Appropriation	304.71	13,231,800	31,546,200	304.71	13,231,800	31,546,200
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	304.71	13,231,800	31,546,200	304.71	13,231,800	31,546,200
Removal of Onetime Expenditures	0.00	(74,700)	(74,700)	0.00	(74,700)	(74,700)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	304.71	13,157,100	31,471,500	304.71	13,157,100	31,471,500
Benefit Costs	0.00	(191,300)	(443,600)	0.00	(170,600)	(393,400)
Replacement Items	0.00	112,600	124,000	0.00	112,600	124,000
Statewide Cost Allocation	0.00	(8,500)	(24,600)	0.00	(8,500)	(24,600)
Change in Employee Compensation	0.00	76,600	173,800	0.00	224,900	505,800
Nondiscretionary Adjustments	0.00	10,100	0	0.00	10,100	0
FY 2019 Program Maintenance	304.71	13,156,600	31,301,100	304.71	13,325,600	31,683,300
27. Infant Toddler Early Intervention Svcs	0.00	321,100	1,129,800	0.00	321,100	1,129,800
41. Transfer to Community DD Crisis Team	0.00	0	0	0.00	0	0
FY 2019 Total	304.71	13,477,700	32,430,900	304.71	13,646,700	32,813,100
Change from Original Appropriation	(3.00)	245,900	884,700	(3.00)	414,900	1,266,900
% Change from Original Appropriation		1.9%	2.8%		3.1%	4.0%

Services for the Developmentally Disabled

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	307.71	13,231,800	2,496,500	15,817,900	31,546,200

5. FTP Transfer for Child Welfare Staffing

This decision unit transfers 3.00 vacant and unfunded FTP from the Southwest Idaho Treatment Center to the Child Welfare Program. Child Welfare is requesting an additional 13.00 FTP, which includes seven social worker positions, two supervisors, one project manager, one communication specialist, and two business analysts. All FTP in the Child Welfare supplemental appropriation request are being requested as transfers from within the department. The remaining 10.00 FTP would be transferred from Self-Reliance Operations.

Agency Request	(3.00)	0	0	0	0
Governor's Recommendation	(3.00)	0	0	0	0

FY 2018 Total Appropriation					
Agency Request	304.71	13,231,800	2,496,500	15,817,900	31,546,200
Governor's Recommendation	304.71	13,231,800	2,496,500	15,817,900	31,546,200

Noncognizable Funds and Transfers

Object transfers include \$84,900 onetime from personnel costs to operating expenditures in the Community Developmental Disability Services Program. Program transfers include 4.00 FTP and \$56,400 from the Southwest Idaho Treatment Center to the Community Developmental Disability Services Program.

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 Estimated Expenditures					
Agency Request	304.71	13,231,800	2,496,500	15,817,900	31,546,200
Governor's Recommendation	304.71	13,231,800	2,496,500	15,817,900	31,546,200

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items at SWITC.

Agency Request	0.00	(74,700)	0	0	(74,700)
Governor's Recommendation	0.00	(74,700)	0	0	(74,700)

Base Adjustments

Community Developmental Disability Services

This adjustment restores \$84,900 to personnel costs in the Community Developmental Disability Services Program, and restores 2.00 FTP and \$56,400 to SWITC; a request is made in line item 41 to move these two positions ongoing.

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

FY 2019 Base					
Agency Request	304.71	13,157,100	2,496,500	15,817,900	31,471,500
Governor's Recommendation	304.71	13,157,100	2,496,500	15,817,900	31,471,500

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(191,300)	(8,400)	(243,900)	(443,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(170,600)	(7,300)	(215,500)	(393,400)
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Services for the Developmentally Disabled

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
Southwest Idaho Treatment Center					
The Southwest Idaho Treatment Center (SWITC) requests \$124,000 to replace a lawn mower, utility cart, and an air compressor. The request also includes alteration and repair projects for asphalt repairs, sprinkler system upgrades, and transferring power from the boiler plant to the well pump house.					
Agency Request	0.00	112,600	0	11,400	124,000
Governor's Recommendation	0.00	112,600	0	11,400	124,000
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 costs will decrease by \$24,600.					
Agency Request	0.00	(8,500)	0	(16,100)	(24,600)
Governor's Recommendation	0.00	(8,500)	0	(16,100)	(24,600)
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	76,600	3,200	94,000	173,800
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 \$1,400 for that purpose.					
Governor's Recommendation	0.00	224,900	8,800	272,100	505,800
Nondiscretionary Adjustments					
This adjustment increases the General Fund by \$10,100 and decreases a like amount in federal funds to reflect a change 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 71.17% to 71.13% for FY 2019.					
Agency Request	0.00	10,100	0	(10,100)	0
Governor's Recommendation	0.00	10,100	0	(10,100)	0
FY 2019 Program Maintenance					
Agency Request	304.71	13,156,600	2,491,300	15,653,200	31,301,100
Governor's Recommendation	304.71	13,325,600	2,498,000	15,859,700	31,683,300

Services for the Developmentally Disabled

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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27. Infant Toddler Early Intervention Svcs

Community Developmental Disability Services

The department requests a net increase of \$1,129,800 in trustee and benefit payments in the Community Developmental Disability Services Program. This includes a decrease of \$1,126,700 from dedicated funds, and increases of \$321,100 from the General Fund and \$1,935,400 in federal funds. The General Fund and \$805,600 of federal funds will be transferred from the Medicaid Division. The department-wide impact is a net increase of \$3,100. The purpose of the transfer is to fund the establishment of early intervention services as a defined Medicaid benefit for eligible children from birth until their third birthday. In 2012, the Children's Developmental Disability (DD) Medicaid Benefit was redesigned, which resulted in three separate eligibility processes: 1) for traditional Medicaid benefits [Enhanced Plan], 2) the Medicaid DD benefit, discussed here; and 3) Early Intervention under the Individuals with Disabilities Education Act (IDEA) program services. IDEA requires that families receive necessary services regardless of enrollment in Medicaid, which means Medicaid-eligible families do not have to enroll in this separate Medicaid benefit. They would still receive the appropriate services, but the department does not receive the federal match from Medicaid. This created a dependence on using non-Medicaid dollars, which ultimately assisted in the creation of a waiting list in the program because the state funds were being used almost exclusively and unmatched for this benefit. This line item will help create a streamlined application process aimed at providing the appropriate developmentally delayed services to children from birth to their third birthday. The new application will be a combination of the Medicaid benefit and IDEA. Eligible children will still need to enroll in traditional Medicaid regardless of this benefit; there are different services and eligibility requirements for traditional Medicaid kids than with the enhanced DD benefit in the Infant Toddler Program. This request would simplify portions of the enrollment process for families by taking three applications and combining them into two applications: 1) traditional Medicaid and 2) Infant Toddler learning-delay benefits (both Medicaid and IDEA).

The dedicated fund reduction is the result of the department unintentionally double counting the Medicaid expenditures in both Medicaid and the Community DD Programs. With the transfer from Medicaid, the dedicated fund appropriation will no longer be needed.

Agency Request	0.00	321,100	(1,126,700)	1,935,400	1,129,800
Governor's Recommendation	0.00	321,100	(1,126,700)	1,935,400	1,129,800

41. Transfer to Community DD Crisis Team

Community Developmental Disability Services, SWITC

The department requests a transfer of 2.00 FTP and \$147,600 in ongoing personnel costs from the Southwest Idaho Treatment Center (SWITC) to the Community Developmental Disability (DD) Court Services and Crisis Prevention Team in the Community DD Program. The positions will support the crisis team with the goal of keeping more individuals in the community and out of SWITC or similar institutions. The positions will be senior developmental specialists and will have Board Certified Behavioral Analyst (BCBA) credentials. These positions will be located in the northern and eastern hubs of the state. Crisis prevention and related services is currently managed by 43.40 FTP, which includes 4.00 FTP as senior developmental specialists, and a personnel costs budget of \$3,321,100. The request is to hire these individuals at 85% of policy or \$24.50 an hour. These positions will serve children and adults who are eligible for crisis prevention and court services, which means they have a developmental disability and a very challenging behavior.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	0	0	0	0

FY 2019 Total

Agency Request	304.71	13,477,700	1,364,600	17,588,600	32,430,900
Governor's Recommendation	304.71	13,646,700	1,371,300	17,795,100	32,813,100

Agency Request

Change from Original App	(3.00)	245,900	(1,131,900)	1,770,700	884,700
% Change from Original App	(1.0%)	1.9%	(45.3%)	11.2%	2.8%

Governor's Recommendation

Change from Original App	(3.00)	414,900	(1,125,200)	1,977,200	1,266,900
% Change from Original App	(1.0%)	3.1%	(45.1%)	12.5%	4.0%

Independent Councils

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Developmental Disab. Council	693,200	563,200	771,000	756,800	765,600
Domestic Violence Council	8,308,100	7,150,800	8,312,100	8,309,400	8,316,400
Total:	9,001,300	7,714,000	9,083,100	9,066,200	9,082,000
BY FUND CATEGORY					
General	128,000	128,000	203,600	192,700	195,700
Dedicated	554,600	445,200	551,600	552,300	555,800
Federal	8,318,700	7,140,800	8,327,900	8,321,200	8,330,500
Total:	9,001,300	7,714,000	9,083,100	9,066,200	9,082,000
Percent Change:		(14.3%)	17.7%	(0.2%)	0.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	807,700	638,200	875,500	867,600	883,400
Operating Expenditures	574,800	347,500	587,800	579,800	579,800
Capital Outlay	0	0	1,000	0	0
Trustee/Benefit	7,618,800	6,728,300	7,618,800	7,618,800	7,618,800
Total:	9,001,300	7,714,000	9,083,100	9,066,200	9,082,000
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 2018 Original Appropriation	10.00	203,600	9,083,100	10.00	203,600	9,083,100
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	10.00	203,600	9,083,100	10.00	203,600	9,083,100
Removal of Onetime Expenditures	0.00	(9,000)	(9,000)	0.00	(9,000)	(9,000)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	10.00	194,600	9,074,100	10.00	194,600	9,074,100
Benefit Costs	0.00	(3,300)	(15,300)	0.00	(3,100)	(14,000)
Change in Employee Compensation	0.00	1,400	7,400	0.00	4,200	21,900
FY 2019 Total	10.00	192,700	9,066,200	10.00	195,700	9,082,000
Change from Original Appropriation	0.00	(10,900)	(16,900)	0.00	(7,900)	(1,100)
% Change from Original Appropriation		(5.4%)	(0.2%)		(3.9%)	0.0%

Independent Councils

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	10.00	203,600	551,600	8,327,900	9,083,100
Noncognizable Funds and Transfers		Developmental Disabilities Council			
The Developmental Disabilities Council requests a onetime object transfer of \$800 from operating expenditures to capital outlay.					
Agency Request	0.00	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
FY 2018 Estimated Expenditures					
Agency Request	10.00	203,600	551,600	8,327,900	9,083,100
Governor's Recommendation	10.00	203,600	551,600	8,327,900	9,083,100
Removal of Onetime Expenditures		Developmental Disabilities Council			
This decision unit removes onetime amounts appropriated in FY 2018 for office furniture, remodeling of existing space, and a computer.					
Agency Request	0.00	(9,000)	0	0	(9,000)
Governor's Recommendation	0.00	(9,000)	0	0	(9,000)
Base Adjustments		Developmental Disabilities Council			
This adjustment restores \$800 to operating expenditures in the Developmental Disabilities Council.					
Agency Request	0.00	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Base					
Agency Request	10.00	194,600	551,600	8,327,900	9,074,100
Governor's Recommendation	10.00	194,600	551,600	8,327,900	9,074,100
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(3,300)	(1,000)	(11,000)	(15,300)
The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.					
Governor's Recommendation	0.00	(3,100)	(1,300)	(9,600)	(14,000)
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	1,400	1,700	4,300	7,400
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	4,200	5,500	12,200	21,900
FY 2019 Total					
Agency Request	10.00	192,700	552,300	8,321,200	9,066,200
Governor's Recommendation	10.00	195,700	555,800	8,330,500	9,082,000

Independent Councils

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	(10,900)	700	(6,700)	(16,900)
% Change from Original App	0.0%	(5.4%)	0.1%	(0.1%)	(0.2%)
Governor's Recommendation					
Change from Original App	0.00	(7,900)	4,200	2,600	(1,100)
% Change from Original App	0.0%	(3.9%)	0.8%	0.0%	0.0%

Indirect Support Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	16,896,300	15,114,900	18,640,700	21,813,400	20,141,700
Dedicated	3,125,800	4,128,300	3,252,100	3,405,700	3,439,400
Federal	21,816,200	20,515,300	24,488,900	26,463,200	25,139,100
Total:	41,838,300	39,758,500	46,381,700	51,682,300	48,720,200
Percent Change:		(5.0%)	16.7%	11.4%	5.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	26,213,700	23,561,200	26,603,000	27,271,700	27,107,500
Operating Expenditures	14,975,200	14,602,100	16,402,500	21,267,000	19,824,300
Capital Outlay	649,400	1,595,200	3,376,200	3,143,600	1,788,400
Total:	41,838,300	39,758,500	46,381,700	51,682,300	48,720,200
Full-Time Positions (FTP)	291.60	291.60	295.60	304.60	299.60

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 2018 Original Appropriation	295.60	18,640,700	46,381,700	295.60	18,640,700	46,381,700
Removal of Onetime Expenditures	0.00	(1,387,600)	(4,117,700)	0.00	(1,387,600)	(4,117,700)
FY 2019 Base	295.60	17,253,100	42,264,000	295.60	17,253,100	42,264,000
Benefit Costs	0.00	(165,000)	(406,000)	0.00	(154,400)	(379,900)
Replacement Items	0.00	2,532,600	4,756,000	0.00	1,273,600	2,567,600
Statewide Cost Allocation	0.00	306,400	588,000	0.00	306,400	588,000
Change in Employee Compensation	0.00	92,200	226,900	0.00	274,600	675,600
FY 2019 Program Maintenance	295.60	20,019,300	47,428,900	295.60	18,953,300	45,715,300
10. Cisco Enterprise License Agreement	0.00	549,300	989,400	0.00	549,300	989,400
12. SCO Mainframe Costs	0.00	464,100	1,067,400	0.00	464,100	1,067,400
16. Criminal History Unit New Staff	2.00	7,200	130,600	2.00	0	118,900
22. CDA Office Relocation Expenses	0.00	182,000	349,100	0.00	0	0
23. Operational Services New Staff	1.00	62,600	99,500	0.00	0	0
24. Medicaid Integrity Unit New Staff	1.00	0	59,400	1.00	0	60,800
25. IT Software Licenses	0.00	133,800	241,000	0.00	0	0
28. Fraud Analysis New Staff	1.00	0	66,700	1.00	0	68,400
35. New IT Staff	4.00	153,300	383,300	0.00	0	0
37. IT Position Salary Increases	0.00	66,800	167,000	0.00	0	0
50. Criminal History Unit Grant	0.00	175,000	700,000	0.00	175,000	700,000
FY 2019 Total	304.60	21,813,400	51,682,300	299.60	20,141,700	48,720,200
Change from Original Appropriation	9.00	3,172,700	5,300,600	4.00	1,501,000	2,338,500
% Change from Original Appropriation		17.0%	11.4%		8.1%	5.0%

Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	295.60	18,640,700	3,252,100	24,488,900	46,381,700

Removal of Onetime Expenditures

This decision unit removes \$4,117,700 for replacement items, alteration and repair projects, and onetime line items that were funded in FY 2018.

Agency Request	0.00	(1,387,600)	0	(2,730,100)	(4,117,700)
Governor's Recommendation	0.00	(1,387,600)	0	(2,730,100)	(4,117,700)

FY 2019 Base					
Agency Request	295.60	17,253,100	3,252,100	21,758,800	42,264,000
Governor's Recommendation	295.60	17,253,100	3,252,100	21,758,800	42,264,000

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(165,000)	(25,600)	(215,400)	(406,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(154,400)	(24,000)	(201,500)	(379,900)
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Replacement Items

The department requests \$4,756,000 to replace various capital outlay items and for various alteration and repair projects. This includes \$1,494,300 to replace 61 vehicles; \$873,700 for servers and IT archive storage; \$2,262,000 to replace server licenses, computers, monitors, and a file legacy application; and \$126,000 for alteration and repair projects throughout the state including painting, carpets, flooring, and parking lot repairs.

Agency Request	0.00	2,532,600	0	2,223,400	4,756,000
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The Governor recommends a reduced amount from the General Fund and federal funds.

Governor's Recommendation	0.00	1,273,600	0	1,294,000	2,567,600
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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. Attorney General fees will increase by \$467,700, risk management costs will increase by \$56,200, State Controller fees will increase by \$71,400, and State Treasurer fees will decrease by \$7,300, for a net increase of \$588,000.

Agency Request	0.00	306,400	0	281,600	588,000
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Governor's Recommendation	0.00	306,400	0	281,600	588,000
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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	92,200	14,400	120,300	226,900
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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. The Governor also recommends the pay structure for state employees be moved by 3% and includes \$1,400 for that purpose.

Governor's Recommendation	0.00	274,600	42,600	358,400	675,600
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FY 2019 Program Maintenance					
Agency Request	295.60	20,019,300	3,240,900	24,168,700	47,428,900
Governor's Recommendation	295.60	18,953,300	3,270,700	23,491,300	45,715,300

Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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10. Cisco Enterprise License Agreement

The department requests \$989,400 in ongoing operating expenditures from the General Fund and federal funds for the annual licenses, subscription services, and hardware maintenance, licensing, and software subscription services for the Cisco Enterprise License Agreement. Cisco was selected because it is on the state purchasing contract. This request is for the annual maintenance costs for all of the Cisco hardware maintenance/support and software subscriptions. However, any data breaches would be associated with the department, as Cisco does not retain any risk if there is a data breach associated with its software. Cisco will, through the agreement, provide assistance in incident response services, including emergency incident response and recovery, readiness assessment, proactive threat hunting, and mitigation. The department estimates that the purchase of this agreement will save the department over \$2 million from purchasing the various items individually. [Ongoing]

Agency Request	0.00	549,300	0	440,100	989,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>549,300</i>	<i>0</i>	<i>440,100</i>	<i>989,400</i>

12. SCO Mainframe Costs

The department requests \$1,067,400 in ongoing operating expenditures from the General Fund and federal funds for the costs associated with the department programs that remain on the Office of the State Controller's (SCO) mainframe computer system. The department has \$3.5 million in the department-wide ongoing appropriation, and indicates that those funds need to remain in their respective budgets for operational costs of the systems that were removed from the mainframe in the last couple years. As a result of those programs leaving the mainframe, the cost to run the mainframe remains the same, and the cost is then reallocated to any remaining entities, which include the payroll and accounting divisions at the SCO and Health and Welfare's FISCAL programs. As a result of the cost center shift, Health and Welfare is expecting a bill for \$2 million in FY 2019. It is estimated that the department will continue to pay for SCO mainframe costs for at least three more years, assuming the new accounting and payroll IT system at the SCO is funded. At that time, these funds could be removed from the Health and Welfare budget, but the cost to operate the mainframe will continue for an additional five or so years, which means the cost would then be borne by the SCO alone. [Ongoing]

Agency Request	0.00	464,100	0	603,300	1,067,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>464,100</i>	<i>0</i>	<i>603,300</i>	<i>1,067,400</i>

16. Criminal History Unit New Staff

The department requests 2.00 FTP and \$130,600 to hire additional staff in the Criminal History Unit (CHU) to meet estimated work increases in the CHU. The department conducted 27,074 fingerprints and registry checks in FY 2017, and averages a 4% increase year-over-year for the last five years. Further, the department estimates that the 4% average will continue for the next five years. The program is staffed by one supervisor, 12 full-time technical records specialists 2, and one part-time technical records specialist 2. With changes to federal mandates and changes to Idaho IDAPA rules, the CHU is now responsible for completing checks of the Idaho Child Protection Registry in response to any lawful request for information contained in the registry. The department estimates that it will complete 3,000 of these checks annually; currently the CHU does about 700 of these checks annually. In addition to the personnel costs, the department requests \$26,000 in onetime operating expenditures to purchase four additional fingerprint collection and submission computer scanners, software, and peripherals. [Ongoing and Onetime]

Agency Request	2.00	7,200	116,100	7,300	130,600
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The Governor recommends the dedicated fund portion of the request and recommends the agency use existing appropriation from the General Fund and federal funds for any remaining balance.

<i>Governor's Recommendation</i>	<i>2.00</i>	<i>0</i>	<i>118,900</i>	<i>0</i>	<i>118,900</i>
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Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
22. CDA Office Relocation Expenses					
The department requests \$349,100 in onetime operating expenditures for moving and furnishing expenses associated with the relocation of office space in north Idaho. The department issued an RFP for new leased space in August 2017 and closed the RFP in October 2017. The RFP allowed for responses in the Coeur D'Alene and Post Falls areas. The department is meeting with the Division of Public Works to review submitted proposals. All of the submitted proposals are build-to-suit facilities and not existing buildings, which means the department will not be able to move until late spring or summer of FY 2019. This means that the department will most likely be encumbering any appropriation related to this line item. Ongoing costs related to the new facility are not known at this time. The department is currently paying "a significant amount" for security services. With the new single building, the department estimates that costs will be greatly reduced and should lead to an overall reduced ongoing amount needed for operations in north Idaho. [Onetime]					
Agency Request	0.00	182,000	0	167,100	349,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
23. Operational Services New Staff					
The department requests 1.00 FTP and \$99,500 to hire a project manager 2 position in the Operational Services Division. This position will manage projects focused on mission-critical initiatives and process improvements that benefit the entire department. Listed initiatives for the entire department include: revising and implementing statewide continuity of operations plans; building out training tools for responding to safety threats; updating and improving emergency evacuation procedures; improving new-hire processing and employee exit protocols; and redesigning the automated tool used to track and manage statewide fleet vehicles. [Ongoing]					
Agency Request	1.00	62,600	0	36,900	99,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
24. Medicaid Integrity Unit New Staff					
The department requests 1.00 FTP and \$59,400 to hire an administrative assistant 2 position in the Bureau of Audit and Investigations. The position will prepare documents for recovering uncollectable debts through asset recovery, prepare required records for exclusion and terminations, and log evidence. The request includes \$2,500 of onetime expenses for office furniture and equipment. The department anticipates recovering more funds from the work of the staff than the cost of the new position. [Ongoing and Onetime]					
Agency Request	1.00	0	29,700	29,700	59,400
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	30,400	30,400	60,800

Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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25. IT Software Licenses

The department requests \$241,000 for two different system-wide licenses: 1) Ivanti Performance Licenses for \$123,800 and 2) Microsoft Enterprise Licenses for \$117,200. The request includes \$142,300 of ongoing appropriation and \$98,700 of onetime appropriation. The first license system, Ivanti, will enable the department's IT teams to centrally control resources for all application and desktop delivery methods while reducing hardware costs and maintaining the goal of improved performance. The department indicates that this system will provide a positive return on investment (ROI) within a short turnaround time. However, the department indicates that there are no funds available to meet this expense. The ROI is based on staff hours saved by using a technical solution to increase productivity.

The second part of this request is for 2,000 Microsoft licenses related to the Enterprise Mobility Suite and Security. This software enables the department to control content of mobile devices, which includes whether or not a document can be printed, shared, or saved to an external device, including devices on and off the department's network. This request would place the department in compliance with federal regulations and would meet the requirements of the Governor's Executive Order (2017-02) related to cybersecurity. The licenses are purchased on a subscription basis and require ongoing annual payments. Microsoft was selected because they are on the state's purchasing contract. [Ongoing and Onetime]

Agency Request	0.00	133,800	0	107,200	241,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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28. Fraud Analysis New Staff

The department requests 1.00 FTP and \$66,700 to hire an additional position for fraud analysis. This position would work in concert with the fraud and abuse software that was funded in FY 2018. The department estimates that this position will save more taxpayer money than the cost to fill it. Audits that include data analytics take 33% less time, which allow staff members to handle more cases, ultimately identifying more overpayments and fraud when applicable. The department estimates that the payroll cost savings for analytics-included cases had an annualized cost savings of \$141,000. Further, the amount of overpayments and penalties collected have more than doubled in the last three years, from \$3.2 million to \$8.4 million. [Ongoing and Onetime]

Agency Request	1.00	0	19,000	47,700	66,700
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	1.00	0	19,400	49,000	68,400
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35. New IT Staff

The department requests 4.00 FTP and \$383,300 to hire four new IT senior system integrations analysts. All four positions are being requested at the policy rate of \$32.40 per hour. The positions will be located in three different IT Bureaus: 2.00 FTP in Application Development; 1.00 FTP in Infrastructure; and 1.00 FTP in Operations. The Application Development Bureau provides support for the nearly 150 applications used throughout the department. These two positions would be used to provide additional support for the various applications, including the new server-based child support system that was previously housed on the Office of the State Controller's mainframe computer system. The Infrastructure Bureau provides specialized support of the department's security infrastructure. This position will manage web application security appliances in addition to assisting the bureau with other security priorities. The Operations Bureau provides help desk assistance to department employees. This position would support employees with issues related to desktop and operating software systems, video conferencing, mobile device support, and ongoing maintenance of department computers. The priority order for these four positions is 1) 1.00 FTP Infrastructure Bureau, 2) 1.00 FTP Application Development Bureau, 3) 1.00 FTP Operations Bureau, and 4) 1.00 FTP Application Development Bureau. [Ongoing and Onetime]

Agency Request	4.00	153,300	0	230,000	383,300
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Indirect Support Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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37. IT Position Salary Increases

The department requests \$167,000 in ongoing personnel costs to provide targeted pay increases for three different IT classifications: 1) senior IT information systems technicians; 2) IT systems integration analyst; and 3) IT systems coordinator. Similar to many agencies statewide, the department struggles to recruit, hire, and retain staff for IT positions. These IT positions maintain a compa-ratio ranging from 88.9% to 103.2%. The Application Development Bureau is the largest bureau in IT, at about 40% of the division, and in 2017 experienced four of the eight separations. As of October 31, 2017, there were eight vacant IT positions with five of those vacancies in Application Development. The Division of Information and Technology Services has 125.00 FTP. This request would provide pay increases for 32 positions. [Ongoing]

Agency Request	0.00	66,800	0	100,200	167,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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50. Criminal History Unit Grant

The department requests \$700,000 in onetime operating expenditures and capital outlay to pursue a federal grant to improve and modernize its existing criminal history and background check system software and fingerprint equipment. The department reports that the current system does not meet the federal information security standards, according to a recent federal audit, and needs to be updated. Further, the department is hoping that with the funding it would be able to expand the system to review several nationwide registries including adult protection (Idaho does not maintain an Adult Protection Registry), certified nursing assistant, professional and disciplinary boards, and Medicaid fraud control unit dispositions. The current system went live in 2005 and the department states that finding replacement equipment is a challenge and replacement parts may not be produced in calendar year 2019. The grant, if applied for and approved, would provide funding for new computers, servers, and software and for the update of the user interface. [Onetime]

Agency Request	0.00	175,000	0	525,000	700,000
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Governor's Recommendation	0.00	175,000	0	525,000	700,000
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FY 2019 Total

Agency Request	304.60	21,813,400	3,405,700	26,463,200	51,682,300
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Governor's Recommendation	299.60	20,141,700	3,439,400	25,139,100	48,720,200
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Agency Request

Change from Original App	9.00	3,172,700	153,600	1,974,300	5,300,600
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% Change from Original App	3.0%	17.0%	4.7%	8.1%	11.4%
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Governor's Recommendation

Change from Original App	4.00	1,501,000	187,300	650,200	2,338,500
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% Change from Original App	1.4%	8.1%	5.8%	2.7%	5.0%
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Division of Medicaid

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	72,452,900	55,759,200	72,088,900	80,588,900	79,790,900
Coordinated Medicaid Plan	556,231,600	573,995,700	565,879,400	588,094,800	588,094,800
Enhanced Medicaid Plan	918,600,800	844,132,900	958,648,700	1,152,517,000	1,145,314,500
Basic Medicaid Plan	674,660,700	647,470,800	688,691,600	727,365,100	727,365,100
Total:	2,221,946,000	2,121,358,600	2,285,308,600	2,548,565,800	2,540,565,300
BY FUND CATEGORY					
General	513,516,300	512,457,200	531,903,900	614,861,700	600,967,600
Dedicated	313,144,800	262,692,400	328,070,300	303,070,300	314,499,000
Federal	1,395,284,900	1,346,209,000	1,425,334,400	1,630,633,800	1,625,098,700
Total:	2,221,946,000	2,121,358,600	2,285,308,600	2,548,565,800	2,540,565,300
Percent Change:		(4.5%)	7.7%	11.5%	11.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	15,996,900	15,492,800	16,286,500	16,962,000	16,697,300
Operating Expenditures	54,528,800	39,346,700	53,875,200	61,699,700	61,166,400
Capital Outlay	0	12,500	0	0	0
Trustee/Benefit	2,151,420,300	2,066,506,600	2,215,146,900	2,469,904,100	2,462,701,600
Total:	2,221,946,000	2,121,358,600	2,285,308,600	2,548,565,800	2,540,565,300
Full-Time Positions (FTP)	214.00	214.00	216.00	228.00	220.00

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 and 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 and 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 and Benefit Payments (All Funds)

	FY 2017 Expenditures		FY 2018 Orig Approp		FY 2019 Request	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Basic Plan						
Caseload	223,433	74.2%	226,915	74.5%	233,481	74.5%
Budget	\$647,470,800	31.3%	\$688,691,600	31.1%	\$727,365,100	29.5%
Average Case	\$2,898		\$3,035		\$3,115	
Enhanced Plan						
Caseload	50,661	16.8%	50,123	16.5%	51,598	16.5%
Budget	\$844,132,900	40.9%	\$958,648,700	43.3%	\$1,152,517,000	46.7%
Average Case	\$16,662		\$19,126		\$22,336	
Coordinated Plan						
Caseload	26,924	8.9%	27,481	9.0%	28,243	9.0%
Budget	\$573,995,700	27.8%	\$565,879,400	25.6%	\$588,094,800	23.8%
Average Case	\$21,319		\$20,592		\$20,823	
Total						
Caseload	301,018	100%	304,519	100%	313,322	100%
Budget	\$2,065,599,400	100%	\$2,213,219,700	100%	\$2,467,976,900	100%
Average Case	\$6,862		\$7,268		\$7,877	

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

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

	FY 2015	PMPM	FY 2016	PMPM	FY 2017*	PMPM
Hospital	\$482,372,595	\$145	\$457,066,200	\$133	\$488,018,938	\$135
Institutional Care	\$201,278,668	\$61	\$207,097,446	\$60	\$223,531,543	\$62
Developmental Disability Services	\$213,669,636	\$64	\$248,718,168	\$72	\$262,959,990	\$73
Medical (Non-Hospital)	\$195,061,351	\$59	\$211,509,092	\$61	\$225,598,307	\$62
Prescriptions	\$174,840,333	\$53	\$193,006,154	\$56	\$206,195,751	\$57
Mental Health	\$144,706,801	\$44	\$151,760,171	\$44	\$151,455,967	\$42
Long Term Services & Supports	\$115,407,958	\$35	\$117,004,401	\$34	\$120,645,508	\$33
Medicare Related	\$76,544,419	\$23	\$86,724,719	\$25	\$106,181,015	\$29
Durable Medical Equipment	\$54,284,895	\$16	\$60,762,855	\$18	\$62,619,679	\$17
Dental Services	\$48,001,320	\$14	\$50,250,602	\$15	\$48,054,869	\$13
School Based Services	\$35,017,293	\$11	\$40,885,097	\$12	\$37,418,410	\$10
Medical Transportation	\$28,273,252	\$9	\$31,481,210	\$9	\$30,945,376	\$9
All Other Claims	\$46,702,991	\$14	\$47,821,305	\$14	\$10,896,984	\$3
Total	\$1,816,161,513	\$532	\$1,904,087,420	\$537	\$1,974,522,337	\$546

* Medicaid held \$56,329,200 in payments in FY 2017. These expenditures will appear in FY 2018.

Division of Medicaid

Comparative Summary

Analyst: Tatro

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	216.00	531,903,900	2,285,308,600	216.00	531,903,900	2,285,308,600
1. Backfill FY 2017 Held Payments	0.00	10,701,000	56,329,200	0.00	10,701,000	56,329,200
2. Receipt Authority Fund Shift	0.00	7,186,200	0	0.00	7,186,200	0
3. KW Lawsuit Compliance	0.00	155,800	311,500	0.00	155,800	311,500
6. Provider Rate Incrs - Supported Living	0.00	259,500	900,000	0.00	259,500	900,000
7. Community-Based Personal Care Svcs	0.00	477,500	1,656,200	0.00	477,500	1,656,200
8. Provider-Data Software Improvements	0.00	254,100	2,541,000	0.00	254,100	2,541,000
FY 2018 Total Appropriation	216.00	550,938,000	2,347,046,500	216.00	550,938,000	2,347,046,500
Removal of Onetime Expenditures	0.00	(11,178,700)	(59,840,800)	0.00	(11,178,700)	(59,840,800)
FY 2019 Base	216.00	539,759,300	2,287,205,700	216.00	539,759,300	2,287,205,700
Benefit Costs	0.00	(121,000)	(303,400)	0.00	(110,600)	(277,300)
Statewide Cost Allocation	0.00	(2,300)	(4,700)	0.00	(2,300)	(4,700)
Annualizations	0.00	3,688,600	12,781,000	0.00	3,688,600	12,781,000
Change in Employee Compensation	0.00	54,400	136,300	0.00	166,800	411,500
Nondiscretionary Adjustments	0.00	37,998,200	132,162,600	0.00	37,998,200	132,162,600
FY 2019 Program Maintenance	216.00	581,377,200	2,431,977,500	216.00	581,500,000	2,432,278,800
1. Idaho Health Care Plan	4.00	29,249,600	100,779,300	4.00	17,824,600	100,786,600
6. MMIS Independent Verification	0.00	200,000	2,000,000	0.00	200,000	2,000,000
7. Jeff D Settlement Implementation	0.00	1,181,600	1,181,600	0.00	1,181,600	1,181,600
8. MMIS Related Staff	1.00	50,200	100,400	0.00	0	0
15. Provider-Data Software Improvements	0.00	293,300	2,553,000	0.00	293,300	2,553,000
27. Infant Toddler Early Intervention Svcs	0.00	(321,100)	(1,126,700)	0.00	(321,100)	(1,126,700)
33. Provider Enrollment Changes	0.00	289,200	2,892,000	0.00	289,200	2,892,000
38. Children's DDA Rate Change	0.00	577,200	2,000,000	0.00	0	0
39. Asst Living Facility - Personal Care Svcs	0.00	1,501,400	5,202,500	0.00	0	0
45. External Quality Review	0.00	240,000	480,000	0.00	0	0
48. Estate Recovery New Staff	2.00	18,200	36,400	0.00	0	0
53. Contract Manager Staff	1.00	46,100	172,300	0.00	0	0
54. Data and Financial Management Staff	2.00	72,300	144,600	0.00	0	0
55. Jeff D Settlement Related Staff	2.00	86,500	172,900	0.00	0	0
FY 2019 Total	228.00	614,861,700	2,548,565,800	220.00	600,967,600	2,540,565,300
Change from Original Appropriation	12.00	82,957,800	263,257,200	4.00	69,063,700	255,256,700
% Change from Original Appropriation		15.6%	11.5%		13.0%	11.2%

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	216.00	531,903,900	328,070,300	1,425,334,400	2,285,308,600

1. Backfill FY 2017 Held Payments

Basic, Coordinated, & Enhanced Medicaid Plans

The department requests \$56,329,200 in onetime trustee and benefit payments to cover the FY 2018 appropriation that was used for payments that were held at the end of FY 2017. The department did not receive the anticipated drug rebates that would have offset the need for a General Fund and federal fund supplemental appropriation. Further, hospital payments were higher than anticipated. Payments that were withheld at the end of FY 2017 were: Hospital claims (\$11,436,600); Hospital Disproportionate Share or DSH (\$26,928,400); Hospital Federal Upper Payment Limit or UPL (\$5,025,500); Medicare Premiums (\$9,091,200); and Magellan pharmacy claims (\$3,847,500). [Onetime]

Agency Request	0.00	10,701,000	7,671,900	37,956,300	56,329,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,701,000</i>	<i>7,671,900</i>	<i>37,956,300</i>	<i>56,329,200</i>

2. Receipt Authority Fund Shift

Basic, Coordinated, & Enhanced Medicaid Plans

The department requests a \$25 million ongoing fund shift from dedicated funds to the General Fund (\$7,186,200) and federal funds (\$17,813,800). The request is made because of the decrease in cost-variances from the hospital cost settlements; Medicaid reimbursement from hospitals for services provided in Idaho is based on the actual cost of delivering care. Annual accounting audits are performed for each individual hospital and the department then reconciles previous payments to the actual cost of care through this process. Starting in FY 2015, Medicaid was required to conduct the cost settlements on an annual basis and this allowed for General Fund savings in Medicaid for the past four years. However, with more frequent audits and more accurate cost settlements, the result is that initial payments more closely reflect actual costs. [Ongoing]

Agency Request	0.00	7,186,200	(25,000,000)	17,813,800	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>7,186,200</i>	<i>(25,000,000)</i>	<i>17,813,800</i>	<i>0</i>

3. KW Lawsuit Compliance

Medicaid Administration and Medical Mgmt

The department requests \$311,500 in onetime operating expenditures to comply with requirements of the KW v Armstrong lawsuit settlement. The request is two-fold: first, the request includes \$213,500 to cover the cost of hiring an independent consultant to develop a new budget methodology. The department has selected Human Services Research Institute (HSRI) to develop, test, and assist in implementation of the new methodology. The settlement agreement was reached in December 2016.

Second, the request includes \$98,000 to implement training to provide due process for adult Medicaid participants with developmental disabilities who contest the department's decision at hearing. The training is to ensure participants in the adult developmental disability waiver program have competent and adequate representation in the fair hearings process as ordered by the court's decision pursuant to the settlement agreement.

The case began in January 2012 when 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 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, until the matter is resolved in court. [Onetime]

Agency Request	0.00	155,800	0	155,700	311,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>155,800</i>	<i>0</i>	<i>155,700</i>	<i>311,500</i>

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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6. Provider Rate Incrs - Supported Living

Enhanced Medicaid Plan

The department requests \$5.4 million in ongoing trustee and benefit payments to provide increases for supported living rates for residential habilitation providers. The request includes \$900,000 as an FY 2018 supplemental appropriation request and \$4.5 million as an FY 2019 annualization. Of the total amount, \$1,558,200 is from the General Fund. These rates were calculated in accordance with Section 56-118, Idaho Code, and IDAPA rules 16.03.10.037. The rate increase is anticipated to be 5% and will be distributed to 46 residential habilitation providers that serve about 1,390 adult developmentally disabled participants. Reimbursements are provided for residential supported living (outpatient) services that are delivered on an hourly or daily basis. Supported living is instructional based and the staff are teaching/assisting the individual with how to accomplish various personal needs tasks such as toileting, dressing, meal preparation, or cleaning. [Ongoing]

Agency Request	0.00	259,500	0	640,500	900,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>259,500</i>	<i>0</i>	<i>640,500</i>	<i>900,000</i>

7. Community-Based Personal Care Svcs

Enhanced Medicaid Plan

The department requests \$9,937,200 in trustee and benefit payments to provide rate increases for businesses that provide community-based personal care services (PCS) for Medicaid clients. Of the total amount, \$1,656,200 is requested as an FY 2018 supplemental appropriation and \$8,281,000 is requested as an FY 2019 annualization. Of the total amount \$2,867,400 is from the General Fund. These rates were calculated in accordance with Section 56-118, Idaho Code, and IDAPA rules 16.03.10.037. There are 276 providers throughout the state. The department notes that the average cost per day for these individuals in the community is about \$17 per day, while the average cost per day at a skilled nursing facility is about \$228. Personal care services are when staff are directly assisting the individual with the desired service such as toileting, dressing, meal preparation, or cleaning.

For FY 2015, the Legislature provided the most recent rate increase for these services at about \$5 million. The department was able to implement 70% of those pay raises for eligible increases. This leaves about \$1.5 million of previously approved rate increases for these services and, as a result, the department requests the difference. Services are budgeted in 15-minute increments, and eligible services will increase anywhere from 14% to 58% for each 15 minute increment: attendant care will increase from \$3.94 to \$4.49 (14%); homemaker service will increase from \$3.55 to \$4.16 (17%); chore service will increase from \$2.64 to \$4.01 (52%); companion service will increase from \$3.43 to \$4.16 (21%); and respite care will increase from \$2.64 to \$4.16 (58%). The department states that the increase is needed to retain qualified staff in the community. Finding eligible and willing workers continues to be a challenge, especially in the more rural areas. With the unemployment rate at an all-time low, workers can find employment at the same pay rate with less risk. [Ongoing]

Agency Request	0.00	477,500	0	1,178,700	1,656,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>477,500</i>	<i>0</i>	<i>1,178,700</i>	<i>1,656,200</i>

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Provider-Data Software Improvements

Medicaid Administration and Medical Mgmt

The department requests an FY 2018 supplemental appropriation of \$2,541,000 in onetime operating expenditures for technology upgrades and system development. This request is two-fold and includes \$2,175,000 to build the capacity for Medicaid to receive electronically transmitted clinical quality measures data directly from primary care providers. Funding will also provide support for primary care providers to connect with the Idaho Health Data Exchange (IHDE). The department states that, with better data sharing and data availability, its goal of transitioning to a value-based system of care will be seamless. This request will also support the value-based purchasing efforts that were authorized with passage of H128 of 2017, which aims to support patient-centered medical homes (PCMH), reduce healthcare costs, and improve healthcare quality. Line item 15 is being requested for the same purpose, but for \$2.3 million onetime.

The second piece of the request is for \$366,000 for the implementation of advanced analytics and display capabilities through a web-based Medicaid Management Information System (MMIS) portal. This technology upgrade is also intended to further the goal of transforming the state's primary care system to a PCMH and toward a value-based payment system. The department estimates that the web-based portal will provide more robust data to the primary care physicians that use the IHDE and electronic records. Line item 15 is being requested for the same purpose, but for \$253,000 onetime. [Onetime]

Agency Request	0.00	254,100	0	2,286,900	2,541,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>254,100</i>	<i>0</i>	<i>2,286,900</i>	<i>2,541,000</i>

FY 2018 Total Appropriation

Agency Request	216.00	550,938,000	310,742,200	1,485,366,300	2,347,046,500
<i>Governor's Recommendation</i>	<i>216.00</i>	<i>550,938,000</i>	<i>310,742,200</i>	<i>1,485,366,300</i>	<i>2,347,046,500</i>

Removal of Onetime Expenditures

This decision unit removes \$59,840,800 for onetime funds that were appropriated for FY 2018 line items and FY 2018 supplemental requests.

Agency Request	0.00	(11,178,700)	(7,671,900)	(40,990,200)	(59,840,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(11,178,700)</i>	<i>(7,671,900)</i>	<i>(40,990,200)</i>	<i>(59,840,800)</i>

FY 2019 Base

Agency Request	216.00	539,759,300	303,070,300	1,444,376,100	2,287,205,700
<i>Governor's Recommendation</i>	<i>216.00</i>	<i>539,759,300</i>	<i>303,070,300</i>	<i>1,444,376,100</i>	<i>2,287,205,700</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(121,000)	0	(182,400)	(303,400)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(110,600)</i>	<i>0</i>	<i>(166,700)</i>	<i>(277,300)</i>
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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 costs will decrease by \$4,700.

Agency Request	0.00	(2,300)	0	(2,400)	(4,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(2,300)</i>	<i>0</i>	<i>(2,400)</i>	<i>(4,700)</i>

Annualizations

Enhanced Medicaid Plan

The department requests an annualization of \$4,500,000 for the supported living provider rate increase as requested in supplemental appropriation 6. The department also requests an annualization of \$8,281,000 for the personal care services rate increase as requested in supplemental appropriation 7.

Agency Request	0.00	3,688,600	0	9,092,400	12,781,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>3,688,600</i>	<i>0</i>	<i>9,092,400</i>	<i>12,781,000</i>

Division of Medicaid

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	54,400	0	81,900	136,300
<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 also recommends the pay structure for state employees be moved by 3% and includes \$6,100 for that purpose.</i>					
Governor's Recommendation	0.00	166,800	0	244,700	411,500

Nondiscretionary Adjustments

The Division of Medicaid requests \$132,162,600 in the following nondiscretionary adjustments:

COST-BASED PRICING: Increases of \$8,570,700 from the General Fund and \$22,880,700 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 \$163,200 from the General Fund and \$447,800 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 \$20,788,800 from the General Fund and \$57,038,300 in federal funds. Caseload is the number of estimated new Idahoans eligible for Medicaid services.

UTILIZATION: Increases of \$5,793,300 from the General Fund and \$16,479,800 in federal funds. Utilization is the estimated change for the use of services provided in Medicaid.

FMAP ADJUSTMENT: An increase of \$2,682,200 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 71.17% to 71.13% for FY 2019.

Agency Request	0.00	37,998,200	0	94,164,400	132,162,600
Governor's Recommendation	0.00	37,998,200	0	94,164,400	132,162,600

FY 2019 Program Maintenance					
Agency Request	216.00	581,377,200	303,070,300	1,547,530,000	2,431,977,500
Governor's Recommendation	216.00	581,500,000	303,070,300	1,547,708,500	2,432,278,800

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Idaho Health Care Plan

Medicaid Administration & Enhanced Medicaid Plan

The department requests \$100,779,300 and 4.00 FTP ongoing to implement the Idaho Health Care Plan. This includes \$269,300 in personnel costs, \$510,000 in operating expenditures, and \$100 million in trustee and benefit payments. The plan is contingent on the submission and approval of two federal Medicaid waivers: (1) a Section 1115 Demonstration Waiver; and (2) a Section 1332 State Innovation Waiver.

The 1115 waiver will allow low-income individuals, aged 18-65 who are not otherwise able to access affordable employer-supported coverage, and are diagnosed with an end-stage diseases or severe genetic disorders that requires ongoing complex medical management the option to enroll in Medicaid. The list of conditions that meet the requirements of the 1115 waiver are determined through the waiver application process with the Centers for Medicare and Medicaid Services (CMS). To assist with cost control, the department will implement premiums to support coverage for individuals with higher income levels. However, premiums may be waived if the individual's condition does not permit them to participate in the cost of their care. The department estimates that about 1,500 Idahoans will be eligible under this waiver. Section 1115 of the Social Security Act gives the Secretary of Health and Human Services (HHS) authority to approve experimental, pilot, or demonstration projects that promote the objectives of Medicaid. Under this waiver authority, states have flexibility to design and improve their programs as long as they meet certain requirements under the waiver demonstration authority such as: expanding eligibility, providing services not typically covered by Medicaid, or using innovative service delivery systems that improve care, increase efficiency, and reduce costs. The department will submit a waiver request to HHS to approve coverage for individuals with complex medical needs under this waiver. This program would be similar to Idaho's Breast and Cervical (Cancer) Program where eligibility is dependent on the diagnosis of the particular disease covered under the program. The Breast and Cervical Program is a state plan option that allows those with breast or cervical cancer and have an income at or below 200% of the Federal Poverty Limit (FPL) to be eligible for Medicaid coverage for the duration of their condition. By changing the payer from private insurance to Medicaid for these high cost, medically complex conditions, the overall cost for insurance premiums should decrease. The Department of Insurance estimates that individual insurance market premiums could decrease by 20% or more in calendar year 2019 as a result of more participation, which will effectively act as a Medicaid-funded cost sharing reduction.

The 1332 waiver will allow taxpayers who are legal residents with incomes less than 100% of the federal poverty limit (FPL) to enroll in the state's health insurance exchange and be eligible for an Advance [Payment of a] Premium Tax Credit (APTC). For this waiver, the Department of Insurance, in partnership with the 1115 waiver submission, will submit a request to waive a portion of Section 36B(c)(1)(B) of the IRS Code. This code section allows legal non-citizens the ability to purchase insurance and receive an APTC. The waiver would extend that definition to include US citizens who are under 100% of FPL, have taxable incomes, and are not otherwise eligible for Medicaid. This section of IRS Code was created with passage of the Patient Protection and Affordable Care Act (PPACA or ACA) because the ACA originally included a provision that all states would expand Medicaid. However, when the Supreme Court of the United States overturned that provision, it created a gap in coverage. If approved, the Department of Health and Welfare estimates that about 70% of the gap population would be eligible to purchase insurance with the assistance of an APTC.

The four requested positions will assist with waiver implementation and oversight, integration with existing Medicaid programs, data analysis and reporting requirements, and operational requirements related to enrollment. The request includes \$10,000 of onetime operating expenditures for the purchase of office furniture and supplies for each FTP. This request is at the traditional Medicaid match of approximately 71% federal and 29% state funds, not at the Medicaid expansion rate of 90/10. [Ongoing and Onetime]

Agency Request	4.00	29,249,600	0	71,529,700	100,779,300
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Recommended by the Governor with changes for benefits and compensation, and with 40% of the state match being recommended from the Idaho Millennium Income Fund instead of the General Fund.

Governor's Recommendation	4.00	17,824,600	11,428,700	71,533,300	100,786,600
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Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. MMIS Independent Verification					
Medicaid Administration and Medical Mgmt					
<p>The department requests \$2 million onetime to pay for the Independent Verification and Validation (IVV) vendor. The IVV will provide an independent and unbiased perspective on the progress of the Medicaid Management and Information System (MMIS) development and the integrity and functionality of the system. According to 45 CFR, Section 95.626(a) an assessment for IVV analysis of a state's system development effort may be required in the case of Advanced Planning Documents (APD) that meet any of specified criteria. The department indicates that this independent verification is needed because CFR subsection 3 that indicates the need for a new project or total system redesign. The department needs to have this independent validation done for the reprocurement of the state's Medicaid Management Information System (MMIS). The MMIS consists of multiple modules including pharmacy benefit management, claims processor, decision support system, and data warehouse. Current contracts will expire in January 2018 (pharmacy) and June 2018 (all others). However, both CMS and the Idaho Division of Purchasing have supported contract extensions for an additional eight years. The department states that it "needs to be able to thoughtfully and gradually begin processes to transition to a new MMIS without undue disruption to Idaho providers." [Onetime]</p>					
Agency Request	0.00	200,000	0	1,800,000	2,000,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>200,000</i>	<i>0</i>	<i>1,800,000</i>	<i>2,000,000</i>
7. Jeff D Settlement Implementation					
Enhanced Medicaid Plan & Children's Mental Health					
<p>The department requests a program transfer of \$1,181,600 from Children's Mental Health to Medicaid to cover the medical costs of children that are now covered in Medicaid, as provided for with passage of H43 of 2017. H43 allowed for children with family incomes up to 300% of the federal poverty limit (FPL) and diagnosed with a serious emotional disturbance (SED), to be eligible for Medicaid. Per legislative intent language in Section 4 of H313 of 2017, the department is to implement and enforce a sliding fee scale associated with these children for cost sharing. [Ongoing]</p>					
Agency Request	0.00	1,181,600	0	0	1,181,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,181,600</i>	<i>0</i>	<i>0</i>	<i>1,181,600</i>
8. MMIS Related Staff					
Medicaid Administration and Medical Mgmt					
<p>The department requests 1.00 FTP and \$100,400 to hire a project manager 3 position to support the conversion of the Medicaid Management Information System (MMIS) to a modular system; see line item 6 for additional information on the MMIS changes being requested by the department. The position will also support Medicaid's transition to a staged reprocurement scheduled that will assist the state when it starts to reprocure individual elements of the MMIS. Of the request \$2,500 is onetime to purchase furniture, computer, and office supplies. [Ongoing and Onetime]</p>					
<p>Analyst Comment: The department requested this position, along with 5.00 additional FTP that are unrelated to the MMIS. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.</p>					
Agency Request	1.00	50,200	0	50,200	100,400
<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>

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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15. Provider-Data Software Improvements

Medicaid Administration and Medical Mgmt

The department requests \$2,553,000 onetime for technology related upgrades and system development. This request is two-fold and includes \$2,300,000 to build the capacity for Medicaid to receive electronically transmitted clinical quality measures data directly from primary care providers. This funding will also provide support for primary care providers to connect with the Idaho Health Data Exchange (IHDE). The department states that, with better data sharing and data availability, its goal of transitioning to a value-based system of care will be seamless. This request will also support the value-based purchasing efforts that were authorized with passage of H128 of 2017, which aims to support patient-centered medical homes (PCMH), reduce healthcare costs and improve healthcare quality. There is a corresponding request in supplemental appropriation 8 for \$2,175,000 onetime, for the same purpose.

The second piece of the request is for \$253,000 ongoing for the implementation of advanced analytics and display capabilities through a web-based Medicaid Management Information System (MMIS) portal. This technology upgrade is also intended to further the goal of transforming the state's primary care system to a PCMH and toward a value-based payment system. The web-based portal will provide more robust data to the primary care physicians that use the health data exchange and electronic records. There is a corresponding request in supplemental appropriation 8 for \$366,000 onetime, for the same purpose.

[Ongoing and Onetime]

Agency Request	0.00	293,300	0	2,259,700	2,553,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>293,300</i>	<i>0</i>	<i>2,259,700</i>	<i>2,553,000</i>

27. Infant Toddler Early Intervention Svcs

Enhanced Medicaid Plan & Community DD Services

The department requests a transfer of \$1,126,700 from Medicaid to the Community Developmental Disability (DD) Services Program. This transfer, in addition to other adjustments in the Community DD Program, will have a department-wide net impact of \$3,100.

The purpose of the transfer is to fund the establishment of early intervention services as a defined Medicaid benefit for eligible children from birth until their third birthday. In 2012, the Children's Developmental Disability (DD) Medicaid Benefit was redesigned, which resulted in three separate eligibility processes: 1) for traditional Medicaid benefits (Enhanced Plan), 2) the Medicaid DD benefit, discussed here; and 3) Early Intervention under the Individuals with Disabilities Education Act (IDEA) program services. IDEA requires that families receive necessary services regardless of enrollment in Medicaid, which meant Medicaid-eligible families did not have to enroll in this separate Medicaid benefit. They would still receive the appropriate services, but without the department receiving the federal match from Medicaid. This created a dependence on using non-Medicaid dollars, which ultimately assisted in the creation of a waiting list in the program because the state funds were being used almost exclusively and unmatched for this benefit. This line item will help create a streamlined application process aimed at providing the appropriate developmentally delayed services to children from birth to their third birthday. The new application will be a combination of the Medicaid benefit and IDEA. Eligible children will still need to enroll in traditional Medicaid regardless of this benefit; there are different services and eligibility requirements for traditional Medicaid kids than with the enhanced DD benefit in the Infant Toddler Program. This request would simplify portions of the enrollment process for families by taking three applications and combining them into two applications: 1) traditional Medicaid and 2) Infant Toddler learning-delay benefits (both Medicaid and IDEA). [Ongoing]

Agency Request	0.00	(321,100)	0	(805,600)	(1,126,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(321,100)</i>	<i>0</i>	<i>(805,600)</i>	<i>(1,126,700)</i>

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
33. Provider Enrollment Changes		Medicaid Administration and Medical Mgmt			
The department requests \$2,892,000 in onetime operating expenditures for continued work on required Medicaid Management Information System (MMIS) enhancements. These enhancements are intended to improve the provider screening and enrollment process as required under 42 CFR Part 455 Subpart E, and 42 CFR Part 455.410. This request will enable the division to require all moderate and high risk providers, including business owners (someone who own 5% or more of a related business) to undergo fingerprinting and criminal history background checks. Currently, the background check and fingerprinting only extends to the direct care staff. Medicaid is allowed to use approved background checks from a provider that is enrolled in another state or is also a Medicare provider; the department is relying heavily on these options at this time. All other applications are done by paper, scanned into a file, and checked as time and resources allow. This request would create an electronic web-portal for the application process. Medicaid, in partnership with the Criminal History Unit, will conduct the background checks and fingerprinting, and results will be shared with Medicaid for analysis and reporting. Medicaid will use those results to determine if the company is fit to bill for Medicaid, if not Medicaid will work with the company on any issues. This request is for new services, and Medicaid will work with relevant contractors, primarily Molina, to develop appropriate forms, processes, and training for staff (both state and contract), to ensure the Medicaid system remains in compliance with the Centers for Medicare and Medicaid Services (CMS) and the aforementioned federal regulations. Finally, this request will allow for changes to other electronic reporting fields to ensure all necessary data is collected from providers. Overall, this request aims to improve the provider enrollment process and ensure safeguards are in place to minimize fraud and abuse. [Onetime]					
Agency Request	0.00	289,200	0	2,602,800	2,892,000
Governor's Recommendation	0.00	289,200	0	2,602,800	2,892,000
38. Children's DDA Rate Change		Enhanced Medicaid Plan			
The department requests \$2,000,000 in ongoing trustee and benefit payments to increase the provider rate for community-based developmental disability habilitative intervention and habilitative support services. The department conducted a cost survey in compliance with IDAPA rule 16.03.10.666.02, which directs the department to conduct a cost survey every five years. This request is a rough estimate for this service and was based on similar surveys. The department anticipates the increase to be about 5%. The service array for these providers includes the following: individual and group habilitative support and intervention services, individual and group family education services, individual and group respite services, therapeutic consultation services, and crisis intervention services. The average cost per day for a community-based participant is \$28. In comparison, the average cost per day in an intermediate care facility for an intellectually disabled individual is about \$250. [Ongoing]					
Agency Request	0.00	577,200	0	1,422,800	2,000,000
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
39. Asst Living Facility - Personal Care Svcs		Enhanced Medicaid Plan			
The department requests \$5,202,500 in ongoing trustee and benefit payments to provide a rate increase for personal care services (PCS) that are delivered in an assisted living facility (ALF). This request is an estimate and is based on preliminary cost survey results. The cost survey was conducted in accordance with IDAPA rule 16.03.10.037. There is a similar request in supplemental appropriation 7 for agencies that provide these services in the community. The department notes that there is \$1,497,500 in the FY 2019 Base, however, that is the same amount that is noted for the community-based providers. Assisted living facilities provide personal care services to about 3,100 adult-aged or disabled participants, and these services are provided at one of 281 ALFs throughout the state. Personal care services are when staff are directly assisting the individual with the desired service such as toileting, dressing, meal preparation, or cleaning. In comparison, supported living is more instructional based and the staff are teaching/assisting the individual with how to accomplish various personal needs tasks. [Ongoing]					
Agency Request	0.00	1,501,400	0	3,701,100	5,202,500
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
45. External Quality Review					
Medicaid Administration and Medical Mgmt					
The department requests \$480,000 in ongoing operating expenditures to cover the costs of an external quality review of the department's managed care contracts. External quality reviews are required by the federal Centers for Medicare and Medicaid Services (CMS) for all managed care contracts in 42 CFR 438.350. This request is to contract for external quality reviews of the department's managed care contracts for behavioral health services, dental services, and Medicare-Medicaid Coordinated Plan services for participants who are dually eligible. This request will support contract monitoring, quality assurance, and quality improvement efforts for Idaho's managed care programs. In FY 2016, the department requested and the Legislature appropriated \$100,000 ongoing for external quality reviews, as they were required by federal regulations. The department now indicates that the appropriation was for independent assessments, which is noted as a lower level of external review. This request is for a more stringent review process than was approved in FY 2016. However, the appropriated funds are for the same purpose. [Ongoing]					
Agency Request	0.00	240,000	0	240,000	480,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
48. Estate Recovery New Staff					
Medicaid Administration and Medical Mgmt					
The department requests 2.00 FTP and a net increase of \$36,400 to hire two additional staff in the Medicaid Estate Recovery Program. Within the request is an object transfer of \$61,700 from operating expenditures to personnel costs. The Medicaid Estate Recovery Program recoups funds from an eligible Medicaid participant's estate 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 2017, the Estate Recovery Program collected \$11,463,600, which was then used as a cost offset for additional trustee and benefit payments, saving the General Fund \$3,273,800. To collect the \$11.5 million, the Medicaid program spent \$395,400. Further, the department estimates that taxpayers are paying about \$200,000 more each month by not having a comparable estate recovery position. [Ongoing]					
Agency Request	2.00	18,200	0	18,200	36,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
53. Contract Manager Staff					
Medicaid Administration and Medical Mgmt					
The department requests 1.00 FTP and \$172,300 to hire a medical program specialist for contract monitoring activities for value-based purchasing for Regional Care Organizations (RCO). In accordance with Section 56-265, Idaho Code, all expenditures related to this request and value-based payment strategies are to be fully offset by decreases in trustee and benefit payments. Of the request, \$2,500 is onetime to purchase furniture, computer, and office supplies, and \$100,000 is onetime for outreach activities for communications related to value-based purchasing efforts. [Ongoing and One-time]					
Analyst Comment: The department requested this position, along with 5.00 additional FTP that are unrelated to contract management. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.					
Agency Request	1.00	46,100	0	126,200	172,300
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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54. Data and Financial Management Staff

Medicaid Administration and Medical Mgmt

The department requests 2.00 FTP and \$144,600 to hire two positions to support data and financial needs. The first position is a financial management senior, which will support financial forecasting and modeling for the Medicaid budget. The second position is for a research analyst senior, which will support program analysis for Medicaid value-based purchasing initiatives. Of the request, \$5,000 is onetime to purchase furniture, computer, and office supplies. [Ongoing and One-time]

Analyst Comment: The department requested this position, along with 4.00 additional FTP that are unrelated to data and financial needs. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.

Agency Request	2.00	72,300	0	72,300	144,600
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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55. Jeff D Settlement Related Staff

Medicaid Administration and Medical Mgmt

The department requests 2.00 FTP and \$172,900 to hire two additional staff for purposes related to the Jeff D. Settlement. These positions would be limited-service positions and needed through FY 2020. These positions include a project manager 2 and a medical alternative care coordinator. The department further states that it needs additional structured project management and policy support, or it may run the risk of non-compliance and future litigation. [Ongoing and One-time]

Analyst Comment: The department did not provide specific information on the duties of these positions other than the work needed to implement the Jeff D. Settlement, which involves automated system changes and contracting efforts. Further, the department requested this position, along with 4.00 additional FTP that are unrelated to the Jeff D. Settlement. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.

Agency Request	2.00	86,500	0	86,400	172,900
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2019 Total					
Agency Request	228.00	614,861,700	303,070,300	1,630,633,800	2,548,565,800
Governor's Recommendation	220.00	600,967,600	314,499,000	1,625,098,700	2,540,565,300

Agency Request

Change from Original App	12.00	82,957,800	(25,000,000)	205,299,400	263,257,200
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% Change from Original App	5.6%	15.6%	(7.6%)	14.4%	11.5%
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Governor's Recommendation

Change from Original App	4.00	69,063,700	(13,571,300)	199,764,300	255,256,700
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% Change from Original App	1.9%	13.0%	(4.1%)	14.0%	11.2%
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Mental Health Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Children's Mental Health	15,437,600	12,589,000	14,758,500	14,648,000	14,786,700
Adult Mental Health	27,739,400	26,747,300	35,670,900	40,020,600	38,350,600
Total:	43,177,000	39,336,300	50,429,400	54,668,600	53,137,300
BY FUND CATEGORY					
General	32,632,000	30,889,600	40,227,000	43,945,600	42,322,200
Dedicated	1,723,400	1,273,100	625,700	624,500	626,600
Federal	8,821,600	7,173,600	9,576,700	10,098,500	10,188,500
Total:	43,177,000	39,336,300	50,429,400	54,668,600	53,137,300
Percent Change:		(8.9%)	28.2%	8.4%	5.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	23,173,900	21,911,800	24,589,700	24,348,400	24,784,600
Operating Expenditures	7,394,800	5,481,900	6,600,700	8,327,800	8,327,800
Capital Outlay	28,600	38,500	0	0	0
Trustee/Benefit	12,579,700	11,904,100	19,239,000	21,992,400	20,024,900
Total:	43,177,000	39,336,300	50,429,400	54,668,600	53,137,300
Full-Time Positions (FTP)	299.23	299.23	308.23	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.

Mental Health Services

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	308.23	40,227,000	50,429,400	308.23	40,227,000	50,429,400
4. Jeff D Settlement Implementation	0.00	322,300	644,600	0.00	322,300	644,600
FY 2018 Total Appropriation	308.23	40,549,300	51,074,000	308.23	40,549,300	51,074,000
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	308.23	40,549,300	51,074,000	308.23	40,549,300	51,074,000
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	308.23	40,549,300	51,074,000	308.23	40,549,300	51,074,000
Benefit Costs	0.00	(354,300)	(447,200)	0.00	(324,000)	(408,900)
Statewide Cost Allocation	0.00	(15,200)	(17,500)	0.00	(15,200)	(17,500)
Change in Employee Compensation	0.00	162,400	205,900	0.00	476,200	603,800
FY 2019 Program Maintenance	308.23	40,342,200	50,815,200	308.23	40,686,300	51,251,400
2. Community Crisis Centers	0.00	4,535,000	4,535,000	0.00	2,567,500	2,567,500
7. Jeff D Settlement Implementation	0.00	(931,600)	(681,600)	0.00	(931,600)	(681,600)
FY 2019 Total	308.23	43,945,600	54,668,600	308.23	42,322,200	53,137,300
Change from Original Appropriation	0.00	3,718,600	4,239,200	0.00	2,095,200	2,707,900
% Change from Original Appropriation		9.2%	8.4%		5.2%	5.4%

Mental Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	308.23	40,227,000	625,700	9,576,700	50,429,400

4. Jeff D Settlement Implementation

Children's Mental Health

The department requests \$644,600 in ongoing operating expenditures to meet the requirements of the Jeff D. settlement agreement. This supplemental appropriation would be in addition to the \$500,000 that was appropriated in the 2018 original appropriation, and for the exact same purpose. The department estimated the cost for the FY 2018 request too low, and this request is to make the amount whole. The Jeff D. settlement agreement requires the department to implement a variety of services and provide for an effective mental health system of care for adolescents. To meet the terms of the agreement, the department plans to procure new software for data analysis and to contract with various entities:

- Praed/Chapin Hall for the Child and Adolescent Needs and Strengths (CANS) training;
- Idaho State University for the development of the practice manual;
- Portland State University for the wraparound training;
- Boise State University for workforce development and comprehensive prevalence analysis;
- A family run organization for family involvement and coordination; and
- Marketing and media consultation.

Jeff D. is a class-action lawsuit from 1980 that was the result of commingling 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 execution 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. [Ongoing]

Agency Request	0.00	322,300	0	322,300	644,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>322,300</i>	<i>0</i>	<i>322,300</i>	<i>644,600</i>

FY 2018 Total Appropriation					
Agency Request	308.23	40,549,300	625,700	9,899,000	51,074,000
<i>Governor's Recommendation</i>	<i>308.23</i>	<i>40,549,300</i>	<i>625,700</i>	<i>9,899,000</i>	<i>51,074,000</i>

Noncognizable Funds and Transfers

This decision unit transfers \$1,392,300 from personnel costs and operating expenditures to trustee and benefit payments onetime.

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 Estimated Expenditures					
Agency Request	308.23	40,549,300	625,700	9,899,000	51,074,000
<i>Governor's Recommendation</i>	<i>308.23</i>	<i>40,549,300</i>	<i>625,700</i>	<i>9,899,000</i>	<i>51,074,000</i>

Base Adjustments

This decision unit restores \$1,392,300 to personnel costs and operating expenditures.

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 2019 Base					
Agency Request	308.23	40,549,300	625,700	9,899,000	51,074,000
<i>Governor's Recommendation</i>	<i>308.23</i>	<i>40,549,300</i>	<i>625,700</i>	<i>9,899,000</i>	<i>51,074,000</i>

Mental Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(354,300)	(2,200)	(90,700)	(447,200)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(324,000)	(2,000)	(82,900)	(408,900)
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 costs will decrease by \$17,500.					
Agency Request	0.00	(15,200)	0	(2,300)	(17,500)
Governor's Recommendation	0.00	(15,200)	0	(2,300)	(17,500)
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	162,400	1,000	42,500	205,900
<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 also recommends the pay structure for state employees be moved by 3% and includes \$200 for that purpose.</i>					
Governor's Recommendation	0.00	476,200	2,900	124,700	603,800
FY 2019 Program Maintenance					
Agency Request	308.23	40,342,200	624,500	9,848,500	50,815,200
Governor's Recommendation	308.23	40,686,300	626,600	9,938,500	51,251,400

2. Community Crisis Centers

Adult Mental Health

The department requests \$4,535,000 from the General Fund to establish three Behavioral Health Community Crisis Centers in regions 2 (Lewiston/Moscow), 3 (Nampa/Caldwell), and 6 (Pocatello/Blackfoot). The request includes \$600,000 of onetime startup and remodel funds, and \$3,935,000 of ongoing appropriation to operate the centers. If approved, these centers would bring the state total to seven, or one per region.

The centers are to provide an effective and efficient alternative to incarceration and hospitalization, and to provide crisis stabilization and community referral services. Treatment is available for adults, 18 and older, and is voluntary for up to 24 hours. An individual can self-refer, and law enforcement can also give an individual the choice of going to jail, the local emergency room, or to the crisis center. These centers will be a place to rest, get food, and de-escalate from crisis. These facilities will not provide pharmaceuticals, nor will they provide already prescribed medications.

The first center was awarded to Bonneville County and the center opened in December 2014. The second center is in Coeur d'Alene and opened in December 2015. The third center opened in Twin Falls in November 2016. The fourth center is expected to open in Boise in December 2017. Each of these centers were funded with \$1,520,000 ongoing and \$200,000 onetime. The Bonneville County and Coeur d'Alene centers were able to find operational savings and therefore this request is \$625,000 less than was originally requested for the first three centers. [Ongoing and Onetime]

Agency Request	0.00	4,535,000	0	0	4,535,000
<i>The Governor recommends \$600,000 of onetime funding and \$1,967,500 or six months of ongoing funding for all three requested centers. The Governor also recommends that the remaining six months of funding be included in the FY 2020 agency budget request as an annualization.</i>					
Governor's Recommendation	0.00	2,567,500	0	0	2,567,500

Mental Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Jeff D Settlement Implementation				Children's Mental Health	

The department requests \$500,000 onetime for automated systems updates related to the Children's Mental Health Programs' existing Web Infrastructure for Treatment Services (WITS) IT program. The department identified issues with its WITS program after implementation of the Child and Adolescent Needs and Strength (CANS) assessment tool. In 2017, the Legislature appropriated \$1.1 million onetime for the CANS tool. This request is to make modifications to the program's existing WITS program. The technology improvements are related to case management and wraparound services, eligibility determination, and communication between data systems. The department also requests a program transfer of \$1,181,600 from Children's Mental Health to Medicaid to cover the costs of kids that are now covered in Medicaid as was allowed for with passage of H43 of 2017.

Jeff D. is a class-action lawsuit from 1980 that was the result of commingling 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 more than 35 years of legal disputes and unfulfilled obligations, the federal district court agreed to dismiss the case upon execution 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. [Ongoing and Onetime]

Agency Request	0.00	(931,600)	0	250,000	(681,600)
Governor's Recommendation	0.00	(931,600)	0	250,000	(681,600)

FY 2019 Total					
Agency Request	308.23	43,945,600	624,500	10,098,500	54,668,600
Governor's Recommendation	308.23	42,322,200	626,600	10,188,500	53,137,300

Agency Request					
Change from Original App	0.00	3,718,600	(1,200)	521,800	4,239,200
% Change from Original App	0.0%	9.2%	(0.2%)	5.4%	8.4%
Governor's Recommendation					
Change from Original App	0.00	2,095,200	900	611,800	2,707,900
% Change from Original App	0.0%	5.2%	0.1%	6.4%	5.4%

Psychiatric Hospitalization

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Community Hospitalization	3,569,000	3,925,700	3,364,700	3,364,700	3,069,000
State Hospital North	9,229,400	9,339,200	9,403,600	9,761,400	9,565,400
State Hospital South	25,777,200	25,968,500	25,895,100	26,056,600	26,181,200
Total:	38,575,600	39,233,400	38,663,400	39,182,700	38,815,600
BY FUND CATEGORY					
General	20,941,400	22,745,200	21,510,500	23,581,300	23,120,100
Dedicated	11,470,800	11,523,200	11,030,400	10,957,600	11,010,800
Federal	6,163,400	4,965,000	6,122,500	4,643,800	4,684,700
Total:	38,575,600	39,233,400	38,663,400	39,182,700	38,815,600
Percent Change:		1.7%	(1.5%)	1.3%	0.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	28,914,700	28,524,700	29,359,000	29,573,400	29,722,800
Operating Expenditures	5,135,900	5,564,800	5,115,300	5,145,400	5,063,400
Capital Outlay	595,100	864,600	405,700	680,500	541,700
Trustee/Benefit	3,929,900	4,279,300	3,783,400	3,783,400	3,487,700
Total:	38,575,600	39,233,400	38,663,400	39,182,700	38,815,600
Full-Time Positions (FTP)	391.35	391.35	392.35	396.35	392.35

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 2013	FY 2014	FY 2015	FY 2016	FY 2017
• Patient Days	17,408	16,153	16,834	18,026	17,644
• Admissions	278	217	243	233	206
• Avg. Daily Census	48	44	46	49	48
• Median Length of Stay (days)	43	44	48	55	55
• Daily Occupancy Rate	79.0%	74.0%	77.0%	82.0%	81.0%
• 30 Day Readmission Rate	2.2%	2.3%	2.1%	0.9%	4.9%
• 180 Day Readmission Rate	8.6%	10.6%	11.5%	7.7%	4.9%
• Cost Per Patient Day	\$463	\$506	\$509	\$492	\$528

STATE HOSPITAL SOUTH

Adult Inpatient Psychiatric Services

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
• Patient Days	26,241	27,375	26,005	28,112	27,734
• Admissions	550	608	547	640	582
• Avg. Daily Census	72	75	71	77	76
• Median Length of Stay (days)	33	29	30	32	34
• Daily Occupancy Rate	79.9%	83.3%	79.2%	85.3%	84.4%
• 30 Day Readmission Rate	2.5%	1.6%	2.6%	3.8%	1.6%
• 180 Day Readmission Rate	12.3%	14.1%	14.3%	15.2%	10.0%
• Cost Per Patient Day	\$533	\$533	\$600	\$589	\$636

Syringa Skilled Nursing Facility

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
• Patient Days	8,986	8,856	8,837	9,935	9,989
• Admissions	15	11	14	17	16
• Daily Occupancy Rate	84.9%	83.7%	83.5%	88.1%	94.4%
• Cost Per Patient Day	\$568	\$588	\$621	\$604	\$623

Adolescent Unit

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
• Patient Days	4,176	4,181	4,562	4,574	3,997
• Admissions	110	122	149	131	116
• Daily Occupancy Rate	71.5%	71.6%	78.1%	78.1%	68.4%
• Median Length of Stay (days)	33	31	29	31	29
• 30 Day Readmission Rate	0.0%	0.8%	2.7%	0.0%	0.0%
• 180 Day Readmission Rate	3.6%	3.3%	8.1%	4.6%	7.8%
• Cost Per Patient Day	\$676	\$643	\$724	\$747	\$848

Psychiatric Hospitalization

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	392.35	21,510,500	38,663,400	392.35	21,510,500	38,663,400
7. Community Hospitalization Shortfall	0.00	1,000,000	1,000,000	0.00	1,000,000	1,000,000
8. SHS - Accounting Error Correction	0.00	1,889,300	0	0.00	1,889,300	0
9. Additional Costs for Medical Care	0.00	116,600	116,600	0.00	116,600	116,600
FY 2018 Total Appropriation	392.35	24,516,400	39,780,000	392.35	24,516,400	39,780,000
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	392.35	24,516,400	39,780,000	392.35	24,516,400	39,780,000
Removal of Onetime Expenditures	0.00	(1,325,000)	(1,720,700)	0.00	(1,325,000)	(1,720,700)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	392.35	23,191,400	38,059,300	392.35	23,191,400	38,059,300
Benefit Costs	0.00	(398,700)	(599,300)	0.00	(352,700)	(520,800)
Inflationary Adjustments	0.00	130,000	130,000	0.00	124,000	124,000
Replacement Items	0.00	449,400	752,200	0.00	305,400	608,200
Statewide Cost Allocation	0.00	(24,600)	(27,400)	0.00	(24,600)	(27,400)
Annualizations	0.00	45,200	45,200	0.00	45,200	45,200
Change in Employee Compensation	0.00	219,200	342,900	0.00	429,600	757,400
Nondiscretionary Adjustments	0.00	7,600	0	0.00	7,600	0
Endowment Adjustments	0.00	(518,000)	0	0.00	(375,500)	0
FY 2019 Program Maintenance	392.35	23,101,500	38,702,900	392.35	23,350,400	39,045,900
18. Medical Director Pay Increase	0.00	65,400	65,400	0.00	65,400	65,400
36. SHN Infection Prevention Officer	1.00	77,400	77,400	0.00	0	0
40. SHN Health Information Manager	1.00	72,800	72,800	0.00	0	0
43. Automated Medication Storage Systems	0.00	40,800	40,800	0.00	0	0
44. SHS Reclassify LPNs to RNs	0.00	92,000	92,000	0.00	0	0
46. SHS Advanced Physical Skills Training	0.00	30,000	30,000	0.00	0	0
47. SHS Additional Staffing	2.00	101,400	101,400	0.00	0	0
57. Reduction for IDOC Beds	0.00	0	0	0.00	(295,700)	(295,700)
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	396.35	23,581,300	39,182,700	392.35	23,120,100	38,815,600
Change from Original Appropriation	4.00	2,070,800	519,300	0.00	1,609,600	152,200
% Change from Original Appropriation		9.6%	1.3%		7.5%	0.4%

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	392.35	21,510,500	11,030,400	6,122,500	38,663,400

7. Community Hospitalization Shortfall

Community Hospitalization

The department requests \$1,000,000 in a onetime supplemental appropriation in trustee and benefit payments from the General Fund to address a projected shortfall in the Community Hospitalization Program. This request will be the fourth increase in the program, either onetime or ongoing, in the last three years. In FY 2016 the Legislature added \$279,000 ongoing; in FY 2017, the Legislature added \$500,000 onetime as a supplemental; and for FY 2018, the Legislature appropriated an additional \$295,700 ongoing to account for continued costs associated with community hospitalization. This request is for onetime funding and the department is confident that this amount will suffice for FY 2018. However for FY 2019 the needed amount is still unknown. It is expected that savings in the system will start occurring during FY 2018 with the opening of the Homes with Adult Residential Treatment (HART) model, and the opening of the Boise crisis center. The department is also requesting a budget law exemption for FY 2019 to allow for transfers between programs, in excess of 10%, if other department funds are available. [Onetime]

Agency Request	0.00	1,000,000	0	0	1,000,000
Governor's Recommendation	0.00	1,000,000	0	0	1,000,000

8. SHS - Accounting Error Correction

State Hospital South

The department requests a fund shift of \$1,889,300 from dedicated and federal funds to the General Fund to account for issues in billing and calculating the Medicaid match at the appropriate time. In addition, the hospital is anticipating a reduction in dedicated receipts as Medicare and other third-party payers are increasing the number of denials. Several years ago, the financial staff at State Hospital South changed their accounting methodology to a cash based system from an accrual based system. This resulted in errors of how the federal Medicaid match was applied. The correct amount of federal funds were drawn down by the central office, but the reporting and estimated needs for the hospital were greatly overstated. Without knowledge of the federal fund and dedicated fund overstatement, the Legislature funded various line items, supplementals, inflationary adjustments, replacement items, and other fund shifts during this time that would have likely been requested from the General Fund. If the supplemental appropriation request is not funded, the department states that it will have to layoff staff and shut down one admitting unit (30 beds) from March to June of 2018 to achieve the needed savings in personnel costs and operating expenditures. Further, the loss of receipt revenue from that unit being closed will require that an additional half unit (15 beds) be shut down during the same time period. As a result, these 45 beds will be transferred to the already overloaded community hospitalization program and could increase that budget by an additional \$4 million. [Ongoing]

Agency Request	0.00	1,889,300	(450,000)	(1,439,300)	0
Governor's Recommendation	0.00	1,889,300	(450,000)	(1,439,300)	0

9. Additional Costs for Medical Care

State Hospital North

The department requests \$161,800 from the General Fund with \$61,800 in ongoing personnel costs to increase the salaries of its nursing positions and \$100,000 in onetime operating expenditures for State Hospital North (SHN) to address the immediate needs of providing medical care. The request includes an FY 2018 supplemental appropriation request of \$116,600 and an FY 2019 annualization for \$45,200 in personnel costs. SHN, similar to other medical institutions, is experiencing challenges in recruiting, hiring, and retaining qualified nursing and other medical care positions. In the past five years, physician costs, whether state-employed or contracted, have increased on average 16% year-over-year with a range of 9% to 26%. When FY 2017 is compared to FY 2013, the increase is 81%, increasing from \$518,200 to \$938,200. The onetime operating expenditures are to continue paying for contracted help until the pay raises can be implemented and staffing stabilized. The onetime money will be split equally to contract with a tele-psychiatrist and a nurse practitioner. The hospital has been able to contract with a psychiatrist at an annual amount of \$325,000; this contract is with a former SHN psychiatrist. [Ongoing and Onetime]

Agency Request	0.00	116,600	0	0	116,600
Governor's Recommendation	0.00	116,600	0	0	116,600

FY 2018 Total Appropriation					
Agency Request	392.35	24,516,400	10,580,400	4,683,200	39,780,000
Governor's Recommendation	392.35	24,516,400	10,580,400	4,683,200	39,780,000

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Noncognizable Funds and Transfers					State Hospital North
State Hospital North requests a onetime object transfer of \$131,000 from personnel costs to operating expenditures in 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 Estimated Expenditures					
Agency Request	392.35	24,516,400	10,580,400	4,683,200	39,780,000
Governor's Recommendation	392.35	24,516,400	10,580,400	4,683,200	39,780,000
Removal of Onetime Expenditures					
This decision unit removes the \$1,000,000 that was requested as a supplemental appropriation along with funding that was appropriated for replacement items and line items for FY 2018.					
Agency Request	0.00	(1,325,000)	(395,700)	0	(1,720,700)
Governor's Recommendation	0.00	(1,325,000)	(395,700)	0	(1,720,700)
Base Adjustments					State Hospital North
This adjustment restores \$131,000 to personnel costs for State Hospital North.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Base					
Agency Request	392.35	23,191,400	10,184,700	4,683,200	38,059,300
Governor's Recommendation	392.35	23,191,400	10,184,700	4,683,200	38,059,300
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency. State Hospital North also requests a fund shift of \$1,800 from the State Hospital North Endowment Income Fund to the General Fund.					
Agency Request	0.00	(398,700)	(120,600)	(80,000)	(599,300)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
<i>The Governor does not recommend the fund shift for State Hospital North.</i>					
Governor's Recommendation	0.00	(352,700)	(97,600)	(70,500)	(520,800)
Inflationary Adjustments					State Hospital North, State Hospital South
State Hospital South requests \$91,000 from the General Fund for medical inflation increases. State Hospital North (SHN) requests \$30,000 for general inflation and \$9,000 for medical inflation, all from the General Fund.					
Analyst Comment: General inflation for SHN includes \$24,000 onetime from the General Fund for HVAC system duct work cleaning that was requested as a replacement item. However, this is maintenance, and not a repair, replacement, or alteration.					
Agency Request	0.00	130,000	0	0	130,000
<i>The Governor recommends medical inflation requests for both hospitals and funding for general inflation for HVAC cleaning at State Hospital North.</i>					
Governor's Recommendation	0.00	124,000	0	0	124,000

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
State Hospital North, State Hospital South					
State Hospital South: Requests \$534,100 to replace vehicles, kitchen appliances and equipment, video conferencing equipment, landscape equipment, furniture, and tree removal. Of the request \$231,300 is from the General Fund, \$55,000 is from dedicated receipts, and \$247,800 is from the Mental Hospital Endowment Income Fund.					
State Hospital North: Requests \$218,100 to replace video conference equipment, patient furniture, exercise equipment, cabinetry, a retaining wall, kitchen equipment, and a maintenance utility vehicle. The entire request is from the General Fund.					
Agency Request	0.00	449,400	302,800	0	752,200
<i>The Governor recommends all replacement items for State Hospital South. For State Hospital North, the Governor recommends \$74,100.</i>					
Governor's Recommendation	0.00	305,400	302,800	0	608,200
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 costs will decrease by \$27,400.					
Agency Request	0.00	(24,600)	0	(2,800)	(27,400)
Governor's Recommendation	0.00	(24,600)	0	(2,800)	(27,400)
Annualizations					
The department requests an annualization of \$45,200 in ongoing General Fund personnel costs for the additional costs of providing medical care at SHN as requested in supplemental appropriation 9.					
Agency Request	0.00	45,200	0	0	45,200
Governor's Recommendation	0.00	45,200	0	0	45,200
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. State Hospital North also requests a \$3,600 fund shift from the State Hospital North Endowment Income Fund to the General Fund.					
Agency Request	0.00	219,200	72,700	51,000	342,900
<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 also recommends the pay structure for state employees be moved by 3% and includes \$20,600 for that purpose. The Governor does not recommend the fund shift for changes in employee compensation for State Hospital North.</i>					
Governor's Recommendation	0.00	429,600	245,400	82,400	757,400
Nondiscretionary Adjustments					
State Hospital South					
This adjustment increases the General Fund by \$7,600 and decreases a like amount in federal funds to reflect a change 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 71.17% to 71.13% for FY 2019.					
Agency Request	0.00	7,600	0	(7,600)	0
Governor's Recommendation	0.00	7,600	0	(7,600)	0

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Endowment Adjustments

State Hospital North, State Hospital South

State Hospital South (SHS) requests a reduction from the General Fund of \$462,000 and an increase to the dedicated endowment fund by a like amount in personnel costs. State Hospital North (SHN) requests a reduction from the General Fund of \$56,000 and an increase to the dedicated endowment fund by a like amount in operating expenditures.

On August 15, 2017, the Idaho Land Board approved endowment fund distribution increases of \$462,000 for SHS and \$56,000 for SHN. With the approved increases, SHS has an FY 2019 distribution of \$5,024,400 and SHN has an FY 2019 distribution of \$1,534,400.

Agency Request	0.00	(518,000)	518,000	0	0
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The Governor recommends an endowment adjustment of \$45,200 for State Hospital North and an adjustment of \$330,300 for State Hospital South.

Governor's Recommendation	0.00	(375,500)	375,500	0	0
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FY 2019 Program Maintenance

Agency Request	392.35	23,101,500	10,957,600	4,643,800	38,702,900
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Governor's Recommendation	392.35	23,350,400	11,010,800	4,684,700	39,045,900
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18. Medical Director Pay Increase

State Hospital North, State Hospital South

The department requests \$65,400 from the General Fund to increase the salary of each hospital's medical director. This request is subject to passage of legislation to change the classification of the medical directors to non-classified. Each hospital requests \$32,700. The request would increase the starting salary from \$106.56 per hour to \$120 per hour. In 2017, the Legislature approved additional funding to increase these positions to the statutory maximum amount for a classified position. [Ongoing]

Agency Request	0.00	65,400	0	0	65,400
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Governor's Recommendation	0.00	65,400	0	0	65,400
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36. SHN Infection Prevention Officer

State Hospital North

The department requests 1.00 FTP and \$77,400 in ongoing personnel costs from the General Fund to hire an infection prevention officer at State Hospital North (SHN). SHN was recently cited in the department's Bureau of Facility Standards survey for several deficiencies related to the Infection Prevention Plan. Currently, the duties related to infection prevention are assigned to the director of nursing services. This position would assume the infection prevention duties for the 55-bed capacity facility. Responsibilities include: screening new employees for disease and illness when appropriate; disease reporting, control of infected patients, monitoring new products, and training/information sharing with staff. [Ongoing]

Agency Request	1.00	77,400	0	0	77,400
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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40. SHN Health Information Manager

State Hospital North

The department requests 1.00 FTP and \$72,800 in ongoing personnel costs from the General Fund to hire a health information manager at State Hospital North (SHN). The position would be required to hold a certification as a Registered Health Information Technician (RHIT) or Registered Health Information Administrator (RHIA), and will provide oversight of the health information management functions within SHN. This position will help to ensure patient medical records meet state licensure requirements and to reduce the liability of department related breaches in privacy and confidentiality. This work is currently being handled by a contract with the former SHN assistant administrator, who is RHIT certified. [Ongoing]

Agency Request	1.00	72,800	0	0	72,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
43. Automated Medication Storage Systems					
State Hospital North					
The department requests \$40,800 in onetime capital outlay from the General Fund to purchase two automated medication storage systems. A medication system would be placed on each of the patient units to assist the nursing staff with accurate medication storage and dispensing. The system would be linked to the electronic medical records to help ensure the correct medication is dispensed to the correct patient. Further, these machines have a lock and control function that will help to reduce the time it takes staff to manually count the narcotic medication after each shift. [Onetime]					
Agency Request	0.00	40,800	0	0	40,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
44. SHS Reclassify LPNs to RNs					
State Hospital South					
The department requests \$92,000 in ongoing General Fund personnel costs to reclassify five LPN positions to RN positions. This includes one reclassification for each of the units in the Patient Treatment Facility and one for the nursing home. The number of vacancies for the LPN position compared to the RN position is almost two-to-one in favor of LPN, or 33 to 16 in the last fiscal year. The department indicates that LPN positions at the hospital are often a training ground for other medical facilities and most LPN positions are training to become an RN. This request would allow for the hospital to hire RNs or LPNs for patient care. Further an RN is able to perform the same tasks as an LPN but with the added ability to further assess and document the patient's condition and safety. [Ongoing]					
Agency Request	0.00	92,000	0	0	92,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
46. SHS Advanced Physical Skills Training					
State Hospital South					
The department requests \$30,000 in onetime operating expenditures from the General Fund to train and certify ten instructors in the Advanced Physical Skills training course that is offered by Crisis Prevention Institute. The training is designed to address more complex, higher risk situations than the foundations course.					
Agency Request	0.00	30,000	0	0	30,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
47. SHS Additional Staffing					
State Hospital South					
The department requests 2.00 FTP and \$101,400 in ongoing personnel costs from the General Fund to hire a health information specialist and an administrative assistant. The health information specialist will work in the health information management (HIM) department and the administrative assistant will provide support to clinical, medical, and nursing personnel at the SHS Patient Treatment Facility (PTF). Work in the HIM has increased in several areas since 2012, including a 24% increase in the number of admissions and discharges. The number of releases that involve sharing of health information to patients, insurance, and providers has increased more than 80% in this timeframe, while the number of staff in this program has remained the same. Historically, the hospital has been able to rely on existing staff to perform various administrative functions, but with the increase in work related to the HIM, the existing staff are struggling complete the added work. SHS is proposing a starting wage of \$15.50 per hour for each position. This rate is more than 80% of policy, but aligns with existing staff and comparable positions. [Ongoing]					
Agency Request	2.00	101,400	0	0	101,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
57. Reduction for IDOC Beds					
Community Hospitalization					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a \$295,700 reduction from the General Fund to offset funding being recommended by the Governor in the Department of Correction's Medical Services Program budget.</i>					
Governor's Recommendation	0.00	(295,700)	0	0	(295,700)

Psychiatric Hospitalization

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Budget Law Exemptions			Community Hospitalization		
The agency requests an appropriation that is not subject to state budget laws that restrict the transfer of money at 10% between budgeted programs. This authority requires legislative approval. The department's proposed language would read "Notwithstanding the provisions of Section 67-3511(2), Idaho Code, funding may be transferred into the Community Hospitalization budget in excess of ten percent (10%) of the appropriation from within the Department of Health and Welfare."					
Agency Request	0.00	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	396.35	23,581,300	10,957,600	4,643,800	39,182,700
Governor's Recommendation	392.35	23,120,100	11,010,800	4,684,700	38,815,600
Agency Request					
Change from Original App	4.00	2,070,800	(72,800)	(1,478,700)	519,300
% Change from Original App	1.0%	9.6%	(0.7%)	(24.2%)	1.3%
Governor's Recommendation					
Change from Original App	0.00	1,609,600	(19,600)	(1,437,800)	152,200
% Change from Original App	0.0%	7.5%	(0.2%)	(23.5%)	0.4%

Public Health Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Physical Health Services	99,055,600	88,111,300	99,157,400	101,885,700	101,978,100
Emergency Medical Services	11,848,100	9,395,200	11,776,600	11,937,600	11,997,500
Laboratory Services	4,952,600	4,535,700	4,832,000	4,847,400	4,905,500
Suicide Prevention and Awareness	971,100	1,016,300	1,065,700	1,585,300	1,323,200
Total:	116,827,400	103,058,500	116,831,700	120,256,000	120,204,300
BY FUND CATEGORY					
General	7,900,500	7,803,700	8,416,500	8,661,000	8,290,400
Dedicated	44,700,100	36,291,300	44,025,800	44,167,600	44,255,500
Federal	64,226,800	58,963,500	64,389,400	67,427,400	67,658,400
Total:	116,827,400	103,058,500	116,831,700	120,256,000	120,204,300
Percent Change:		(11.8%)	13.4%	2.9%	2.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,531,600	16,638,800	17,965,800	18,144,100	18,382,000
Operating Expenditures	38,876,200	33,208,800	41,425,800	44,216,200	44,193,800
Capital Outlay	99,200	695,700	0	51,800	51,800
Trustee/Benefit	57,613,700	52,515,200	57,440,100	57,843,900	57,576,700
Lump Sum	2,706,700	0	0	0	0
Total:	116,827,400	103,058,500	116,831,700	120,256,000	120,204,300
Full-Time Positions (FTP)	233.34	233.34	234.69	238.02	237.02

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; overseeing the public health preparedness program; 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 appropriated 4.00 FTP, and \$971,100 from the General Fund, 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 2015. Funds are to 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 2018 Original Appropriation	234.69	8,416,500	116,831,700	234.69	8,416,500	116,831,700
8. Ryan White Grant	0.00	0	1,000,000	0.00	0	1,000,000
9. Expanded Access Program	0.00	26,800	26,800	0.00	26,800	26,800
FY 2018 Total Appropriation	234.69	8,443,300	117,858,500	234.69	8,443,300	117,858,500
Noncognizable Funds and Transfers	0.00	0	120,000	0.00	0	120,000
FY 2018 Estimated Expenditures	234.69	8,443,300	117,978,500	234.69	8,443,300	117,978,500
Removal of Onetime Expenditures	0.00	(639,800)	(639,800)	0.00	(639,800)	(639,800)
Base Adjustments	0.00	0	(120,000)	0.00	0	(120,000)
FY 2019 Base	234.69	7,803,500	117,218,700	234.69	7,803,500	117,218,700
Benefit Costs	0.00	(73,600)	(347,700)	0.00	(66,600)	(315,000)
Replacement Items	0.00	51,800	51,800	0.00	51,800	51,800
Statewide Cost Allocation	0.00	(8,500)	(11,800)	0.00	(8,500)	(11,800)
Change in Employee Compensation	0.00	32,300	148,800	0.00	95,000	440,300
FY 2019 Program Maintenance	234.69	7,805,500	117,059,800	234.69	7,875,200	117,384,000
13. Food Protection Program Specialist	1.00	77,400	77,400	0.00	0	0
17. Rural Health Research Analyst	0.33	0	19,900	0.33	0	19,800
19. eWIC Implementation Project Grant	1.00	0	2,111,600	1.00	0	2,113,700
20. Vital Statistics Object Transfer	0.00	0	0	0.00	0	0
21. Cancer Data Registry	0.00	106,000	106,000	0.00	0	0
26. Time Sensitive Emergencies	0.00	0	200,000	0.00	0	200,000
31. Electronic Death Registration System	0.00	75,000	75,000	0.00	0	0
34. Youth Suicide Prevention	0.00	523,800	523,800	0.00	256,600	256,600
42. Clinical Services New Position	1.00	0	69,800	1.00	0	71,600
51. Physician Pay Fund Shift	0.00	73,300	12,700	0.00	0	0
56. Expanded Access Program	0.00	0	0	0.00	158,600	158,600
FY 2019 Total	238.02	8,661,000	120,256,000	237.02	8,290,400	120,204,300
Change from Original Appropriation	3.33	244,500	3,424,300	2.33	(126,100)	3,372,600
% Change from Original Appropriation		2.9%	2.9%		(1.5%)	2.9%

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	234.69	8,416,500	44,025,800	64,389,400	116,831,700

8. Ryan White Grant

Physical Health Services

The department requests \$1 million in ongoing operating expenditures in federal funds for 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 Grant is awarded to states with a demonstrated need. This grant will be used to provide the administrative costs for the AIDS Drug Assistance Program (ADAP) pharmacy benefits management services; initiate rebate processing and online ADAP enrollment services; supplement HIV medical case management contracts; and initiate HIV mobile testing in two northern Idaho health districts for rural and remote communities. In addition, all Part B recipients and sub-recipients must vigorously pursue enrollment in available health coverage options for eligible clients. Idaho was awarded \$509,300 for the Part B Supplemental Grant in August of 2016 and \$1,809,200 in May of 2017. The most recent grant provides onetime funding for the period September 30, 2017 through September 29, 2018. The department is requesting the funds as ongoing because it believes there is a high likelihood that additional funds will be awarded for the following federal fiscal year.

Analyst Comment: This request was initially made as a noncognizable expenditure adjustment request to the Division of Financial Management (DFM) in accordance with Section 67-3516(2), Idaho Code, but the request was denied by the DFM administrator and is therefore being requested as an FY 2018 supplemental appropriation. The grant was applied for, and awarded after the 2017 legislative session, and the request for a noncognizable adjustment was made in October when the funds were made available.

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>

9. Expanded Access Program

Physical Health Services

The department requests \$26,800 onetime from the General Fund to continue the fourth year of the expanded access program (EAP) to provide Epidiolex; a marijuana-based pharmaceutical that is being tested for treating epilepsy in children, when other medicines do not work. The pharmaceutical has been approved by the FDA for this EAP for the Lennox-Gastaut syndrome, a rare form of childhood epilepsy. This request will continue to provide medicine and scheduled check-ups to 36 (of the original 40) children. The request includes about \$2,300 per enrolled child and \$600 for interpreter/translation costs. The department is able to keep the supplemental request low because it encumbered \$57,400 in the prior fiscal year. The total amount per child is less than prior years because the number of visits needed for enrolled children is fewer and laboratory testing requirements are also less. This pharmaceutical is not commercially available, but according to the department, the manufacturer "feels confident the licensing of the drug is impending." However an exact date is unknown. [Onetime]

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>

FY 2018 Total Appropriation

Agency Request	234.69	8,443,300	44,025,800	65,389,400	117,858,500
<i>Governor's Recommendation</i>	<i>234.69</i>	<i>8,443,300</i>	<i>44,025,800</i>	<i>65,389,400</i>	<i>117,858,500</i>

Noncognizable Funds and Transfers

Physical Health Services requests a onetime transfer of \$120,000 of dedicated receipt authority from the Self-Reliance Operations Program. Laboratory Services requests an object transfer of \$102,900 from dedicated receipt authority personnel costs to operating expenditures and capital outlay. Laboratory Services also requests an object transfer of \$311,100 from federal funds in personnel costs and operating expenditures to capital outlay. Suicide Prevention and Awareness requests a onetime transfer of \$26,000 in operating expenditures from the Physical Health Services Program.

Agency Request	0.00	0	120,000	0	120,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>120,000</i>	<i>0</i>	<i>120,000</i>

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Estimated Expenditures					
Agency Request	234.69	8,443,300	44,145,800	65,389,400	117,978,500
Governor's Recommendation	234.69	8,443,300	44,145,800	65,389,400	117,978,500

Removal of Onetime Expenditures

This decision unit removes onetime funding that was appropriated for the expanded access program and for TRICARE related immunization costs.

Analyst Comment: TRICARE has agreed to participate in the state's immunization program and has also reimbursed the state for all General Fund amounts that were used to cover TRICARE's share of the immunization assessments for the past six years. Intent language specifies that this money (\$3.5 million) is to be returned to the General Fund.

Agency Request	0.00	(639,800)	0	0	(639,800)
Governor's Recommendation	0.00	(639,800)	0	0	(639,800)

Base Adjustments

This adjustment restores \$120,000 of dedicated receipt authority to Self-Reliance Operations. It also restores all object transfers in Laboratory Services.

Agency Request	0.00	0	(120,000)	0	(120,000)
Governor's Recommendation	0.00	0	(120,000)	0	(120,000)

FY 2019 Base					
Agency Request	234.69	7,803,500	44,025,800	65,389,400	117,218,700
Governor's Recommendation	234.69	7,803,500	44,025,800	65,389,400	117,218,700

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(73,600)	(97,700)	(176,400)	(347,700)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(66,600)	(87,700)	(160,700)	(315,000)
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Replacement Items

Laboratory Services

Laboratory Services requests \$51,800 from the General Fund to replace two sedans with small size SUVs. Both vehicles were damaged in accidents and considered totaled; the department received funding for the losses at \$2,662 and \$6,347 for a total of \$9,009 for both vehicles from the Department of Administration's Office of Risk Management. The \$9,000 was not included as an offset in the request.

Agency Request	0.00	51,800	0	0	51,800
Governor's Recommendation	0.00	51,800	0	0	51,800

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 costs will decrease by \$11,800.

Agency Request	0.00	(8,500)	0	(3,300)	(11,800)
Governor's Recommendation	0.00	(8,500)	0	(3,300)	(11,800)

Public Health Services

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	32,300	39,500	77,000	148,800
<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>					
Governor's Recommendation	0.00	95,000	117,400	227,900	440,300
FY 2019 Program Maintenance					
Agency Request	234.69	7,805,500	43,967,600	65,286,700	117,059,800
Governor's Recommendation	234.69	7,875,200	44,055,500	65,453,300	117,384,000

13. Food Protection Program Specialist

Physical Health Services

The department requests 1.00 FTP and \$77,400 from the General Fund to hire a food protection program specialist. 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 (approximately 2.00 FTP) 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 health districts to increase and improve statewide consistency in the delivery of the program and to ensure food safety regulations are followed. Funding for the temporary position is only expected for another two years. Further, the temporary employee is unable to provide enough support to all seven health districts when necessary, which is why the department is requesting an additional full-time position. [Ongoing]

Agency Request	1.00	77,400	0	0	77,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

17. Rural Health Research Analyst

Physical Health Services

The department requests 0.33 FTP and \$19,900 from federal funds to convert a part-time rural health research analyst position to full-time. The conversion will allow the department to collect additional data and determine where Idaho has Health Professional Shortage Areas (HPSA). The HPSA designations serve as a qualifier for many state and federal programs, including loan repayment and CMS bonus payments. These incentives are designed to increase healthcare access for individuals living in underserved areas. This work is currently being done by the 0.67 part-time benefited employee and this request will make the position full-time and will allow for additional research and analysis. Funding for this position is from the federal Primary Care Office Grant. [Ongoing]

Agency Request	0.33	0	0	19,900	19,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.33	0	0	19,800	19,800

19. eWIC Implementation Project Grant

Physical Health Services

The department requests 1.00 FTP and \$2,111,600 from federal funds to support the implementation, ongoing oversight, and evaluation of the eWIC transition from paper benefits to electronic benefits by 2020. Of the request, \$77,400 is ongoing. Once the transition is complete, the position will provide technical assistance and related training, procedural changes, fraud detection and prevention, quality assurance, and oversight of new tasks associated with eWIC. Funding for this position is from the federal Nutrition Service Administrative Grant. The grant period is from October 1, 2017 through September 30, 2019 but it is anticipated that about \$486,200 will be spent in FY 2020. This position will be supportive of the eWIC position that was appropriated in 2017. [Ongoing and Onetime]

Agency Request	1.00	0	0	2,111,600	2,111,600
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	0	2,113,700	2,113,700

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
20. Vital Statistics Object Transfer		Physical Health Services			
The department requests an object transfer of \$120,000 in dedicated receipts from trustee and benefit payments to personnel costs. The department estimates that its ongoing personnel cost needs, if fully staffed, for the Bureau of Vital Records and Health Statistics will be at 41.00 FTP and \$2,073,400, or about \$116,900 short of the bureau's current FY 2019 Base. [Ongoing]					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
21. Cancer Data Registry		Physical Health Services			
The department requests \$106,000 in ongoing operating expenditures from the General Fund to provide additional support to the Cancer Data Registry. 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. Currently, operations are funded with \$120,000 from the Central Tumor Registry Fund with revenues coming from cigarette taxes (see Section 63-2520(b)(2), Idaho Code). However, the operating costs are closer to \$226,000, or a difference of \$106,000, which the department has been able to find through other sources in prior years. [Ongoing]					
Agency Request	0.00	106,000	0	0	106,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
26. Time Sensitive Emergencies		Emergency Medical Services			
The department requests \$200,000 in ongoing operating expenditures from the Time Sensitive Emergencies Registry Fund. Estimates for FY2019 show revenues exceeding the current fund appropriation and the request will allow for the program to maximize the revenues and be self-sustaining.					
Agency Request	0.00	0	200,000	0	200,000
Governor's Recommendation	0.00	0	200,000	0	200,000
31. Electronic Death Registration System		Physical Health Services			
The department requests \$75,000 in onetime operating expenditures from the General Fund for an intermediate modernization of its Electronic Death Registration System. This system is used almost exclusively with deaths being registered with the state. The computer software system is no longer supported and, according to the department, updating the software is less expensive than replacing the entire system. The department estimates the update to take six to nine months to be fully implemented, and based on current information, it estimates a new (replaced) system to cost \$650,000 to \$800,000. [Onetime]					
Agency Request	0.00	75,000	0	0	75,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
34. Youth Suicide Prevention		Suicide Prevention and Awareness			
The department requests \$523,800 in ongoing trustee and benefit payments from the General Fund to expand suicide prevention efforts in 25 additional schools. Currently the program has \$235,000 in the FY 2019 Base to provide training services at ten middle/junior and high schools throughout the state. This funding would add 25 schools each year to the training and add a "Good Behavior Game" to be implemented at the Idaho elementary schools that feed into the source schools receiving prevention training.					
Agency Request	0.00	523,800	0	0	523,800
<i>The Governor recommends \$256,600 from the General Fund to provide youth suicide services to 17 additional schools.</i>					
Governor's Recommendation	0.00	256,600	0	0	256,600

Public Health Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
42. Clinical Services New Position			Physical Health Services		
The department requests 1.00 FTP and \$69,800 in ongoing federal fund personnel costs to hire a senior health education specialist in the Bureau of Clinical and Preventative Services. This position will support the activities of programs with the Women, Infant, and Children (WIC); Maternal and Child Health; and HIV, STD, and Hepatitis sections of the bureau. The position will help to develop and implement education and awareness activities. This work is done by existing staff as time and resources allow. [Ongoing]					
Agency Request	1.00	0	0	69,800	69,800
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	1.00	0	0	71,600	71,600
51. Physician Pay Fund Shift			Physical Health Services		
The department requests a net increase of \$12,700 to provide a pay increase for the Division of Public Health's part-time physician. This includes a fund shift of \$60,600 from federal funds to the General Fund plus an additional \$12,700 from the General Fund. In 2017, the Legislature appropriated \$46,000 to increase the pay for the state epidemiologist because at the time the part-time physician was being paid more than the full-time epidemiologist position. The department notes that, for cost allocation purposes and to increase flexibility in the work that the part-time physician can do, it is requesting the General Fund cover the majority of the payroll costs. If approved, the pay for the part-time physician would not only shift to the General Fund, but it would also increase from \$90 per hour to \$100 per hour. In comparison, the state's epidemiologist is being paid at the classified position maximum of \$106.56 per hour. [Ongoing]					
Agency Request	0.00	73,300	0	(60,600)	12,700
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
56. Expanded Access Program			Physical Health Services		
Agency Request	0.00	0	0	0	0
The Governor recommends \$158,600 onetime from the General Fund for another year of the Epidiolex expanded access program.					
Governor's Recommendation	0.00	158,600	0	0	158,600
FY 2019 Total					
Agency Request	238.02	8,661,000	44,167,600	67,427,400	120,256,000
Governor's Recommendation	237.02	8,290,400	44,255,500	67,658,400	120,204,300
Agency Request					
Change from Original App	3.33	244,500	141,800	3,038,000	3,424,300
% Change from Original App	1.4%	2.9%	0.3%	4.7%	2.9%
Governor's Recommendation					
Change from Original App	2.33	(126,100)	229,700	3,269,000	3,372,600
% Change from Original App	1.0%	(1.5%)	0.5%	5.1%	2.9%

Service Integration

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	734,300	720,300	735,900	732,100	736,500
Dedicated	69,500	60,000	69,500	69,500	69,500
Federal	5,239,700	4,832,300	5,256,700	5,221,900	5,261,500
Total:	6,043,500	5,612,600	6,062,100	6,023,500	6,067,500
Percent Change:		(7.1%)	8.0%	(0.6%)	0.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,304,400	2,121,100	2,321,500	2,284,200	2,328,200
Operating Expenditures	339,100	344,600	340,600	339,300	339,300
Capital Outlay	0	2,900	0	0	0
Trustee/Benefit	3,400,000	3,144,000	3,400,000	3,400,000	3,400,000
Total:	6,043,500	5,612,600	6,062,100	6,023,500	6,067,500
Full-Time Positions (FTP)	35.00	35.00	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 2018 Original Appropriation	35.00	735,900	6,062,100	35.00	735,900	6,062,100
FY 2019 Base	35.00	735,900	6,062,100	35.00	735,900	6,062,100
Benefit Costs	0.00	(5,600)	(55,800)	0.00	(4,900)	(48,700)
Statewide Cost Allocation	0.00	0	(1,300)	0.00	0	(1,300)
Change in Employee Compensation	0.00	1,800	18,500	0.00	5,500	55,400
FY 2019 Total	35.00	732,100	6,023,500	35.00	736,500	6,067,500
Change from Original Appropriation	0.00	(3,800)	(38,600)	0.00	600	5,400
% Change from Original Appropriation		(0.5%)	(0.6%)		0.1%	0.1%

Service Integration

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	35.00	735,900	69,500	5,256,700	6,062,100
FY 2019 Base					
Agency Request	35.00	735,900	69,500	5,256,700	6,062,100
Governor's Recommendation	35.00	735,900	69,500	5,256,700	6,062,100

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(5,600)	0	(50,200)	(55,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(4,900)	0	(43,800)	(48,700)
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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 costs will decrease by \$1,300.

Agency Request	0.00	0	0	(1,300)	(1,300)
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Governor's Recommendation	0.00	0	0	(1,300)	(1,300)
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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	1,800	0	16,700	18,500
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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.

Governor's Recommendation	0.00	5,500	0	49,900	55,400
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FY 2019 Total					
Agency Request	35.00	732,100	69,500	5,221,900	6,023,500
Governor's Recommendation	35.00	736,500	69,500	5,261,500	6,067,500

Agency Request

Change from Original App	0.00	(3,800)	0	(34,800)	(38,600)
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% Change from Original App	0.0%	(0.5%)	0.0%	(0.7%)	(0.6%)
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Governor's Recommendation

Change from Original App	0.00	600	0	4,800	5,400
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% Change from Original App	0.0%	0.1%	0.0%	0.1%	0.1%
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Substance Abuse Treatment & Prevention

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	2,471,500	2,463,000	2,475,200	2,728,700	2,733,200
Dedicated	1,186,200	961,700	1,180,900	1,340,500	1,341,100
Federal	14,665,100	14,361,500	11,169,600	13,115,300	13,132,000
Total:	18,322,800	17,786,200	14,825,700	17,184,500	17,206,300
Percent Change:		(2.9%)	(16.6%)	15.9%	16.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,424,200	1,056,200	1,427,100	1,414,900	1,436,700
Operating Expenditures	4,614,800	4,302,700	4,614,800	4,829,800	4,829,800
Capital Outlay	0	2,000	0	0	0
Trustee/Benefit	12,283,800	12,425,300	8,783,800	10,939,800	10,939,800
Total:	18,322,800	17,786,200	14,825,700	17,184,500	17,206,300
Full-Time Positions (FTP)	16.00	16.00	16.00	16.00	16.00

Division Description

The Substance Abuse Treatment and 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 2018 Original Appropriation	16.00	2,475,200	14,825,700	16.00	2,475,200	14,825,700
Noncognizable Funds and Transfers	0.00	0	1,955,000	0.00	0	1,955,000
FY 2018 Estimated Expenditures	16.00	2,475,200	16,780,700	16.00	2,475,200	16,780,700
Removal of Onetime Expenditures	0.00	0	(1,955,000)	0.00	0	(1,955,000)
FY 2019 Base	16.00	2,475,200	14,825,700	16.00	2,475,200	14,825,700
Benefit Costs	0.00	(5,000)	(24,200)	0.00	(4,500)	(21,900)
Change in Employee Compensation	0.00	2,500	12,000	0.00	6,500	31,500
FY 2019 Program Maintenance	16.00	2,472,700	14,813,500	16.00	2,477,200	14,835,300
14. Provider Rate Increase	0.00	256,000	256,000	0.00	256,000	256,000
29. Opioid Crisis Grant	0.00	0	1,955,000	0.00	0	1,955,000
52. Tobacco Permit Fees	0.00	0	160,000	0.00	0	160,000
FY 2019 Total	16.00	2,728,700	17,184,500	16.00	2,733,200	17,206,300
Change from Original Appropriation	0.00	253,500	2,358,800	0.00	258,000	2,380,600
% Change from Original Appropriation		10.2%	15.9%		10.4%	16.1%

Substance Abuse Treatment & Prevention

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	16.00	2,475,200	1,180,900	11,169,600	14,825,700

Noncognizable Funds and Transfers

In September 2017 the Division of Financial Management approved a noncognizable adjustment of \$1,955,000 in federal funds for the department to begin work on implementing Idaho's response to the opioid crisis that is affecting the nation. The department requests the same amount in line item 29, but as ongoing funding.

Agency Request	0.00	0	0	1,955,000	1,955,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>1,955,000</i>	<i>1,955,000</i>

FY 2018 Estimated Expenditures					
Agency Request	16.00	2,475,200	1,180,900	13,124,600	16,780,700
<i>Governor's Recommendation</i>	<i>16.00</i>	<i>2,475,200</i>	<i>1,180,900</i>	<i>13,124,600</i>	<i>16,780,700</i>

Removal of Onetime Expenditures

This decision unit removes \$1,955,000 for the onetime noncognizable adjustment to address the opioid crisis.

Agency Request	0.00	0	0	(1,955,000)	(1,955,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>(1,955,000)</i>	<i>(1,955,000)</i>

FY 2019 Base					
Agency Request	16.00	2,475,200	1,180,900	11,169,600	14,825,700
<i>Governor's Recommendation</i>	<i>16.00</i>	<i>2,475,200</i>	<i>1,180,900</i>	<i>11,169,600</i>	<i>14,825,700</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(5,000)	(700)	(18,500)	(24,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(4,500)</i>	<i>(700)</i>	<i>(16,700)</i>	<i>(21,900)</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	2,500	300	9,200	12,000
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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>6,500</i>	<i>900</i>	<i>24,100</i>	<i>31,500</i>
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FY 2019 Program Maintenance					
Agency Request	16.00	2,472,700	1,180,500	11,160,300	14,813,500
<i>Governor's Recommendation</i>	<i>16.00</i>	<i>2,477,200</i>	<i>1,181,100</i>	<i>11,177,000</i>	<i>14,835,300</i>

Substance Abuse Treatment & Prevention

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
14. Provider Rate Increase					
The department requests \$256,000 from the General Fund in ongoing trustee and benefit payments for a 5% increase in the rate paid to substance use disorder (SUD) providers. In 2016, the department indicated that it had an FY 2019 Base amount of \$6,426,200 for provider payments, of which 81% was from federal funds. However, in 2017, the department indicated that the amount was actually \$5,112,598 with 81% from federal funds, and the difference was attributable to costs related to recovery support services. So this request is only for the provider payments and does not include increases for recovery support services. Further, 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 ten years. Services are provided to Idahoans with chronic addiction and dependency to alcohol, prescription drugs, and illicit drugs. A similar request is being made by the Department of Correction and the Supreme Court. The Department of Juvenile Corrections has indicated that they can absorb the rate increase. [Ongoing]					
Agency Request	0.00	256,000	0	0	256,000
Governor's Recommendation	0.00	256,000	0	0	256,000
29. Opioid Crisis Grant					
The department requests \$1,955,000 in ongoing federal funds to implement Idaho's response to the opioid crisis. This request includes \$1.9 million in trustee and benefit payments and \$55,000 in operating expenditures. Idaho was awarded this noncompetitive federal grant as part of the federal 21st Century Cures Act. Funding will be used for a variety of programs and includes \$1,017,500 for individual treatment; \$462,000 for Recovery Idaho, an Idaho nonprofit, to provide various recovery services; \$275,000 for the Office of Drug Policy to provide pharmaceutical drop boxes and Naloxone Distribution; \$107,500 for the Board of Pharmacy to develop prescriber report cards; \$85,000 for the Division of Public Health for prescriber education; and \$53,000 for administration of the grant. The department estimates that 1,029 Idahoans will receive services as a result of this grant funding and includes 250 individuals receiving treatment and 779 receiving recovery support services.					
The department was notified that they were awarded the first year grant of \$1,955,000 for the period May 01, 2017 through April 30, 2018 and a second year award for the period May 01, 2018 through April 30, 2019, or two months prior to the end of FY 2019. The status of a third year grant is unknown at this time. [Ongoing]					
Agency Request	0.00	0	0	1,955,000	1,955,000
Governor's Recommendation	0.00	0	0	1,955,000	1,955,000
52. Tobacco Permit Fees					
The department requests \$160,000 in ongoing operating expenditures from the Prevention of Minors Access to Tobacco Fund. The department is proposing legislation to establish a \$100 per-location permit fee; currently there is no fee to sell tobacco. The tobacco inspection program budget is \$399,000 and for the past decade, the program has been funded in part by the Millennium Income Fund. However, the Joint Millennium Fund Committee has voted to not solicit or accept grant applications for FY 2019 and has provided guidance to the Idaho State Police and the Department of Health and Welfare that they should propose legislation to have the tobacco retailer inspections be a self-funded program, similar to alcohol retailers. This line item is subject to the passage of legislation. [Ongoing]					
Agency Request	0.00	0	160,000	0	160,000
Governor's Recommendation	0.00	0	160,000	0	160,000
FY 2019 Total					
Agency Request	16.00	2,728,700	1,340,500	13,115,300	17,184,500
Governor's Recommendation	16.00	2,733,200	1,341,100	13,132,000	17,206,300
Agency Request					
Change from Original App	0.00	253,500	159,600	1,945,700	2,358,800
% Change from Original App	0.0%	10.2%	13.5%	17.4%	15.9%
Governor's Recommendation					
Change from Original App	0.00	258,000	160,200	1,962,400	2,380,600
% Change from Original App	0.0%	10.4%	13.6%	17.6%	16.1%

Division of Welfare

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Self-Reliance Operations	80,108,600	76,411,700	78,106,000	77,487,500	78,247,700
Benefit Payments	88,957,400	85,170,800	94,214,100	96,804,800	96,804,800
Total:	169,066,000	161,582,500	172,320,100	174,292,300	175,052,500
BY FUND CATEGORY					
General	40,914,300	41,403,000	43,270,700	45,911,200	46,186,800
Dedicated	6,928,100	6,118,200	7,630,900	5,344,300	5,360,800
Federal	121,223,600	114,061,300	121,418,500	123,036,800	123,504,900
Total:	169,066,000	161,582,500	172,320,100	174,292,300	175,052,500
Percent Change:		(4.4%)	6.6%	1.1%	1.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	42,310,900	39,333,900	42,571,600	41,378,500	42,138,700
Operating Expenditures	37,797,700	36,875,600	35,534,400	36,109,000	36,109,000
Capital Outlay	0	202,200	0	0	0
Trustee/Benefit	88,957,400	85,170,800	94,214,100	96,804,800	96,804,800
Total:	169,066,000	161,582,500	172,320,100	174,292,300	175,052,500
Full-Time Positions (FTP)	630.55	630.55	630.55	619.50	619.50

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 eligibility determinations for 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 and benefit payments to, and on behalf of, clients.

Division of Welfare

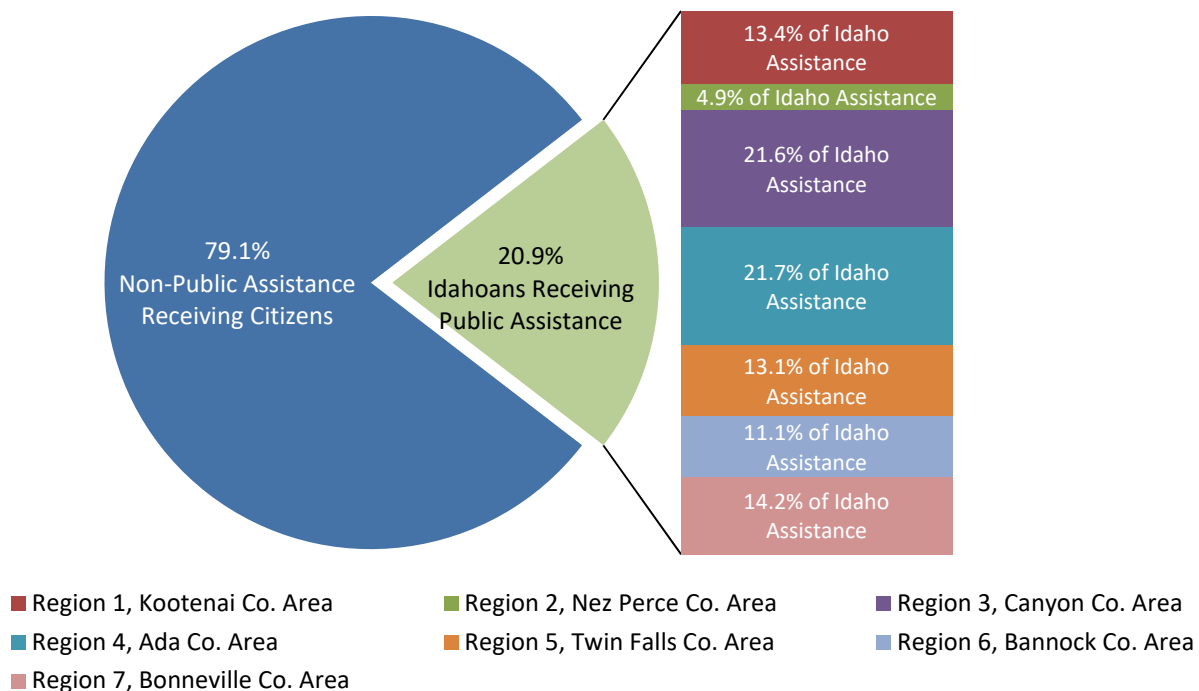
Agency Profile

Analyst: Tatro

Public Assistance Recipients by Region and Program, June 2017

Region	Estimated Population	Cash Payments	Medicaid	Food Stamps	Child Care Assistance	Unduplicated Total
1	230,072 13.7%	3,369 1.5%	40,334 17.5%	22,973 10.0%	1,053 0.5%	47,063 20.5%
2	108,071 6.4%	1,533 1.4%	15,119 14.0%	8,263 7.6%	294 0.3%	17,386 16.1%
3	277,369 16.5%	4,647 1.7%	65,730 23.7%	38,405 13.8%	1,867 0.7%	75,952 27.4%
4	487,666 29.0%	5,399 1.1%	65,156 13.4%	38,054 7.8%	2,236 0.5%	76,174 15.6%
5	193,947 11.5%	2,109 1.1%	40,696 21.0%	19,564 10.1%	1,032 0.5%	46,045 23.7%
6	167,813 10.0%	2,453 1.5%	33,835 20.2%	19,297 11.5%	916 0.5%	39,133 23.3%
7	218,202 13.0%	1,962 0.9%	43,969 20.2%	21,988 10.1%	1,202 0.6%	50,075 22.9%
Total	1,683,140 100.0%	21,472 1.3%	304,839 18.1%	168,544 10.0%	8,600 0.5%	351,828 20.9%

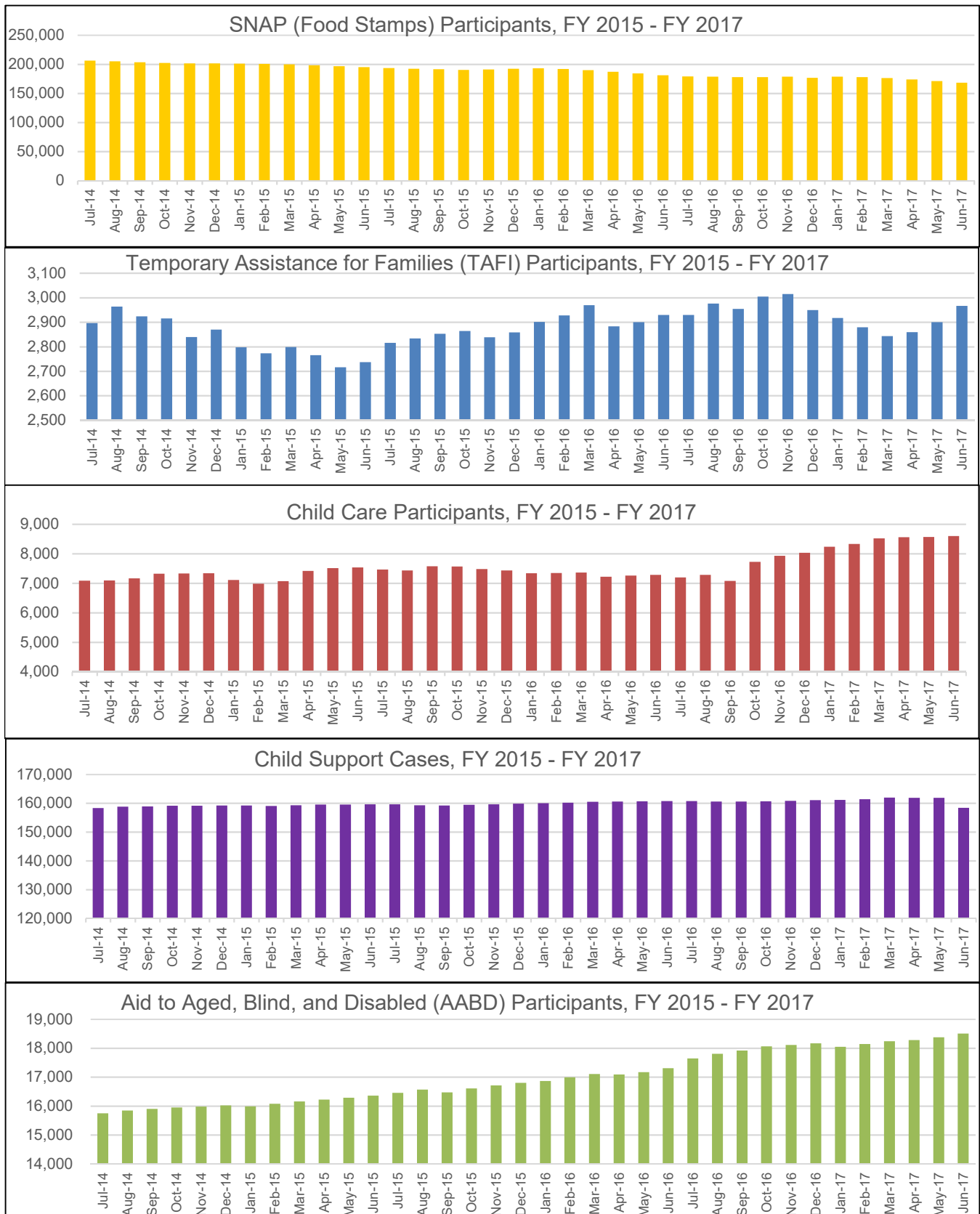
Note: Estimated Population percentage represents regional share of the state's total population. Percentages under each program are the percentage of each region's population participating in that program. Individual recipients often receive assistance through more than one program, and the Column Total 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 2018 Original Appropriation	630.55	43,270,700	172,320,100	630.55	43,270,700	172,320,100
5. FTP Transfer for Child Welfare Staffing	(10.00)	0	0	(10.00)	0	0
FY 2018 Total Appropriation	620.55	43,270,700	172,320,100	620.55	43,270,700	172,320,100
Noncognizable Funds and Transfers	(1.05)	0	(120,000)	(1.05)	0	(120,000)
FY 2018 Estimated Expenditures	619.50	43,270,700	172,200,100	619.50	43,270,700	172,200,100
Removal of Onetime Expenditures	0.00	(446,300)	(8,000,000)	0.00	(446,300)	(8,000,000)
Base Adjustments	0.00	(45,600)	74,400	0.00	(45,600)	74,400
FY 2019 Base	619.50	42,778,800	164,274,500	619.50	42,778,800	164,274,500
Benefit Costs	0.00	(339,700)	(936,900)	0.00	(297,900)	(821,800)
Statewide Cost Allocation	0.00	(8,400)	(24,000)	0.00	(8,400)	(24,000)
Change in Employee Compensation	0.00	124,200	342,400	0.00	358,000	987,500
Nondiscretionary Adjustments	0.00	636,300	636,300	0.00	636,300	636,300
FY 2019 Program Maintenance	619.50	43,191,200	164,292,300	619.50	43,466,800	165,052,500
4. Child Support System Modernization	0.00	2,720,000	8,000,000	0.00	2,720,000	8,000,000
5. SNAP Employment & Training Svcs	0.00	0	2,000,000	0.00	0	2,000,000
30. Ongoing Object Transfer PC to OE	0.00	0	0	0.00	0	0
FY 2019 Total	619.50	45,911,200	174,292,300	619.50	46,186,800	175,052,500
Change from Original Appropriation	(11.05)	2,640,500	1,972,200	(11.05)	2,916,100	2,732,400
% Change from Original Appropriation		6.1%	1.1%		6.7%	1.6%

Division of Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	630.55	43,270,700	7,630,900	121,418,500	172,320,100

5. FTP Transfer for Child Welfare Staffing

Self-Reliance Operations, Child Welfare, SWITC

This request transfers 10.00 FTP from Self-Reliance Operations and 3.00 FTP from the Southwest Idaho Treatment Center to Child Welfare to hire seven social worker positions, two supervisors, one project manager, one communication specialist, and two business analysts.

The 10.00 FTP were realized with internal changes made to business processes that allowed for ongoing personnel savings. The department, however, is requesting to keep those personnel savings and to make a transfer from personnel costs to operating expenditures as requested in line item 30 that includes \$203,500 from the General Fund and \$395,100 from federal funds.

Agency Request	(10.00)	0	0	0	0
Governor's Recommendation	(10.00)	0	0	0	0

FY 2018 Total Appropriation					
Agency Request	620.55	43,270,700	7,630,900	121,418,500	172,320,100
Governor's Recommendation	620.55	43,270,700	7,630,900	121,418,500	172,320,100

Noncognizable Funds and Transfers

Program transfers include \$120,000 of onetime dedicated fund personnel costs to the Public Health Division and 1.05 vacant and unfunded FTP to the Child Welfare Program. Object transfers include a onetime transfer of \$615,000 from personnel costs to operating expenditures.

Agency Request	(1.05)	0	(120,000)	0	(120,000)
Governor's Recommendation	(1.05)	0	(120,000)	0	(120,000)

FY 2018 Estimated Expenditures					
Agency Request	619.50	43,270,700	7,510,900	121,418,500	172,200,100
Governor's Recommendation	619.50	43,270,700	7,510,900	121,418,500	172,200,100

Removal of Onetime Expenditures

This decision unit removes funding appropriated in FY 2018 for the second year of the Child Support Enforcement System replacement.

Agency Request	0.00	(446,300)	(2,273,700)	(5,280,000)	(8,000,000)
Governor's Recommendation	0.00	(446,300)	(2,273,700)	(5,280,000)	(8,000,000)

Base Adjustments

This decision unit restores \$120,000 in personnel costs to the Self-Reliance Operations Program and transfers back \$615,000 to personnel costs from operating expenditures. It also reduces the ongoing General Fund appropriation for the Benefit Payments Program by \$45,600 for the Idaho Telecommunications Service Assistance Program (ITSAP). ITSAP provides telephone assistance to low-income participants that are at or below 133% of the federal poverty limit (FPL). The reduction is the result of the phone companies handling the administrative work directly, rather than using the department as a contractual go-between.

Agency Request	0.00	(45,600)	120,000	0	74,400
Governor's Recommendation	0.00	(45,600)	120,000	0	74,400

FY 2019 Base					
Agency Request	619.50	42,778,800	5,357,200	116,138,500	164,274,500
Governor's Recommendation	619.50	42,778,800	5,357,200	116,138,500	164,274,500

Division of Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(339,700)	(20,300)	(576,900)	(936,900)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(297,900)	(17,800)	(506,100)	(821,800)
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 costs will decrease by \$24,000.					
Agency Request	0.00	(8,400)	0	(15,600)	(24,000)
Governor's Recommendation	0.00	(8,400)	0	(15,600)	(24,000)
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	124,200	7,400	210,800	342,400
<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	358,000	21,400	608,100	987,500
Nondiscretionary Adjustments			Benefit Payments		
The department requests \$636,300 for caseload adjustments in the Aid to Aged, Blind, and Disabled (AABD) Program. The program provides cash payments to certain low-income participants who are blind, disabled, or over the age of 65. This program is 100% funded from the General Fund and in FY 2017 the expenditures were \$9,726,906, 6.43% higher than in FY 2016. The majority of participants received an average monthly payment of \$44.76 or about \$537 per 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, 87% are younger than 65 years, 96% are disabled, and the population is expected to increase by about 6.74% or 604 people for FY 2019.					
Agency Request	0.00	636,300	0	0	636,300
Governor's Recommendation	0.00	636,300	0	0	636,300
FY 2019 Program Maintenance					
Agency Request	619.50	43,191,200	5,344,300	115,756,800	164,292,300
Governor's Recommendation	619.50	43,466,800	5,360,800	116,224,900	165,052,500

Division of Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Child Support System Modernization			Self-Reliance Operations		
The department requests \$8 million in onetime operating expenditures for the third and final year of the Child Support Enforcement System (CSES) replacement. The request includes \$2.72 million from the General Fund. In 2016, the Legislature provided funding for the first year (of three) to transition the CSES off of the State Controller's mainframe and onto a server-based system. The department estimated that the change 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 made progress in the first year rewriting code, transferring to the new servers, and updating interfaces, forms, and notices. Programming for the second year was expected to update its current financial module and create new work-flow tools within the existing system. The third year of funding is expected to complete the automation and business design. The total project is estimated at \$24 million, or \$8 million each year in onetime appropriation.					
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. [Onetime]					
Agency Request	0.00	2,720,000	0	5,280,000	8,000,000
Governor's Recommendation	0.00	2,720,000	0	5,280,000	8,000,000
5. SNAP Employment & Training Svcs			Benefit Payments		
The department requests \$2 million in ongoing federal fund trustee and benefit payments for the Employment and Training (ET) Services Program related to the SNAP (food stamps) program. Idaho IDAPA rules 16.03.04.226-227 require individuals on SNAP to be working or engaged in a qualifying ET activity unless exempt due to a verified disability or caring for young children. This request provides additional funding to increase ET activities in Idaho. The department works with its SNAP recipients to connect them with community programs. The community programs in turn provide opportunities to gain skills, training, or experience that will improve employment prospects and reduce the reliance on SNAP benefits. With the requested funds, the community programs would be able to increase the number of participants or services provided. [Ongoing]					
Agency Request	0.00	0	0	2,000,000	2,000,000
Governor's Recommendation	0.00	0	0	2,000,000	2,000,000
30. Ongoing Object Transfer PC to OE			Self-Reliance Operations		
The department requests an ongoing object transfer of \$598,600 from personnel costs to operating expenditures. The transfer includes \$203,500 from the General Fund and \$395,100 from federal funds. The transfer is the result of operational savings that have been realized with new business processes in the Child Support Program, and the division is requesting to retain the moneys for operational needs. These savings in personnel costs are related to the 10.00 FTP that are requested to be transferred in supplemental appropriation 5. The department states that the transfer will allow the program to cover costs for new automation without making a request to the Legislature for new funding. This includes creating automated work flows in the child support system; building a case management function to allow staff the ability to quickly find assigned work; building a new notice function that will allow for customization in communication with related parties such as parents or employers; building a financial module that will allow staff to enter and adjust financial transactions in a streamlined way; and informing parents about payments and status updates. The department has indicated that, if the funds are not transferred and ultimately removed, there will be a corresponding request for operating expenditures in the FY 2020 budget. [Ongoing]					
Agency Request	0.00	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0

Division of Welfare

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	619.50	45,911,200	5,344,300	123,036,800	174,292,300
<i>Governor's Recommendation</i>	<i>619.50</i>	<i>46,186,800</i>	<i>5,360,800</i>	<i>123,504,900</i>	<i>175,052,500</i>
Agency Request					
Change from Original App	(11.05)	2,640,500	(2,286,600)	1,618,300	1,972,200
% Change from Original App	(1.8%)	6.1%	(30.0%)	1.3%	1.1%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>(11.05)</i>	<i>2,916,100</i>	<i>(2,270,100)</i>	<i>2,086,400</i>	<i>2,732,400</i>
<i>% Change from Original App</i>	<i>(1.8%)</i>	<i>6.7%</i>	<i>(29.7%)</i>	<i>1.7%</i>	<i>1.6%</i>

Healthcare Policy Initiatives

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	0	0	255,700	251,500	251,500
Federal	10,235,900	9,526,400	12,687,000	17,681,800	17,693,900
Total:	10,235,900	9,526,400	12,942,700	17,933,300	17,945,400
Percent Change:		(6.9%)	35.9%	38.6%	38.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	642,100	609,000	689,700	684,500	696,600
Operating Expenditures	9,593,800	7,152,100	11,378,000	16,373,800	16,373,800
Capital Outlay	0	300	0	0	0
Trustee/Benefit	0	1,765,000	875,000	875,000	875,000
Total:	10,235,900	9,526,400	12,942,700	17,933,300	17,945,400
Full-Time Positions (FTP)	7.00	7.00	7.60	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 2018 Original Appropriation	7.60	255,700	12,942,700	7.60	255,700	12,942,700
Removal of Onetime Expenditures	0.00	(4,200)	(4,200)	0.00	(4,200)	(4,200)
FY 2019 Base	7.60	251,500	12,938,500	7.60	251,500	12,938,500
Benefit Costs	0.00	0	(11,000)	0.00	0	(10,300)
Change in Employee Compensation	0.00	0	5,800	0.00	0	17,200
FY 2019 Program Maintenance	7.60	251,500	12,933,300	7.60	251,500	12,945,400
9. SHIP Grant	0.00	0	5,000,000	0.00	0	5,000,000
FY 2019 Total	7.60	251,500	17,933,300	7.60	251,500	17,945,400
Change from Original Appropriation	0.00	(4,200)	4,990,600	0.00	(4,200)	5,002,700
% Change from Original Appropriation		(1.6%)	38.6%		(1.6%)	38.7%

Healthcare Policy Initiatives

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	7.60	255,700	0	12,687,000	12,942,700

Removal of Onetime Expenditures

This decision unit removes \$4,200 of onetime appropriation that was provided to support the Telehealth Council.

Agency Request	0.00	(4,200)	0	0	(4,200)
Governor's Recommendation	0.00	(4,200)	0	0	(4,200)

FY 2019 Base					
Agency Request	7.60	251,500	0	12,687,000	12,938,500
Governor's Recommendation	7.60	251,500	0	12,687,000	12,938,500

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	0	(11,000)	(11,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	0	(10,300)	(10,300)
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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	0	0	5,800	5,800
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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	0	17,200	17,200
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FY 2019 Program Maintenance					
Agency Request	7.60	251,500	0	12,681,800	12,933,300
Governor's Recommendation	7.60	251,500	0	12,693,900	12,945,400

9. SHIP Grant

The department requests \$5,000,000 in onetime federal funds for the continuation of the Statewide Healthcare Innovation Plan (SHIP) Grant implementation. SHIP is intended to transform Idaho's healthcare system by changing the standard of practice, delivering primary care through the patient-centered medical home, integrating primary care with the broader medical neighborhood of hospitals and ancillary providers, and shifting payment incentives from volume to paying for improved health outcomes. This was developed with statewide stakeholder input led by the Idaho Healthcare Coalition (IHC) during 2013 and 2014. The plan is designed to achieve improved patient care, improved patient health, and reduced overall healthcare system costs. FY 2019 will be the fourth 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. This request is to align the appropriation with estimated spending of the grant. As of November 30, 2017, the department had spent \$18,945,900 of the \$40 million grant. The department has until January 31, 2019 to expend remaining funds of the grant. [Onetime]

Agency Request	0.00	0	0	5,000,000	5,000,000
Governor's Recommendation	0.00	0	0	5,000,000	5,000,000

FY 2019 Total					
Agency Request	7.60	251,500	0	17,681,800	17,933,300
Governor's Recommendation	7.60	251,500	0	17,693,900	17,945,400

Healthcare Policy Initiatives

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	(4,200)	0	4,994,800	4,990,600
% Change from Original App	0.0%	(1.6%)		39.4%	38.6%
Governor's Recommendation					
Change from Original App	0.00	(4,200)	0	5,006,900	5,002,700
% Change from Original App	0.0%	(1.6%)		39.5%	38.7%

Licensing and Certification

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	1,804,700	2,012,500	1,827,900	1,967,300	1,995,400
Dedicated	808,100	786,600	810,200	805,200	818,400
Federal	4,906,100	4,780,300	4,257,600	4,555,800	4,620,600
Total:	7,518,900	7,579,400	6,895,700	7,328,300	7,434,400
Percent Change:		0.8%	(9.0%)	6.3%	7.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	5,856,800	5,680,500	5,986,000	6,387,800	6,493,900
Operating Expenditures	1,662,100	1,893,300	909,700	933,000	933,000
Capital Outlay	0	5,600	0	7,500	7,500
Total:	7,518,900	7,579,400	6,895,700	7,328,300	7,434,400
Full-Time Positions (FTP)	67.90	67.90	67.90	72.90	72.90

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 2018 Original Appropriation	67.90	1,827,900	6,895,700	67.90	1,827,900	6,895,700
Noncognizable Funds and Transfers	2.00	58,100	193,800	2.00	58,100	193,800
FY 2018 Estimated Expenditures	69.90	1,886,000	7,089,500	69.90	1,886,000	7,089,500
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	69.90	1,886,000	7,089,500	69.90	1,886,000	7,089,500
Benefit Costs	0.00	(23,300)	(89,600)	0.00	(21,800)	(83,800)
Statewide Cost Allocation	0.00	(300)	(700)	0.00	(300)	(700)
Change in Employee Compensation	0.00	13,500	52,200	0.00	37,700	145,300
FY 2019 Program Maintenance	69.90	1,875,900	7,051,400	69.90	1,901,600	7,150,300
11. New Surveyors - Asst Living Facilities	3.00	91,400	276,900	3.00	93,800	284,100
FY 2019 Total	72.90	1,967,300	7,328,300	72.90	1,995,400	7,434,400
Change from Original Appropriation	5.00	139,400	432,600	5.00	167,500	538,700
% Change from Original Appropriation		7.6%	6.3%		9.2%	7.8%

Licensing and Certification

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	67.90	1,827,900	810,200	4,257,600	6,895,700

Noncognizable Funds and Transfers

This decision unit transfers 2.00 FTP and \$193,800 from Child Welfare to Licensing and Certification to align the Children's Licensing Unit (CLU) with other licensing and regulatory functions. The department moved the CLU in 2016 to be physically located at the Licensing and Certification division where the staff were managed by the licensing division through a memorandum of understanding. The budgetary control continued to reside in the Child Welfare Division. This request would align the operations and appropriation. The move was originally made to separate the regulatory function from the operations portion of Child Welfare. This transfer was approved by the Division of Financial Management on October 23, 2017.

Agency Request	2.00	58,100	0	135,700	193,800
<i>Governor's Recommendation</i>	2.00	58,100	0	135,700	193,800

FY 2018 Estimated Expenditures					
Agency Request	69.90	1,886,000	810,200	4,393,300	7,089,500
<i>Governor's Recommendation</i>	69.90	1,886,000	810,200	4,393,300	7,089,500

Base Adjustments

This decision unit restores 2.00 FTP and \$193,800 to the Child Welfare Program. This decision unit also transfers the same positions back to Licensing and Certification on an ongoing basis to align the Children's Licensing Unit (CLU) with other licensing and regulatory functions.

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 2019 Base					
Agency Request	69.90	1,886,000	810,200	4,393,300	7,089,500
<i>Governor's Recommendation</i>	69.90	1,886,000	810,200	4,393,300	7,089,500

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(23,300)	(12,000)	(54,300)	(89,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	0.00	(21,800)	(11,200)	(50,800)	(83,800)
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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 costs will decrease by \$700.

Agency Request	0.00	(300)	0	(400)	(700)
<i>Governor's Recommendation</i>	0.00	(300)	0	(400)	(700)

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	13,500	7,000	31,700	52,200
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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>	0.00	37,700	19,400	88,200	145,300
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Licensing and Certification

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Program Maintenance					
Agency Request	69.90	1,875,900	805,200	4,370,300	7,051,400
<i>Governor's Recommendation</i>	<i>69.90</i>	<i>1,901,600</i>	<i>818,400</i>	<i>4,430,300</i>	<i>7,150,300</i>

11. New Surveyors - Asst Living Facilities

The department requests 3.00 FTP and \$276,900 to hire three new surveyors to work with assisted living facilities (ALF). ALFs 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 ALFs than in nursing homes, certified family homes, and intermediate care facilities combined. The population of an ALF consists of about 80% being elderly, 33% having Alzheimer's disease or dementia, 13% having a different mental illness, and 3% having an intellectual disability. Currently there are 278 licensed facilities that serve patients in 360 buildings and 10,005 licensed beds. In the past three years, the number of occupied beds has averaged about 75% of capacity, statewide. The licensing and oversight of the ALFs is done by nine permanent surveyors and temporary staff as needed and as available. Work conducted by staff includes initial surveys, complaint investigations and follow-ups, recertification of facilities and buildings, phone support, and technical assistance.

This request is to hire three individuals at \$29.83 per hour, plus benefits. To cover staffing shortages, the department will hire temporary staff at salary only rates ranging from \$26 per hour to \$30.46 per hour. The actual rate paid varies by candidate and applicable skills and degrees. [Ongoing]

Agency Request	3.00	91,400	0	185,500	276,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
<i>Governor's Recommendation</i>	<i>3.00</i>	<i>93,800</i>	<i>0</i>	<i>190,300</i>	<i>284,100</i>

FY 2019 Total					
Agency Request	72.90	1,967,300	805,200	4,555,800	7,328,300
<i>Governor's Recommendation</i>	<i>72.90</i>	<i>1,995,400</i>	<i>818,400</i>	<i>4,620,600</i>	<i>7,434,400</i>

Agency Request					
Change from Original App	5.00	139,400	(5,000)	298,200	432,600
% Change from Original App	7.4%	7.6%	(0.6%)	7.0%	6.3%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>5.00</i>	<i>167,500</i>	<i>8,200</i>	<i>363,000</i>	<i>538,700</i>
<i>% Change from Original App</i>	<i>7.4%</i>	<i>9.2%</i>	<i>1.0%</i>	<i>8.5%</i>	<i>7.8%</i>

Public Health Districts

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	9,289,500	9,289,500	9,341,700	9,251,300	9,389,600
Dedicated	750,000	743,300	750,000	750,000	750,000
Total:	10,039,500	10,032,800	10,091,700	10,001,300	10,139,600
Percent Change:		(0.1%)	0.6%	(0.9%)	0.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	8,292,200	8,292,200	8,746,300	8,626,900	8,783,700
Operating Expenditures	997,300	997,300	1,345,400	1,374,400	1,355,900
Lump Sum	750,000	743,300	0	0	0
Total:	10,039,500	10,032,800	10,091,700	10,001,300	10,139,600

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 and Welfare and other state entities to deliver services and disburse public information to local communities.

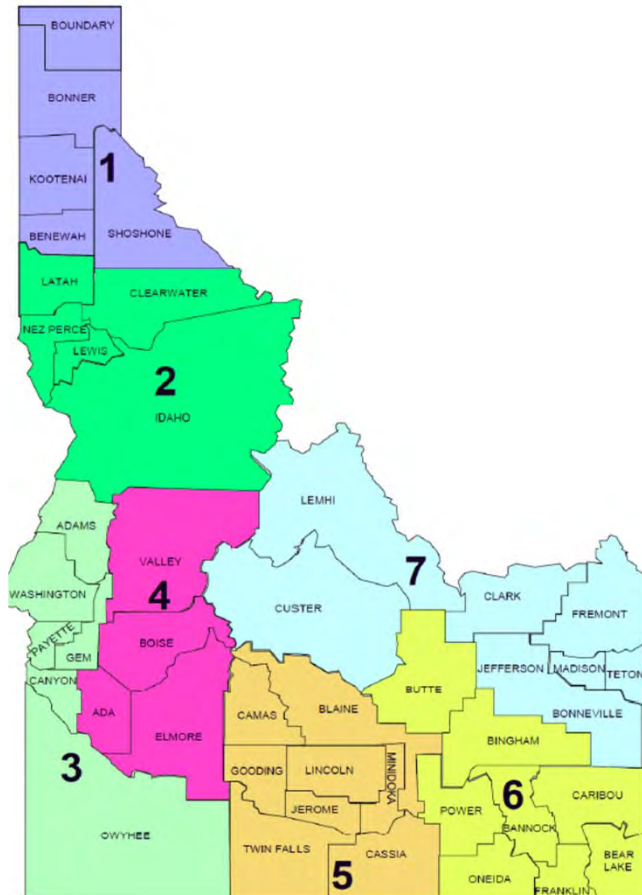
Public Health Districts

Agency Profile

Organization

Analyst: Tatro

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
Emmett
Weiser
Caldwell
Homedale

Health District 4

Boise
McCall
Mountain Home

Health District 6

Malad Montpelier
Pocatello Blackfoot
Preston Soda Springs
Arco American Falls
Aberdeen Fort Hall

Health District 5

Twin Falls
Heyburn
Jerome
Shoshone
Bellevue
Gooding

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/Other	
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	632.06	9,289,500	750,000	8,768,600	27,778,800	11,762,100	58,349,000
FY 2018*	632.06	9,341,700	750,000	9,093,100	27,547,600	14,298,600	61,031,000
FY 2019*	627.39	9,244,600	750,000	9,040,700	27,345,700	12,459,800	58,840,800

* As indicated in the budget request for FY 2019.

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 Section 39-425, Idaho Code, districts must budget for employee participation in the state's retirement system and 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 its Board 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 Idaho 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.

Each of the seven district budgets is combined into a single budget request that is made to the state for the state funds required in Section 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 and grants with the Department of Environmental Quality, Department of Health and Welfare, local grants applied for and received, private donations; fees for services provided; third party insurance reimbursements; Medicare; and Medicaid.

State Appropriations

Pursuant to Section 39-425, Idaho Code, the Public Health Districts' budget request shall include a minimum of 67% of the amounts pledged by each county for taxes raised pursuant to Section 31-862, Idaho Code.

General Fund Appropriation and Transfer to Public Health District Fund, Section 39-422, Idaho Code
-Half of the appropriated funds are distributed in July and half are distributed in January.

The Board of Trustees, as established in Section 39-411, Idaho Code, are the seven members (one per district) that allocate the appropriation to the districts, in accordance with Section 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 is the same percentage that was 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. For FY 2019, the formula is expected to change again to include a more complex set of criteria.

Starting in FY 2018, the Health Districts were appropriated ongoing Millennium Income Funds.

Public Health Districts

Funding Formula and General Fund Allocation

Analyst: Tatro

For FY 2018, the formula is the same percentage that was 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.

Base Amount

	Percent of Total	Funding Split
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

County Contribution (67% of the appropriated amount greater than the FY 2017 Total Appropriation)

	Pledged Amount	Percent of Total	Funding Split
District 1	\$1,195,560	13.5%	\$4,713
District 2	\$797,229	9.0%	\$3,143
District 3	\$1,263,970	14.2%	\$4,983
District 4	\$2,231,487	25.2%	\$8,796
District 5	\$1,150,138	13.0%	\$4,534
District 6	\$1,145,747	12.9%	\$4,517
District 7	\$1,088,061	12.3%	\$4,289
State Total	\$8,872,192	100%	\$34,974

Population (33% of the appropriated amount greater than the FY 2017 Total Appropriation)

	3-Year Avg	Percent of Total	Funding Split
District 1	225,492	13.6%	\$2,343
District 2	107,496	6.5%	\$1,117
District 3	272,604	16.4%	\$2,833
District 4	477,965	28.8%	\$4,967
District 5	192,279	11.6%	\$1,998
District 6	169,366	10.2%	\$1,760
District 7	212,309	12.8%	\$2,206
State Total	1,657,511	100%	\$17,226

Total FY 2018 General Fund Allocation, Rounded

	Percent of Total	Total Amount
District 1	13.5%	\$1,260,600
District 2	9.5%	\$889,300
District 3	14.9%	\$1,394,800
District 4	23.6%	\$2,206,400
District 5	12.9%	\$1,204,400
District 6	12.8%	\$1,192,400
District 7	12.8%	\$1,193,800
State Total	100%	\$9,341,700

Public Health Districts

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	9,341,700	10,091,700	0.00	9,341,700	10,091,700
FY 2019 Base	0.00	9,341,700	10,091,700	0.00	9,341,700	10,091,700
Benefit Costs	0.00	(184,200)	(190,300)	0.00	(163,700)	(169,300)
Inflationary Adjustments	0.00	19,600	19,600	0.00	8,600	8,600
Statewide Cost Allocation	0.00	6,700	6,700	0.00	6,700	6,700
Change in Employee Compensation	0.00	67,500	70,900	0.00	196,300	206,700
Millennium Income Fund Adjustment	0.00	0	2,700	0.00	0	(4,800)
FY 2019 Total	0.00	9,251,300	10,001,300	0.00	9,389,600	10,139,600
Change from Original Appropriation	0.00	(90,400)	(90,400)	0.00	47,900	47,900
% Change from Original Appropriation		(1.0%)	(0.9%)		0.5%	0.5%

Public Health Districts

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	9,341,700	750,000	0	10,091,700
FY 2019 Base					
Agency Request	0.00	9,341,700	750,000	0	10,091,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,341,700</i>	<i>750,000</i>	<i>0</i>	<i>10,091,700</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency. Benefit changes associated with the General Fund and Millennium Income Fund account for 19.1% of all benefit changes or the equivalent of about 120.00 FTP.

Agency Request	0.00	(184,200)	(6,100)	0	(190,300)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(163,700)</i>	<i>(5,600)</i>	<i>0</i>	<i>(169,300)</i>
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Inflationary Adjustments

The Public Health Districts request \$19,600 for increased costs related to medical expenses and general operations. The request includes \$8,600 related to medical supplies, and \$11,000 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	19,600	0	0	19,600
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The Governor recommends funding for medical inflation only.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>8,600</i>	<i>0</i>	<i>0</i>	<i>8,600</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 costs will decrease by \$2,500 and State Controller fees will increase by \$9,200, for a net increase of \$6,700. The overall indirect cost recovery amount for all SWCAP programs and for all appropriated and non-appropriated funds will be an increase of \$40,200. The Health Districts have an indirect cost recovery total base amount of \$499,600 with about 9% allocated to the General Fund.

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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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 and Millennium Income Fund portion of a 1% calculation.

Agency Request	0.00	67,500	3,400	0	70,900
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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. The Governor recommends the pay structure for state employees be moved by 3% and includes \$800 from the General Fund for that purpose.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>196,300</i>	<i>10,400</i>	<i>0</i>	<i>206,700</i>
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Public Health Districts

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Millennium Income Fund Adjustment					
This adjustment adds \$2,700 in ongoing operating expenditures in the Millennium Income Fund to keep the overall amount at \$750,000, as was recommended by the Joint Legislative Millennium Fund Committee.					
This adjustment is made in accordance with other maintenance level adjustments in personnel costs.					
Agency Request	0.00	0	2,700	0	2,700
<i>The Governor recommends an ongoing reduction of \$4,800 in operating expenditures to keep the total Millennium Income Fund grant at \$750,000.</i>					
Governor's Recommendation	0.00	0	(4,800)	0	(4,800)
FY 2019 Total					
Agency Request	0.00	9,251,300	750,000	0	10,001,300
Governor's Recommendation	0.00	9,389,600	750,000	0	10,139,600
Agency Request					
Change from Original App	0.00	(90,400)	0	0	(90,400)
% Change from Original App		(1.0%)	0.0%		(0.9%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	47,900	0	0	47,900
% Change from Original App		0.5%	0.0%		0.5%

State Independent Living Council

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	124,100	124,100	214,700	221,500	223,700
Dedicated	351,700	283,100	353,000	351,600	356,400
Federal	173,400	1,500	173,400	118,200	117,700
Total:	649,200	408,700	741,100	691,300	697,800
Percent Change:		(37.0%)	81.3%	(6.7%)	(5.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	353,800	279,100	427,200	424,500	431,000
Operating Expenditures	194,800	128,100	213,300	216,500	216,500
Trustee/Benefit	100,600	1,500	100,600	50,300	50,300
Total:	649,200	408,700	741,100	691,300	697,800
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 across disabilities and age a greater voice in obtaining services that are consumer-responsive, cost-effective, and community-based. SILC is a mandatory state agency if Idaho wishes to receive federal financial assistance under Title VII of the Federal Rehabilitation Act. As provided in Section 56-1201, Idaho Code, "[i]t 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 in cooperation with the Centers for Independent Living (CILs); developing, submitting, monitoring, and evaluating the State Plan for Independent Living (SPIL) for people with disabilities; supporting local services and advocating for independent living services provided through state and federal programming; gathering and disseminating information; conducting training; and pursuing 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. The 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. 796(d) and 34 CFR 364.21. 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 and advocate with decision makers; 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

Analyst: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	4.00	214,700	741,100	4.00	214,700	741,100
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	4.00	214,700	741,100	4.00	214,700	741,100
Base Adjustments	0.00	0	(55,700)	0.00	0	(55,700)
FY 2019 Base	4.00	214,700	685,400	4.00	214,700	685,400
Benefit Costs	0.00	(2,800)	(6,400)	0.00	(2,400)	(5,600)
Inflationary Adjustments	0.00	700	700	0.00	700	700
Statewide Cost Allocation	0.00	0	0	0.00	0	0
Change in Employee Compensation	0.00	1,000	3,700	0.00	2,800	9,400
FY 2019 Program Maintenance	4.00	213,600	683,400	4.00	215,800	689,900
1. Title VII Grant Administrative Fee	0.00	6,600	6,600	0.00	6,600	6,600
2. IT/Telecommunications	0.00	1,300	1,300	0.00	1,300	1,300
FY 2019 Total	4.00	221,500	691,300	4.00	223,700	697,800
Change from Original Appropriation	0.00	6,800	(49,800)	0.00	9,000	(43,300)
% Change from Original Appropriation		3.2%	(6.7%)		4.2%	(5.8%)

State Independent Living Council

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	4.00	214,700	353,000	173,400	741,100

Noncognizable Funds and Transfers

This FTP adjustment moves 0.09 FTP from the State Independent Living Council Dedicated Fund to the General Fund, with no transfer of any associated personnel costs.

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 Estimated Expenditures					
Agency Request	4.00	214,700	353,000	173,400	741,100
Governor's Recommendation	4.00	214,700	353,000	173,400	741,100

Base Adjustments

This decision unit reduces the Federal Grant Fund by \$55,700 to better reflect available funds. Currently \$173,400 is the FY 2018 Base for the Federal Grant Fund; this request would reduce the FY 2019 Base by 32% to \$117,700.

Agency Request	0.00	0	0	(55,700)	(55,700)
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Governor's Recommendation	0.00	0	0	(55,700)	(55,700)
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FY 2019 Base					
Agency Request	4.00	214,700	353,000	117,700	685,400
Governor's Recommendation	4.00	214,700	353,000	117,700	685,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(2,800)	(3,600)	0	(6,400)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund.

Governor's Recommendation	0.00	(2,400)	(3,200)	0	(5,600)
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Inflationary Adjustments

The agency requests \$700 in ongoing operating expenditures from the General Fund for a 3% lease contract inflation for office space. The agency currently pays \$24,000 per year, and this rate will increase \$700 in FY 2019, for a total of \$24,700.

Agency Request	0.00	700	0	0	700
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Governor's Recommendation	0.00	700	0	0	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 costs will decrease by \$100 and State Controller fees will increase by \$100, for a net change of zero.

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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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	1,000	2,200	500	3,700
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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	2,800	6,600	0	9,400
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State Independent Living Council

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Program Maintenance					
Agency Request	4.00	213,600	351,600	118,200	683,400
<i>Governor's Recommendation</i>	<i>4.00</i>	<i>215,800</i>	<i>356,400</i>	<i>117,700</i>	<i>689,900</i>

1. Title VII Grant Administrative Fee

The agency requests \$6,600 in ongoing operating expenditures from the General Fund for a 5% administrative fee on SILC's Title VII grant imposed by the Idaho Division of Vocational Rehabilitation (IDVR). This fee is implemented by the IDVR in FY 2018 to cover ongoing monitoring and disbursement of grant funds. SILC receives its formula-driven Title VII grant as a pass-through from the IDVR. This additional fee is new, and the amount is not currently in SILC's FY 2019 Base. SILC will absorb the fee for FY 2018 by cutting travel for the program manager and making other reductions in service.

Agency Request	0.00	6,600	0	0	6,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,600</i>	<i>0</i>	<i>0</i>	<i>6,600</i>

2. IT/Telecommunications

SILC requests \$1,300 in ongoing operating expenditures from the General Fund for information technology-related items that include \$1,000 for five Microsoft Office 365 software annual subscriptions, and \$300 for the agency's allocation of the internet/security and state network incremental growth.

On recommendation by the Office of the Chief Information Officer within the Department of Administration, agencies are moving from physical server email services to cloud-based systems. This request covers the cost of Microsoft Office 365 email/calendar/contacts annual subscriptions. This subscription includes access to programs such as Outlook, Word, and Excel as well as integrated Skype video/instant messaging and OneDrive (user cloud storage). Additionally, the request includes funds for the incremental growth in the cost of cybersecurity for state network systems. Along with covering increased costs of maintenance and operations, the funds will cover penetration testing and vulnerability scanning which are two functions required by Executive Order No. 2017-02.

Agency Request	0.00	1,300	0	0	1,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,300</i>	<i>0</i>	<i>0</i>	<i>1,300</i>

FY 2019 Total					
Agency Request	4.00	221,500	351,600	118,200	691,300
<i>Governor's Recommendation</i>	<i>4.00</i>	<i>223,700</i>	<i>356,400</i>	<i>117,700</i>	<i>697,800</i>

Agency Request					
Change from Original App	0.00	6,800	(1,400)	(55,200)	(49,800)
% Change from Original App	0.0%	3.2%	(0.4%)	(31.8%)	(6.7%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>9,000</i>	<i>3,400</i>	<i>(55,700)</i>	<i>(43,300)</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>4.2%</i>	<i>1.0%</i>	<i>(32.1%)</i>	<i>(5.8%)</i>

Idaho Legislative Budget Book

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Idaho Legislative Budget Book

Department of Correction

2018 Legislative Session

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Department of Correction

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Management Services	15,841,700	15,154,900	15,806,200	23,329,500	15,872,800
State Prisons	118,925,000	117,008,200	119,693,500	123,689,600	122,570,300
County & Out-of-State Placement	10,552,700	9,740,700	11,460,000	16,626,600	16,626,600
Alternative Placement	9,583,800	9,446,500	9,801,800	9,986,500	9,986,500
Community Corrections	32,295,000	31,776,900	33,651,200	37,644,000	35,434,100
Community-Based Substance Abuse	9,671,100	9,508,500	9,717,000	10,827,900	10,853,300
Medical Services	44,930,200	44,322,500	43,674,200	50,404,600	49,696,900
Pardons & Parole	2,969,000	2,858,000	3,319,500	3,360,700	3,364,400
Total:	244,768,500	239,816,200	247,123,400	275,869,400	264,404,900
BY FUND CATEGORY					
General	214,663,200	211,859,900	220,432,300	251,422,000	239,713,700
Dedicated	28,795,800	26,874,800	25,373,400	22,884,900	23,123,700
Federal	1,309,500	1,081,500	1,317,700	1,562,500	1,567,500
Total:	244,768,500	239,816,200	247,123,400	275,869,400	264,404,900
Percent Change:		(2.0%)	3.0%	11.6%	7.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	133,559,100	131,663,200	136,561,200	136,523,500	137,697,800
Operating Expenditures	96,025,400	92,542,000	97,689,200	121,633,700	111,528,100
Capital Outlay	7,038,500	7,485,000	4,691,000	8,400,900	5,867,700
Trustee/Benefit	6,286,300	8,126,000	6,322,800	9,311,300	9,311,300
Lump Sum	1,859,200	0	1,859,200	0	0
Total:	244,768,500	239,816,200	247,123,400	275,869,400	264,404,900
Full-Time Positions (FTP)	2,005.85	2,005.85	2,024.85	2,062.85	2,039.85

Department Description

The department performs the functions of the constitutionally created Board of Correction and the statutorily created Commission of 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 23,000 offenders in the state of Idaho.

The Governor appoints the seven members of the Commission of 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 2018 Original Appropriation	2,024.85	220,432,300	247,123,400	2,024.85	220,432,300	247,123,400
Reappropriation	0.00	169,600	354,600	0.00	169,600	354,600
Supplementals						
Management Services						
3. Attorney & Audit Fees for Balla	0.00	242,100	242,100	0.00	491,000	491,000
4. IT/Telecommunications	0.00	29,600	29,600	0.00	0	0
7. Offender Management System	0.00	0	0	0.00	15,782,000	15,782,000
9. Attorney Fees for Bartlett	0.00	38,500	38,500	0.00	38,500	38,500
State Prisons						
1. Facility Expansions	0.00	111,800	147,800	0.00	111,800	147,800
County & Out-of-State Placement						
6. Population-Driven Costs	0.00	1,097,700	1,097,700	0.00	1,097,700	1,097,700
Correctional Alternative Placement						
6. Population-Driven Costs	0.00	0	0	0.00	0	0
Community Corrections						
1. Facility Expansions	0.00	233,100	335,700	0.00	233,100	335,700
7. D1 PPO Office Expansion	0.00	104,200	104,200	0.00	0	0
8. Maximizing State Reforms Grant	6.00	0	561,700	6.00	0	561,700
Community-Based Substance Abuse Treatm						
2. SUD Services for RTR	0.00	236,700	236,700	0.00	236,700	236,700
Medical Services						
5. Hepatitis-C Treatment	0.00	2,979,000	2,979,000	0.00	2,979,000	2,979,000
6. Population-Driven Costs	0.00	939,100	939,100	0.00	939,100	939,100
Rescissions						
State Prisons						
1. SCAAP Rescission	0.00	0	(170,200)	0.00	0	(170,200)
Community Corrections						
1. SCAAP Rescission	0.00	0	(66,700)	0.00	0	(66,700)
Cash Transfers & Adjustments	0.00	0	0	0.00	0	0
FY 2018 Total Appropriation	2,030.85	226,613,700	253,953,200	2,030.85	242,510,800	269,850,300
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	2,030.85	226,613,700	253,953,200	2,030.85	242,510,800	269,850,300
Removal of Onetime Expenditures	0.00	(2,920,700)	(8,031,700)	0.00	(18,912,800)	(24,023,800)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	2,030.85	223,693,000	245,921,500	2,030.85	223,598,000	245,826,500
Benefit Costs	0.00	(2,898,200)	(3,187,600)	0.00	(2,549,600)	(2,817,400)
Inflationary Adjustments	0.00	185,600	195,900	0.00	251,000	261,300
Replacement Items	0.00	5,757,100	6,974,200	0.00	3,746,400	4,963,500
Statewide Cost Allocation	0.00	(99,500)	(108,800)	0.00	(99,500)	(108,800)
Annualizations	0.00	14,800	84,100	0.00	14,800	84,100
Change in Employee Compensation	0.00	993,900	1,103,800	0.00	2,989,000	3,315,200
FY 2019 Program Maintenance	2,030.85	227,646,700	250,983,100	2,030.85	227,950,100	251,524,400
Line Items						
Management Services						
1. Offender Management System	0.00	7,016,000	7,016,000	0.00	0	0
9. Time-Tracking System	0.00	397,300	397,300	0.00	0	0
13. Data Storage	0.00	230,000	230,000	0.00	0	0
26. IT/Telecommunications	0.00	0	0	0.00	29,600	29,600
State Prisons						
2. Facility Expansions	3.00	591,800	679,400	3.00	595,000	682,800
7. Security Cameras	0.00	810,200	810,200	0.00	0	0
10. PREA Screenings	5.00	400,800	400,800	0.00	0	0
11. Rec Area & Staff	3.00	216,300	216,300	0.00	0	0

Department of Correction

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
12. Program Manager	1.00	88,900	88,900	0.00	0	0
14. Discretionary Funds	0.00	0	228,000	0.00	0	228,000
15. Common Fare No-Touch Menu	0.00	660,300	660,300	0.00	660,300	660,300
16. Instructional Assistants	2.00	0	0	2.00	0	0
17. Rec Area Slab & Cover	0.00	0	91,500	0.00	0	91,500
18. Catering Units	0.00	0	381,000	0.00	0	381,000
19. Rec Area at SBWCC	0.00	0	37,000	0.00	0	37,000
20. Instructor for SAWC	1.00	80,400	80,400	0.00	0	0
County & Out-of-State Placement						
21. Population-Driven Costs	0.00	4,068,900	4,068,900	0.00	4,068,900	4,068,900
Correctional Alternative Placement						
23. Population-Driven Costs	0.00	184,700	184,700	0.00	184,700	184,700
Community Corrections						
2. Facility Expansions	4.00	1,256,900	1,542,800	4.00	1,256,900	1,548,500
3. Probation & Parole Officers	12.00	1,054,600	1,054,600	0.00	0	0
5. Transitional Housing	0.00	650,000	650,000	0.00	0	0
8. Electronic Monitoring	1.00	351,100	351,100	0.00	0	0
15. Common Fare No-Touch Menu	0.00	27,800	27,800	0.00	27,800	27,800
Community-Based Substance Abuse Treatm						
4. Millennium Fund Replacement	0.00	1,859,200	1,859,200	0.00	1,859,200	1,859,200
24. SUDS Provider Rate Increase	0.00	218,900	218,900	0.00	218,900	218,900
25. SUD Services for RTR	0.00	710,200	710,200	0.00	710,200	710,200
Medical Services						
6. Mental Health Unit Expansion	0.00	751,400	751,400	0.00	751,400	751,400
10. PREA Screenings	0.00	135,000	135,000	0.00	0	0
22. Population-Driven Costs	0.00	1,925,900	1,925,900	0.00	1,353,200	1,353,200
Commission of Pardons & Parole						
1. Office Lease Costs	0.00	47,500	47,500	0.00	47,500	47,500
2. Commissioner Pay	0.00	23,700	23,700	0.00	0	0
3. Commissioner Prof Development	0.00	8,000	8,000	0.00	0	0
4. Database Maintenance Costs	0.00	9,500	9,500	0.00	0	0
FY 2019 Total	2,062.85	251,422,000	275,869,400	2,039.85	239,713,700	264,404,900
Chg from FY 2018 Orig Approp.	38.00	30,989,700	28,746,000	15.00	19,281,400	17,281,500
% Chg from FY 2018 Orig Approp.	1.9%	14.1%	11.6%	0.7%	8.7%	7.0%

Management Services

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	14,302,100	13,773,900	14,473,500	22,010,400	14,536,000
Dedicated	1,539,600	1,381,000	1,332,700	1,319,100	1,336,800
Total:	15,841,700	15,154,900	15,806,200	23,329,500	15,872,800
Percent Change:		(4.3%)	4.3%	47.6%	0.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	10,981,900	10,415,600	10,980,900	10,866,900	11,064,600
Operating Expenditures	4,320,500	4,087,100	4,695,500	12,098,900	4,784,900
Capital Outlay	539,300	652,200	129,800	363,700	23,300
Total:	15,841,700	15,154,900	15,806,200	23,329,500	15,872,800
Full-Time Positions (FTP)	142.00	142.00	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 and 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 2018 Original Appropriation	142.00	14,473,500	15,806,200	142.00	14,473,500	15,806,200
Reappropriation	0.00	169,600	354,600	0.00	169,600	354,600
3. Attorney & Audit Fees for Balla	0.00	242,100	242,100	0.00	491,000	491,000
4. IT/Telecommunications	0.00	29,600	29,600	0.00	0	0
7. Offender Management System	0.00	0	0	0.00	15,782,000	15,782,000
9. Attorney Fees for Bartlett	0.00	38,500	38,500	0.00	38,500	38,500
FY 2018 Total Appropriation	142.00	14,953,300	16,471,000	142.00	30,954,600	32,472,300
Removal of Onetime Expenditures	0.00	(1,011,800)	(1,196,800)	0.00	(17,042,700)	(17,227,700)
Base Adjustments	0.00	55,000	55,000	0.00	55,000	55,000
FY 2019 Base	142.00	13,996,500	15,329,200	142.00	13,966,900	15,299,600
Benefit Costs	0.00	(183,300)	(206,300)	0.00	(168,200)	(192,100)
Inflationary Adjustments	0.00	4,400	4,400	0.00	4,400	4,400
Replacement Items	0.00	391,500	391,500	0.00	380,400	380,400
Statewide Cost Allocation	0.00	75,100	75,100	0.00	75,100	75,100
Change in Employee Compensation	0.00	82,900	92,300	0.00	247,800	275,800
FY 2019 Program Maintenance	142.00	14,367,100	15,686,200	142.00	14,506,400	15,843,200
1. Offender Management System	0.00	7,016,000	7,016,000	0.00	0	0
9. Time-Tracking System	0.00	397,300	397,300	0.00	0	0
13. Data Storage	0.00	230,000	230,000	0.00	0	0
26. IT/Telecommunications	0.00	0	0	0.00	29,600	29,600
FY 2019 Total	142.00	22,010,400	23,329,500	142.00	14,536,000	15,872,800
Change from Original Appropriation	0.00	7,536,900	7,523,300	0.00	62,500	66,600
% Change from Original Appropriation		52.1%	47.6%		0.4%	0.4%

Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	142.00	14,473,500	1,332,700	0	15,806,200

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation related to the offender management system evaluation from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	169,600	185,000	0	354,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>169,600</i>	<i>185,000</i>	<i>0</i>	<i>354,600</i>

3. Attorney & Audit Fees for Balla

This supplemental request is for \$242,100 in onetime 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 (Balla) 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 was a final follow-up audit in September of 2017, which cost \$36,400. Also, the department is required to pay the plaintiffs' attorney fees associated with the ongoing monitoring of the lawsuit. The department was billed \$205,700 for the plaintiffs' attorney fees that accrued from April 1, 2016 through January 1, 2017.

Agency Request	0.00	242,100	0	0	242,100
<i>The Governor recommends an additional \$248,900 for Balla attorney fees.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>491,000</i>	<i>0</i>	<i>0</i>	<i>491,000</i>

4. IT/Telecommunications

This supplemental request is for \$29,600 in ongoing operating expenditures from the General Fund to cover charges related to the Idaho Technology Authority (ITA). According to the department, these funds would cover part of the cost of maintenance and operations for state internet/security, network infrastructure, and staff. The increase in the FY 2018 billings covers the incremental growth in the cost of cybersecurity infrastructure. In addition to maintenance and operations for internet/security and the state network, IT-supported agency billings will also include penetration testing and vulnerability scanning, two critical cybersecurity functions now required by Executive Order No. 2017-02.

Agency Request	0.00	29,600	0	0	29,600
<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>

7. Offender Management System

Management Services

Agency Request	0.00	0	0	0	0
<i>The Governor recommends funding the entire projected three-year cost (\$15,552,000) of replacing the department's offender management system (OMS) up-front as a onetime FY 2018 supplemental appropriation with carryover authority. The Governor also recommends an additional \$230,000 in onetime capital outlay for data storage, as requested in line item 13.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>15,782,000</i>	<i>0</i>	<i>0</i>	<i>15,782,000</i>

Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. Attorney Fees for Bartlett

The department requests \$38,500 in onetime operating expenditures from the General Fund to pay the plaintiffs' attorneys fees in the Bill Bartlett et al. v. Henry Atencio et al. (Bartlett) court case. On May 3, 2017, the plaintiffs filed a complaint alleging in relevant part that, by failing to accommodate the plaintiffs' religious dietary needs related to kosher meals, the department violated their rights under the Free Exercise Clause of the First Amendment, as incorporated against the state of Idaho under the Fourteenth Amendment. On August 11, 2017, the parties stipulated to an Order of Partial Dismissal with Retained Jurisdiction, which provided that the relevant claims for relief would be dismissed pursuant to a settlement agreement. The stipulation further provided that the issue of costs and attorney fees related to the relevant claims for relief would be resolved by separate agreement or by the court. On September 18, 2017, the department offered to settle the issue of costs and attorney fees related to the relevant claims for relief. On October 3, 2017, the plaintiffs filed an Acceptance of Offer of Judgment, and on October 4, 2017, the court entered a judgment requiring the department to pay \$93,000 for costs and attorney fees. Of this amount, \$54,500 will be paid by Risk Management within the Department of Administration, leaving \$38,500 to be paid by the department.

Agency Request	0.00	38,500	0	0	38,500
Governor's Recommendation	0.00	38,500	0	0	38,500

FY 2018 Total Appropriation

Agency Request	142.00	14,953,300	1,517,700	0	16,471,000
Governor's Recommendation	142.00	30,954,600	1,517,700	0	32,472,300

Removal of Onetime Expenditures

This decision unit removes onetime amounts appropriated in FY 2018 for replacement items, line items, reappropriations, and supplemental appropriations.

Agency Request	0.00	(1,011,800)	(185,000)	0	(1,196,800)
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The difference between the request and the recommendation is attributable to the additional supplemental appropriations included in the Governor's recommendation.

Governor's Recommendation	0.00	(17,042,700)	(185,000)	0	(17,227,700)
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Base Adjustments

Ongoing base adjustments include a reallocation of ongoing General Fund operating expenditures between programs to align the appropriation with functional needs. These adjustments net to zero department-wide. For training costs, \$14,200 from the Idaho State Correctional Institution, \$13,500 from the Idaho State Correctional Center, \$5,300 from the Idaho Correctional Institution-Orofino, \$6,600 from the Idaho Maximum Security Institution, \$3,000 from the North Idaho Correctional Institution, \$4,800 from the South Idaho Correctional Institution, \$1,800 from the St. Anthony Work Camp, \$3,700 from the Pocatello Women's Correctional Center, and \$2,100 from the South Boise Women's Correctional Center would be transferred to Management Services.

Agency Request	0.00	55,000	0	0	55,000
Governor's Recommendation	0.00	55,000	0	0	55,000

FY 2019 Base

Agency Request	142.00	13,996,500	1,332,700	0	15,329,200
Governor's Recommendation	142.00	13,966,900	1,332,700	0	15,299,600

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(183,300)	(23,000)	0	(206,300)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(168,200)	(23,900)	0	(192,100)
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Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					
The agency is requesting \$4,400 in ongoing operating expenditures from the General Fund for contract inflation for Relias, the agency's online employee education system.					
Agency Request	0.00	4,400	0	0	4,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,400</i>	<i>0</i>	<i>0</i>	<i>4,400</i>
Replacement Items					
Requested replacement items include \$338,200 for computer equipment; \$23,300 for a sedan; and \$30,000 for software upgrades, for a total of \$391,500 from the General Fund.					
Agency Request	0.00	391,500	0	0	391,500
<i>For replacement items, the Governor recommends \$380,400 from the General Fund.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>380,400</i>	<i>0</i>	<i>0</i>	<i>380,400</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 increase by \$58,000, risk management costs will decrease by \$13,500, and State Controller fees will increase by \$30,600, for a net increase of \$75,100.					
Agency Request	0.00	75,100	0	0	75,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>75,100</i>	<i>0</i>	<i>0</i>	<i>75,100</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	82,900	9,400	0	92,300
<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 \$1,700 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>247,800</i>	<i>28,000</i>	<i>0</i>	<i>275,800</i>
FY 2019 Program Maintenance					
Agency Request	142.00	14,367,100	1,319,100	0	15,686,200
<i>Governor's Recommendation</i>	<i>142.00</i>	<i>14,506,400</i>	<i>1,336,800</i>	<i>0</i>	<i>15,843,200</i>

Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Offender Management System

The department requests \$7,016,000 in ongoing operating expenditures from the General Fund to replace its offender management system (OMS). The department's current OMS consists of two legacy systems, Reflections and Corrections Integrated Systems (CIS), which are responsible for tracking and recording offender data regarding all aspects of incarceration and community supervision, from admission to release. For example, the systems are responsible for business intelligence reporting; case management; risk classification; commissary; caseload assignment, referrals, compliance monitoring, and violation tracking for community offenders; sentence tracking; grievance tracking; incident reporting; inmate transport; interstate compact management; reception and release; and victim notification.

According to the department, these systems are antiquated and are limited in their functionality. Reflections was developed more than 20 years ago and CIS's architecture is more than 12 years old, but was converted from an even older system. Functional limitations of the systems include a lack of data integrity; the absence of fault tolerance methodologies; field/memory restrictions; and incompatibility with modern technologies. Because of these limitations, data cannot be verified and are rendered inadmissible in court. Further, significant time is lost due to the manual correction of human errors, and the ability to track and report data and statistical information is constrained. In short, the OMS has outlived its functional life span and cannot keep up with the needs of the department.

The limitations of the OMS pose myriad problems for staff and stakeholders according to the department. For example, staff are forced to create external tracking and management systems using rudimentary tools like Excel to more accurately and efficiently satisfy their normal job duties; probation and parole staff must make duplicate entries for the referral and completion of clinical and substance abuse services; evaluation and compliance staff must data mine the OMS and then extrapolate information to generate reports that modern platforms can otherwise query and report simply and seamlessly; and the department is finding it to be increasingly difficult to retain new hires because they prefer to work with modern technology. Ultimately, the department believes the current OMS inhibits its ability to implement required and legislated functionality, report or share information within the department or with the public, and effectively manage its offender population in a manner that ensures safety and security.

As a supplemental appropriation for FY 2017, the department requested and received \$185,000 from the General Fund and \$185,000 from the Inmate Labor Fund to contract with a certified project manager to understand the current capabilities and needs of the OMS, develop requirements, and assist in determining the best option for its replacement. The department has concluded that a commercial, off-the-shelf system will best meet its future needs. According to the department, doing so will provide critical enhancements that will increase operational efficiencies and compliance; expand reporting capabilities and improve the timeliness and accuracy of such reports; enhance interoperability and mobility for prisons and community supervision; and ensure system stability, integrity, and security.

To that end, the department proposes a three-year, \$15,552,000 financial plan for the procurement and implementation of a new OMS. For FY 2019, the department anticipates a cost of \$7,016,000, which consists of \$2,640,000 for licensing; \$101,000 for maintenance; \$3,025,000 for development and implementation; \$460,000 for project management; \$480,000 for database configuration and migration; and \$310,000 for quality assurance. In FY 2020, the department anticipates a cost of \$6,376,000, which consists of \$101,000 for maintenance; \$5,025,000 for development and implementation; \$460,000 for project management; \$480,000 for database configuration and migration; and \$310,000 for quality assurance. Finally, for FY 2021, the department anticipates a cost of \$2,160,000, which consists of \$260,000 for maintenance; \$1,025,000 for development and implementation; \$460,000 for project management; \$105,000 for database configuration and migration; and \$310,000 for quality assurance. After 2021, the department expects ongoing costs to total \$260,000 per year for maintenance. Although the department contracted with a certified project manager to develop these estimates, the department has requested \$7,016,000 on an ongoing basis, with assurances to request voluntary base reductions if and when costs are confirmed.

Agency Request	0.00	7,016,000	0	0	7,016,000
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The Governor recommends funding the entire projected three-year cost (\$15,552,000) of replacing the department's offender management system (OMS) up-front as a onetime FY 2018 supplemental appropriation with carryover authority.

Management Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Governor's Recommendation</i>	0.00	0	0	0	0

9. Time-Tracking System

This request is for \$397,300 from the General Fund to purchase a cloud-based time-tracking system. Of the total amount requested, \$206,900 is in ongoing operating expenditures for software licensing (\$200,000) and maintenance (\$6,900); \$80,000 is in onetime operating expenditures for installation and implementation; and \$110,400 is in onetime capital outlay to purchase biometric clocks for all points of entrance and egress. The current system, I-Time, requires staff to login to the State Controller's website and report total hours worked, after they are worked. According to the department, this system does not track the specific times that employees clock-in or clock-out, or allow supervisors to confirm whether they are on-shift in real time. Further, the current system cannot verify whether employees overestimate their time worked, which can affect the personnel cost budget, though the department cannot identify the extent to which it does so. The department, therefore, proposes the purchase of a cloud-based time-tracking system that would require employees to manually use their thumbprints or IDs to "swipe" in and out, which would allow tracking of real time work activity information.

Agency Request	0.00	397,300	0	0	397,300
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Not recommended by the Governor.

<i>Governor's Recommendation</i>	0.00	0	0	0	0
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13. Data Storage

The department requests \$230,000 in onetime capital outlay from the General Fund to purchase 65 terabytes of storage area network (SAN) space and two 45-terabyte data domain storage shelves. The department currently has 104 terabytes of SAN space, which serves the physical and virtual computing environments for the agency. However, it is currently at 75% utilization and is expected to be exhausted in 12 to 18 months due to several upcoming projects (e.g., electronic imaging of files, new electronic forms processes, video recording of parole hearings, etc.). Similarly, the department currently has two 36-terabyte data domain shelves, which are required for the backup/recovery environment. These shelves are currently at 88% utilization and are expected to be exhausted in six to 12 months due to factors such as mandatory litigation and investigation holds. The department anticipates that this additional storage will sustain the SAN and backup/recovery environment for three years.

Agency Request	0.00	230,000	0	0	230,000
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The Governor recommends funding for data storage as a onetime FY 2018 supplemental appropriation with carryover authority.

<i>Governor's Recommendation</i>	0.00	0	0	0	0
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26. IT/Telecommunications

Management Services

Agency Request	0.00	0	0	0	0
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The Governor recommends \$29,600 in ongoing operating expenditures to cover charges related to the Idaho Technology Authority (ITA) as requested, but not recommended, in supplemental appropriation 4.

<i>Governor's Recommendation</i>	0.00	29,600	0	0	29,600
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FY 2019 Total

Agency Request	142.00	22,010,400	1,319,100	0	23,329,500
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<i>Governor's Recommendation</i>	142.00	14,536,000	1,336,800	0	15,872,800
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Agency Request

Change from Original App	0.00	7,536,900	(13,600)	0	7,523,300
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% Change from Original App	0.0%	52.1%	(1.0%)		47.6%
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Governor's Recommendation

Change from Original App	0.00	62,500	4,100	0	66,600
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% Change from Original App	0.0%	0.4%	0.3%		0.4%
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State Prisons

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Prisons Administration	4,197,000	3,237,500	4,037,100	4,094,300	4,134,100
ISCI - Boise	28,931,600	28,723,100	28,787,600	28,442,600	28,424,800
ISCC - Boise	28,469,900	29,850,300	28,568,500	28,304,100	28,559,800
ICI - Orofino	11,673,800	10,244,900	11,703,500	12,070,900	12,160,800
IMSI - Boise	12,313,100	12,313,200	12,872,900	13,535,800	12,985,700
NICI - Cottonwood	6,356,000	6,212,900	6,326,500	7,284,900	7,077,400
SICI - Boise	10,827,800	10,724,400	11,120,600	11,870,900	11,779,700
SAWC	4,385,700	4,254,800	4,378,200	4,845,000	4,706,900
PWCC	7,660,900	7,367,400	7,584,700	8,279,000	7,788,800
SBWCC	4,109,200	4,079,700	4,313,900	4,962,100	4,952,300
Total:	118,925,000	117,008,200	119,693,500	123,689,600	122,570,300
BY FUND CATEGORY					
General	106,710,400	106,231,900	107,067,700	111,316,600	110,096,700
Dedicated	10,971,300	9,759,600	11,374,800	11,295,300	11,388,600
Federal	1,243,300	1,016,700	1,251,000	1,077,700	1,085,000
Total:	118,925,000	117,008,200	119,693,500	123,689,600	122,570,300
Percent Change:		(1.6%)	2.3%	3.3%	2.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	92,511,400	91,794,000	94,023,600	93,249,200	94,411,300
Operating Expenditures	22,620,800	21,203,000	22,959,500	26,038,100	25,405,000
Capital Outlay	3,792,800	4,011,200	2,710,400	4,402,300	2,754,000
Total:	118,925,000	117,008,200	119,693,500	123,689,600	122,570,300
Full-Time Positions (FTP)	1,420.50	1,420.50	1,420.50	1,435.50	1,425.50

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 and 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 operated 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.

State Prisons

Comparative Summary

Analyst: Hoskins

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	1,420.50	107,067,700	119,693,500	1,420.50	107,067,700	119,693,500
1. Facility Expansions	0.00	111,800	147,800	0.00	111,800	147,800
1. SCAAP Rescission	0.00	0	(170,200)	0.00	0	(170,200)
Cash Transfers & Adjustments	0.00	0	0	0.00	0	0
FY 2018 Total Appropriation	1,420.50	107,179,500	119,671,100	1,420.50	107,179,500	119,671,100
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	1,420.50	107,179,500	119,671,100	1,420.50	107,179,500	119,671,100
Removal of Onetime Expenditures	0.00	(1,157,300)	(3,043,000)	0.00	(1,157,300)	(3,043,000)
Base Adjustments	0.00	(55,000)	(55,000)	0.00	(55,000)	(55,000)
FY 2019 Base	1,420.50	105,967,200	116,573,100	1,420.50	105,967,200	116,573,100
Benefit Costs	0.00	(2,151,300)	(2,264,900)	0.00	(1,881,800)	(1,982,400)
Inflationary Adjustments	0.00	161,200	164,600	0.00	161,200	164,600
Replacement Items	0.00	3,903,800	4,896,800	0.00	2,578,600	3,571,600
Statewide Cost Allocation	0.00	(134,900)	(139,000)	0.00	(134,900)	(139,000)
Annualizations	0.00	14,800	32,800	0.00	14,800	32,800
Change in Employee Compensation	0.00	707,100	752,400	0.00	2,136,300	2,269,000
FY 2019 Program Maintenance	1,420.50	108,467,900	120,015,800	1,420.50	108,841,400	120,489,700
2. Facility Expansions	3.00	591,800	679,400	3.00	595,000	682,800
7. Security Cameras	0.00	810,200	810,200	0.00	0	0
10. PREA Screenings	5.00	400,800	400,800	0.00	0	0
11. Rec Area & Staff	3.00	216,300	216,300	0.00	0	0
12. Program Manager	1.00	88,900	88,900	0.00	0	0
14. Discretionary Funds	0.00	0	228,000	0.00	0	228,000
15. Common Fare No-Touch Menu	0.00	660,300	660,300	0.00	660,300	660,300
16. Instructional Assistants	2.00	0	0	2.00	0	0
17. Rec Area Slab & Cover	0.00	0	91,500	0.00	0	91,500
18. Catering Units	0.00	0	381,000	0.00	0	381,000
19. Rec Area at SBWCC	0.00	0	37,000	0.00	0	37,000
20. Instructor for SAWC	1.00	80,400	80,400	0.00	0	0
FY 2019 Total	1,435.50	111,316,600	123,689,600	1,425.50	110,096,700	122,570,300
Change from Original Appropriation	15.00	4,248,900	3,996,100	5.00	3,029,000	2,876,800
% Change from Original Appropriation		4.0%	3.3%		2.8%	2.4%

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	1,420.50	107,067,700	11,374,800	1,251,000	119,693,500

1. Facility Expansions

SAWC, PWCC

Department-wide, this request is for \$483,500 to add an additional 99 beds to the department's facilities in FY 2018. As it relates to the State Prisons Division, the department requests \$147,800 to expand the St. Anthony Work Camp (SAWC) and the Pocatello Women's Correctional Center (PWCC) to make room for an additional 36 beds. Of the 36 total additional beds in this division, 20 would go to SAWC, and 16 to PWCC. Of the total amount requested, \$111,800 is from the General Fund and \$36,000 is from the Inmate Labor Fund. Also, \$65,700 is in ongoing operating expenditures for various incidental costs such as urine analysis, building repairs, transportation, clothing, food, insurance, etc.; \$72,100 is in onetime operating expenditures for bunks, mattress pads, and lockers/shelving; and \$10,000 is in onetime capital outlay for construction costs related to the removal of lockers at SAWC to make room for additional bunks. As the expansion of these facilities began in October of 2017, this request only covers a partial year and the department has included a request for an annualization in the amount of \$32,800 for FY 2019.

The department currently uses county beds to house its inmates when state facilities reach capacity. However, county jails are reportedly over capacity and are not able to accommodate additional inmates. The department currently expects its incarcerated population to increase from 8,215 at the close of FY 2017 to 8,342 by the end of FY 2018. The department further anticipates its incarcerated population to increase to 8,583 by the end of FY 2019. To manage this expected increase, the Board of Correction voted to start facility expansions at SAWC, PWCC, and its four community work centers to increase its facility capacity by 99 beds in FY 2018. The department further intends to correspondingly decrease its county bed allocations from 801 at the close of FY 2017 to 700 by the end of FY 2019. Lastly, the department plans to revert to using out-of-state beds to house an average of 188 inmates in FY 2019. In short, the department plans to use a combination of out-of-state beds and expanded facility space to manage an expected increase in inmate counts while correspondingly reducing its use of county jail beds. Department-wide, this plan would cost a total of \$483,500 in FY 2018 and \$2,306,300 in FY 2019 (including annualizations) for a grand total of \$2,789,800.

Agency Request	0.00	111,800	36,000	0	147,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>111,800</i>	<i>36,000</i>	<i>0</i>	<i>147,800</i>

1. SCAAP Rescission

Idaho State Correctional Institution - Boise

This decision unit eliminates the department's appropriation from the Federal Grant Fund related to funding for the State Criminal Alien Assistance Program (SCAAP) grant in the amount of \$170,200 at the Idaho State Correctional Institution (ISCI). According to the department, the Office of Justice Programs will not open solicitations for this grant.

Agency Request	0.00	0	0	(170,200)	(170,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>(170,200)</i>	<i>(170,200)</i>

Cash Transfers & Adjustments

This adjustment reallocates amounts that were appropriated at the fund detail level to the fund level. For FY 2018, the department requested and received an appropriation of \$4,100 from the Inmate Labor Fund-Work Crews (0282-02) and \$6,900 from the Inmate Labor Fund-Community Work Centers (0282-03) for statewide cost allocation, which created a conflict between cash and appropriation controls at the State Controller's Office. Department-wide, this decision unit reallocates \$11,000 to the Inmate Labor Fund (0282-00).

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 Appropriation					
Agency Request	1,420.50	107,179,500	11,410,800	1,080,800	119,671,100
<i>Governor's Recommendation</i>	<i>1,420.50</i>	<i>107,179,500</i>	<i>11,410,800</i>	<i>1,080,800</i>	<i>119,671,100</i>

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Noncognizable Funds and Transfers

This decision unit would shift 3.00 FTP from the Federal Grant Fund to the General Fund for a net-zero effect on FTP counts. The positions are a correctional officer, a correctional case manager, and an instructional assistant at the Idaho State Correctional Institution (ISCI). As a rescission, above, the department is eliminating its appropriation from the Federal Grant Fund related to funding for the State Criminal Alien Assistance Program (SCAAP) grant. The department, therefore, states that it will use existing personnel cost appropriation from the General Fund to fund these positions on an ongoing basis.

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 Estimated Expenditures					
Agency Request	1,420.50	107,179,500	11,410,800	1,080,800	119,671,100
Governor's Recommendation	1,420.50	107,179,500	11,410,800	1,080,800	119,671,100

Removal of Onetime Expenditures

This decision unit removes onetime amounts appropriated in FY 2018 for replacement items and line items.

Agency Request	0.00	(1,157,300)	(1,885,700)	0	(3,043,000)
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Governor's Recommendation	0.00	(1,157,300)	(1,885,700)	0	(3,043,000)
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Base Adjustments

Ongoing base adjustments include the net-zero reallocation of 10.00 FTP and associated personnel costs among programs within State Prisons in order to align the appropriation with facility needs. Of the FTP to be transferred, an administrative support manager would be transferred from Prisons Administration to the South Idaho Correctional Institution (SICI); a corrections sergeant would be transferred from the Idaho Maximum Security Institution (IMSI) to SICI; a clinician would be transferred from the Pocatello Women's Correctional Center (PWCC) to IMSI; a correctional case manager would be transferred from the Idaho State Correctional Center (ISCC) to PWCC; a correctional program coordinator would be transferred from the Idaho State Correctional Institution (ISCI) to Prisons Administration; a program manager would be transferred from ISCI to Prisons Administration; a food service operations manager would be transferred from IMSI to ISCI; a correctional case manager would be transferred from the Idaho Correctional Institution-Orofino (ICIO) to the North Idaho Correctional Institution (NICI); a clinical supervisor would be transferred from ISCI to ICIO; and a correctional program manager would be transferred from ISCI to the South Boise Women's Correctional Center (SBWCC).

Also included is a net-zero reallocation of ongoing General Fund operating expenditures between programs to align the appropriation with functional needs. For costs related to the department's K-9 Sentry Unit, \$25,000 from Prisons Administration and \$30,000 from ISCI would be transferred to SICI. For costs related to the South Boise Prison Complex's mailroom, \$10,000 from ISCI, \$14,900 from ISCC, and \$3,600 from IMSI would be transferred to SICI. For costs related to general facility operations, \$365,000 from ISCC, \$8,000 from NICI, and \$20,000 from PWCC would be transferred to various facilities (\$18,000 to ISCI, \$64,000 to ICIO, \$125,000 to IMSI, \$108,000 to SICI, \$48,000 to the St. Anthony Work Camp (SAWC), and \$30,000 to SBWCC). Lastly, for training costs, \$14,200 from ISCI, \$13,500 from ISCC, \$5,300 from ICIO, \$6,600 from IMSI, \$3,000 from NICI, \$4,800 from SICI, \$1,800 from SAWC, \$3,700 from PWCC, and \$2,100 from SBWCC would be transferred to Management Services.

Agency Request	0.00	(55,000)	0	0	(55,000)
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Governor's Recommendation	0.00	(55,000)	0	0	(55,000)
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FY 2019 Base					
Agency Request	1,420.50	105,967,200	9,525,100	1,080,800	116,573,100
Governor's Recommendation	1,420.50	105,967,200	9,525,100	1,080,800	116,573,100

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(2,151,300)	(106,200)	(7,400)	(2,264,900)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(1,881,800)	(93,600)	(7,000)	(1,982,400)
Inflationary Adjustments					
The department's request for general inflation includes \$120,500 for institutional and residential supplies and \$44,100 for utility charges, for a total of \$164,600. Institutional and residential supplies include a 2% increase for food and dietary costs as projected by the USDA Economic Research Services inflation forecast and utility charges include a 2.95% increase for Idaho Power rates. Of the total amount requested, \$161,200 is from the General Fund and \$3,400 is from the Inmate Labor Fund.					
Agency Request	0.00	161,200	3,400	0	164,600
Governor's Recommendation	0.00	161,200	3,400	0	164,600
Replacement Items					
Requested replacement items include \$207,400 for aerators, hoses, pumps, etc.; \$83,000 for agriculture equipment; \$34,700 for ballistic vests and equipment; \$19,400 for camera equipment; \$6,800 for computer equipment; \$268,900 for construction; \$188,900 for firearms; \$1,172,500 for flooring, paint, plumbing, etc.; \$58,700 for freight and utility carts; \$25,600 for gym equipment; \$230,000 for HVAC equipment; \$5,800 for janitorial equipment; \$3,100 for a key duplicator; \$1,078,500 for kitchen equipment; \$129,900 for lawn equipment; \$33,000 for lockers; \$196,700 for mattresses; \$90,200 for office equipment; \$288,400 for radio equipment; \$16,700 for residential supplies; \$80,900 for three sedans; \$9,000 for shelving; \$23,000 for snow removal equipment; \$4,200 for software upgrades; \$6,700 for a sprinkler system; \$600 for suicide smocks; \$51,800 for two SUVs; \$23,200 for telephones; \$112,800 for toilets, doors, blinds, etc.; \$9,800 for four trailers; \$4,000 for training mats and pads; \$196,000 for five trucks; and \$236,600 for eight vans. Of the total amount requested, \$3,903,800 is from the General Fund; \$282,100 is from the Inmate Labor Fund; \$10,300 is from the Miscellaneous Revenue Fund; and \$700,600 is from the Penitentiary Endowment Income Fund.					
Agency Request	0.00	3,903,800	993,000	0	4,896,800
<i>For replacement items, the Governor recommends \$2,578,600 from the General Fund, \$282,100 from the Inmate Labor Fund, \$10,300 from the Miscellaneous Revenue Fund, and \$700,600 from the Penitentiary Endowment Income Fund.</i>					
Governor's Recommendation	0.00	2,578,600	993,000	0	3,571,600
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. Risk management costs will decrease by \$139,000.					
Agency Request	0.00	(134,900)	(4,100)	0	(139,000)
Governor's Recommendation	0.00	(134,900)	(4,100)	0	(139,000)
Annualizations					
This decision unit annualizes the amounts requested as a supplemental appropriation for facility expansions.					
Agency Request	0.00	14,800	18,000	0	32,800
Governor's Recommendation	0.00	14,800	18,000	0	32,800

State Prisons

Analyst: Hoskins

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	707,100	41,000	4,300	752,400
<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 recommends the pay structure for state employees be moved by 3% and includes \$5,900 for that purpose.</i>					
Governor's Recommendation	0.00	2,136,300	121,500	11,200	2,269,000
FY 2019 Program Maintenance					
Agency Request	1,420.50	108,467,900	10,470,200	1,077,700	120,015,800
Governor's Recommendation	1,420.50	108,841,400	10,563,300	1,085,000	120,489,700

2. Facility Expansions

NICI, SAWC, SBWCC

Department-wide, this request is for \$2,222,200 to add an additional 95 beds to the department's facilities in FY 2019. As it relates to the State Prisons Division, the department requests 3.00 FTP and \$679,400 to expand the North Idaho Correctional Institution (NICI), the St. Anthony Work Camp (SAWC), and the South Boise Women's Correctional Center (SBWCC) to make room for an additional 44 beds. Of the 44 total additional beds in this division, 12 would go to NICI, 12 to SAWC, and 20 to SBWCC. Of the total amount requested, \$591,800 is from the General Fund and \$87,600 is from the Inmate Labor Fund. Also, \$181,100 is in ongoing personnel costs for salary and benefits for a correctional case manager at NICI, a correctional officer at SAWC, and a correctional case manager at SBWCC; \$92,100 is in ongoing operating expenditures for various incidental costs such as urine analysis, building repairs, transportation, clothing, food, insurance, etc.; \$50,900 is in onetime operating expenditures for bunks, mattress pads, lockers/shelving, training, uniforms, and software; and \$355,300 is in onetime capital outlay for a modular building at SBWCC (\$344,300) and computer equipment, office furniture, and radio equipment for the three facilities (\$11,000).

The department currently uses county beds to house its inmates when state facilities reach capacity. However, county jails are reportedly over capacity and are not able to accommodate additional inmates. The department currently expects its incarcerated population to increase from 8,215 at the close of FY 2017 to 8,342 by the end of FY 2018. The department further anticipates its incarcerated population to increase to 8,583 by the end of FY 2019. To manage this expected increase, the department has started facility expansions to increase its facility capacity by 99 beds in FY 2018 and by 95 beds in FY 2019. The department further intends to correspondingly decrease its county bed allocations from 801 at the close of FY 2017 to 700 by the end of FY 2019. Lastly, the department plans to revert to using out-of-state beds to house an average of 188 inmates in FY 2019. In short, the department plans to use a combination of out-of-state beds and expanded facility space to manage an expected increase in inmate counts while correspondingly reducing its use of county jail beds. Department-wide, this plan would cost a total of \$483,500 in FY 2018 and \$2,306,300 in FY 2019 (including annualizations) for a grand total of \$2,789,800.

Agency Request	3.00	591,800	87,600	0	679,400
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	3.00	595,000	87,800	0	682,800

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Security Cameras					ISCI, IMSI, PWCC
This is a request for \$810,200 in onetime capital outlay from the General Fund to continue the department's efforts to augment security camera coverage at its facilities. According to the department, adding security camera coverage will better provide for the safety of staff, offenders, and the public in addition to providing evidentiary value should criminal acts take place. The cameras would also help meet requirements of the Prison Rape Elimination Act (PREA). Division-wide, cameras would be added at the following locations: Idaho State Correctional Institution (ISCI) (\$113,200); Idaho Maximum Security Institution (IMSI) (\$350,500); and Pocatello Women's Correctional Center (PWCC) (\$346,500). For FY 2017, the department requested and received a total of \$206,700 from the Miscellaneous Revenue Fund for the same purpose. Of the total amount, \$104,300 was for ISCI; \$14,000 was for IMSI; \$43,700 was for NICI, and \$44,700 was for South Boise Women's Correctional Center.					
Agency Request	0.00	810,200	0	0	810,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
10. PREA Screenings					ISCI, NICI, PWCC
The department requests 5.00 FTP and \$400,800 from the General Fund to support inmate screenings and facility audits required by the Prison Rape Elimination Act (PREA). Of the total amount requested, \$333,800 is ongoing personnel costs for salary and benefits; \$27,000 is in ongoing operating expenditures for audits (\$19,000), staff development (\$4,000), and liability insurance (\$4,000); and \$40,000 is in onetime operating expenditures for software licenses (\$9,000) as well as computers, furniture, and radios (\$31,000). According to the department, PREA screenings identify potential victims of sexual abuse and potential predators. The department does not currently conduct these screenings. Pursuant to PREA, however, facilities must complete screenings within 72 hours of inmate arrival, offer clinical follow-up within 14 days when past abuse or abusiveness is revealed, and reassess all inmates within 30 days of arrival. Also, event-driven screenings can be triggered by a referral, request, incident, or risk. Aside from complying with PREA, the department believes the added screenings will enhance facility safety by allowing inmate movement staff to separate potentially vulnerable and potentially predatory inmates. To implement this request, the department would add regional case managers at the Idaho State Correctional Institution (ISCI), the North Idaho Correctional Institution (NICI), and the Pocatello Women's Correctional Center (PWCC) to manage timely completion of assessments at the 14 facilities. A clinician would be added at PWCC and ISCI, where the reception and diagnostic units are located, to provide mental health support.					
Agency Request	5.00	400,800	0	0	400,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
11. Rec Area & Staff					IMSI
The department requests 3.00 FTP and \$216,300 from the General Fund to construct and staff a new outdoor recreation area at the Idaho Maximum Security Institution (IMSI). Of the total amount requested, \$159,200 is in ongoing personnel costs for salary and benefits; \$4,400 is in ongoing operating expenditures for training, field maintenance, and liability insurance; \$15,700 is in onetime operating expenditures for computer equipment, computer software, uniforms, office furniture, and radios; and \$37,000 is in onetime capital outlay for construction of the recreation area, which will involve the installation of fencing, gates, sprinkler and backflow systems, electrical conduit, concrete, and sod. The department states that providing a new outdoor recreation area for inmates at IMSI will further its restrictive housing reform efforts and will conform with the Department of Justice's guiding principles for managing inmates in restrictive housing.					
Agency Request	3.00	216,300	0	0	216,300
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Program Manager					IMSI
The department requests 1.00 FTP and \$88,900 from the General Fund to hire a program manager for the Idaho Maximum Security Institution (IMSI). Of the total amount requested, \$78,600 is in ongoing personnel costs for salary and benefits; \$1,800 is in ongoing operating expenditures for training, office supplies, and liability insurance; and \$8,500 is in onetime operating expenditures for computer equipment, computer software, office furniture, and a radio. IMSI is currently the only facility without at least one program manager. According to the department, IMSI's high-risk inmate population is in need of programming to promote changes in thinking and behavior, which will require a mid-level management position to oversee the day-to-day assessment, programming, and release needs of the inmate population.					
Agency Request	1.00	88,900	0	0	88,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
14. Discretionary Funds					Prisons Administration
The department requests \$228,000 in ongoing operating expenditures from the Penitentiary Endowment Income Fund to make discretionary, ad hoc repairs and upgrades to facility buildings, water systems, and sewage systems; perform preventative maintenance; and perform other unplanned emergency repairs. For FY 2019, the Board of Land Commissioners approved a 6.4% increase in total distributions to beneficiaries, which amounted to a \$228,000 increase (11.6%) for the Penitentiary Endowment Income Fund. The agency currently has an ongoing appropriation of \$1,298,200 from this fund source. In FY 2017, the department spent \$1,957,600 from this fund source, a vast majority of which was used for utilities (55%), building improvements (17%), and specific use supplies (17%).					
Agency Request	0.00	0	228,000	0	228,000
Governor's Recommendation	0.00	0	228,000	0	228,000
15. Common Fare No-Touch Menu					All Prisons
The department requests \$660,300 in ongoing operating expenditures from the General Fund to pay for a common fare no-touch menu, as ordered by the court in the Bill Bartlett et al. v. Henry Atencio et al. (Bartlett) court case. On May 3, 2017, the plaintiffs filed a complaint alleging in relevant part that, by failing to accommodate the plaintiffs' religious dietary needs related to kosher meals, the department violated their rights under the Free Exercise Clause of the First Amendment, as incorporated against the State of Idaho under the Fourteenth Amendment. On August 11, 2017, the parties stipulated to an Order of Partial Dismissal with Retained Jurisdiction, which provided that the relevant claims for relief would be dismissed pursuant to a settlement agreement regarding those claims. The settlement agreement provides that the department will begin providing a common fare no-touch menu no later than November 1, 2017. The common fare no-touch menu will consist of at least 19 varieties of pre-packaged and individually wrapped frozen meals that are kosher certified. Department-wide, this request amounts to a total of \$688,100. Of this total amount, \$660,300 is in the State Prisons Division, and \$27,800 is in the Community Work Centers Program in the Community Corrections Division.					
Agency Request	0.00	660,300	0	0	660,300
Governor's Recommendation	0.00	660,300	0	0	660,300
16. Instructional Assistants					Prisons Administration
This request is for 2.00 FTP and a net-zero Federal Grant Fund object transfer of \$84,700 from operating expenditures to personnel costs in order to bring two contracted instructional assistant positions on staff. The department currently has a contract with Lewis-Clark State College (LCSC) to provide support to the education program at the North Idaho Correctional Institution (NICI). However, LCSC has requested to terminate the contract. These two positions are funded with federal grants and provide educational assistance to offenders under the age of 22. The educational assistance provided includes administering student testing; reinforcing lessons from teachers by reviewing material one-on-one or in small groups; enforcing institutional rules by teaching students proper behavior; and helping teachers with recordkeeping, tracking attendance, preparing classroom materials, and supervising students in class, between classes, and throughout the facility.					
Agency Request	2.00	0	0	0	0
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	2.00	0	0	0	0

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
17. Rec Area Slab & Cover					SICI
This request is for \$91,500 in onetime capital outlay from the Inmate Labor Fund to replace a concrete slab and construct a steel cover for the recreation area at the South Idaho Correctional Institution (SICI). SICI has a 3,850 square foot concrete slab for its recreation area, which is used primarily for isometric and weightlifting exercises. However, the area is exposed to the elements and has sustained damage and deterioration. This request would fund demolition, removal, and replacement of the existing slab, which would be handled by department maintenance staff. The department would contract for the construction and installation of a pre-engineered steel cover for the slab.					
Agency Request	0.00	0	91,500	0	91,500
Governor's Recommendation	0.00	0	91,500	0	91,500
18. Catering Units					ICIO, SICI
The department requests \$381,000 from the Inmate Labor Fund to expand its vocational work program to include camp crew catering units at the South Idaho Correctional Institution (SICI) and the Idaho Correctional Institution - Orofino (ICIO). Of the total amount requested, \$167,000 is in ongoing operating expenditures for vehicle repairs, fuel, raw food for catering, kitchen chemicals and supplies, insurance, propane for cooking, and incentive pay for offenders; \$10,000 is in onetime operating expenditures for water bladders, serving/dining tents, and picnic tables; and \$204,000 is in onetime capital outlay for two refrigerated trucks, two cargo trailers for dry goods, and two cook trailers. The department currently operates a camp crew catering unit out of the St. Anthony Work Camp (SAWC), which supports fire suppression camp crews on contract with the Idaho Department of Lands. The catering crews prepare, cook, and serve all personnel three meals per day; maintain all equipment on assignment; keep inventory and provide forecasting for food ordering; and unload food deliveries. The catering units requested here would support fire suppression crews out of SICI and ICIO. According to the department, the catering crews would generate sufficient dedicated fund revenue to sustain the ongoing costs of the new catering units.					
Agency Request	0.00	0	381,000	0	381,000
Governor's Recommendation	0.00	0	381,000	0	381,000
19. Rec Area at SBWCC					SBWCC
The department requests \$37,000 from the Inmate Labor Fund to make improvements to the recreation area at the South Boise Women's Correctional Center (SBWCC). Of the total amount requested, \$2,000 is in ongoing operating expenditures for recreation equipment and supplies; and \$35,000 is in onetime capital outlay for grass and irrigation improvements. Currently, the recreation area at SBWCC consists of a sand and gravel lot used for softball, track, and volleyball. This request would improve the area by adding grass and irrigation. According to the department, the current recreation area is a legal liability, as it is not on par with other facilities that house male offenders.					
Agency Request	0.00	0	37,000	0	37,000
Governor's Recommendation	0.00	0	37,000	0	37,000
20. Instructor for SAWC					SAWC
The department requests 1.00 FTP and \$80,400 from the General Fund to hire an instructor to assist inmates with individual case plans, including general education diplomas, adult basic education, and high school equivalency. Of the total amount requested, \$70,900 is in ongoing personnel costs for salary and benefits; \$7,300 is in ongoing operating expenditures for training, travel, supplies, software, and insurance; and \$2,200 is in onetime capital outlay for radio equipment. According to the department, this request will better prepare offenders for release into Idaho communities by utilizing principles of normality.					
Agency Request	1.00	80,400	0	0	80,400
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	1,435.50	111,316,600	11,295,300	1,077,700	123,689,600
Governor's Recommendation	1,425.50	110,096,700	11,388,600	1,085,000	122,570,300

State Prisons

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	15.00	4,248,900	(79,500)	(173,300)	3,996,100
% Change from Original App	1.1%	4.0%	(0.7%)	(13.9%)	3.3%
Governor's Recommendation					
Change from Original App	5.00	3,029,000	13,800	(166,000)	2,876,800
% Change from Original App	0.4%	2.8%	0.1%	(13.3%)	2.4%

County & Out-of-State Placement

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	10,552,700	9,740,700	11,460,000	16,626,600	16,626,600
Percent Change:		(7.7%)	17.7%	45.1%	45.1%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	10,552,700	9,740,700	11,460,000	16,626,600	16,626,600

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 2018 Original Appropriation	0.00	11,460,000	11,460,000	0.00	11,460,000	11,460,000
6. Population-Driven Costs	0.00	1,097,700	1,097,700	0.00	1,097,700	1,097,700
FY 2018 Total Appropriation	0.00	12,557,700	12,557,700	0.00	12,557,700	12,557,700
FY 2019 Base	0.00	12,557,700	12,557,700	0.00	12,557,700	12,557,700
21. Population-Driven Costs	0.00	4,068,900	4,068,900	0.00	4,068,900	4,068,900
FY 2019 Total	0.00	16,626,600	16,626,600	0.00	16,626,600	16,626,600
Change from Original Appropriation	0.00	5,166,600	5,166,600	0.00	5,166,600	5,166,600
% Change from Original Appropriation		45.1%	45.1%		45.1%	45.1%

County & Out-of-State Placement

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	11,460,000	0	0	11,460,000

6. Population-Driven Costs

This decision unit would increase the department's General Fund appropriation in order to align its FY 2018 County and Out-of-State Placement budget with updated offender forecasts and bed utilization estimates. County and out-of-state beds are utilized to house offenders when the right bed is unavailable, or if state facilities are too full. At the time the budget was set for FY 2018, the department estimated an average daily count of 682 inmates in county jails, at the rate of \$47.50 per inmate per day, for 365 days in FY 2018. As of September 1, 2017, the department estimated an average daily count of 720 inmates in county jails, at the rate of \$47.50 per inmate per day, for 365 days. Also, the department expected to house a juvenile offender, who was committed to the custody of the department, with the Department of Juvenile Corrections for 365 days at the cost of \$175.00 per day. 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. While the department's request shows an increase of \$1,097,700, the actual amount needed is \$1,097,300. The department was notified of this discrepancy but did not revise its request, as it expects the amount to change by the time the budget is set.

Agency Request	0.00	1,097,700	0	0	1,097,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,097,700</i>	<i>0</i>	<i>0</i>	<i>1,097,700</i>

FY 2018 Total Appropriation					
Agency Request	0.00	12,557,700	0	0	12,557,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>12,557,700</i>	<i>0</i>	<i>0</i>	<i>12,557,700</i>
FY 2019 Base					
Agency Request	0.00	12,557,700	0	0	12,557,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>12,557,700</i>	<i>0</i>	<i>0</i>	<i>12,557,700</i>

21. Population-Driven Costs

This decision unit would increase the department's General Fund appropriation in order to align its FY 2019 County and Out-of-State Placement budget with updated offender forecasts and bed utilization estimates. County and out-of-state beds are utilized to house offenders when the right bed is unavailable, or if state facilities are too full. As of September 1, 2017, the department estimated an average daily count of 700 inmates in county jails, at the rate of \$47.50 per inmate per day, for 365 days. Also, the department expected to house a juvenile offender, who was committed to the custody of the department, with the Department of Juvenile Corrections for 153 days at the cost of \$175.00 per day. Lastly, the department estimated an average daily count of 188 inmates in out-of-state beds, at the rate of \$65.00 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. While the department's request shows an increase of \$4,068,900, the actual amount needed is \$4,069,300. The department was notified of this discrepancy but did not revise its request, as it expects the amount to change by the time the budget is set.

Agency Request	0.00	4,068,900	0	0	4,068,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,068,900</i>	<i>0</i>	<i>0</i>	<i>4,068,900</i>

FY 2019 Total					
Agency Request	0.00	16,626,600	0	0	16,626,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>16,626,600</i>	<i>0</i>	<i>0</i>	<i>16,626,600</i>
Agency Request					
Change from Original App	0.00	5,166,600	0	0	5,166,600
% Change from Original App		45.1%			45.1%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>5,166,600</i>	<i>0</i>	<i>0</i>	<i>5,166,600</i>
<i>% Change from Original App</i>		<i>45.1%</i>			<i>45.1%</i>

Correctional Alternative Placement

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	9,383,800	9,354,200	9,601,800	9,786,500	9,786,500
Dedicated	200,000	92,300	200,000	200,000	200,000
Total:	9,583,800	9,446,500	9,801,800	9,986,500	9,986,500
Percent Change:		(1.4%)	3.8%	1.9%	1.9%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	8,690,800	8,417,100	8,807,900	8,937,900	8,937,900
Capital Outlay	893,000	1,029,400	993,900	1,048,600	1,048,600
Total:	9,583,800	9,446,500	9,801,800	9,986,500	9,986,500

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 help improve the transition 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 come from federal income tax avoidance in the financing, as 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 of 2008. This granted the 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 of 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 2018 Original Appropriation	0.00	9,601,800	9,801,800	0.00	9,601,800	9,801,800
6. Population-Driven Costs	0.00	0	0	0.00	0	0
FY 2018 Total Appropriation	0.00	9,601,800	9,801,800	0.00	9,601,800	9,801,800
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	0.00	9,601,800	9,801,800	0.00	9,601,800	9,801,800
23. Population-Driven Costs	0.00	184,700	184,700	0.00	184,700	184,700
FY 2019 Total	0.00	9,786,500	9,986,500	0.00	9,786,500	9,986,500
Change from Original Appropriation	0.00	184,700	184,700	0.00	184,700	184,700
% Change from Original Appropriation		1.9%	1.9%		1.9%	1.9%

Correctional Alternative Placement

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	9,601,800	200,000	0	9,801,800

6. Population-Driven Costs

Although the department did not include an adjustment in its FY 2019 budget request, updated offender forecasts and bed utilization estimates show that the department's FY 2018 General Fund appropriation should be reduced by \$43,600 in ongoing operating expenditures in order to align its Correctional Alternative Placement Program (CAPP) budget. The department was notified of this discrepancy but did not revise its request, as it expects the amount to change by the time the budget is set. At the time the budget was set for FY 2018, the department estimated the following costs: \$7,125,685 for per diem; \$2,476,150 for financing and service rent; and \$200,000 for maintenance reserve, for a total of \$9,801,835. As of September 1, 2017, the department estimated the following costs: \$7,082,054 for per diem; \$2,476,150 for financing and service rent; and \$200,000 for maintenance reserve, for a total of \$9,758,204. This division's FY 2018 appropriation is \$9,801,800.

Agency Request	0.00	0	0	0	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>

FY 2018 Total Appropriation					
Agency Request	0.00	9,601,800	200,000	0	9,801,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,601,800</i>	<i>200,000</i>	<i>0</i>	<i>9,801,800</i>

Base Adjustments

This decision unit transfers \$54,700 in General Fund operating expenditures to capital outlay to align the appropriation with the actual use and expenditure of the funds.

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 2019 Base					
Agency Request	0.00	9,601,800	200,000	0	9,801,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,601,800</i>	<i>200,000</i>	<i>0</i>	<i>9,801,800</i>

23. Population-Driven Costs

The department requests an ongoing increase in 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). While the department's request shows an increase of \$184,700, the actual amount needed is \$228,300. The department was notified of this discrepancy but did not revise its request, as it expects the amount to change by the time the budget is set. Of the total amount, \$207,900 is for the 3% increase in the annual per diem rate, and \$20,400 is for increased building maintenance and property taxes. Per diem is expected to increase from \$47.82 per inmate day to \$49.25 for the first 388 inmates; and from \$27.65 per inmate day to \$28.48 for inmates in excess of 388. Total capacity at the facility is 432 beds, though the department only utilizes 420 (97%).

Agency Request	0.00	184,700	0	0	184,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>184,700</i>	<i>0</i>	<i>0</i>	<i>184,700</i>

FY 2019 Total					
Agency Request	0.00	9,786,500	200,000	0	9,986,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>9,786,500</i>	<i>200,000</i>	<i>0</i>	<i>9,986,500</i>

Agency Request					
Change from Original App	0.00	184,700	0	0	184,700
% Change from Original App		1.9%	0.0%		1.9%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	184,700	0	0	184,700
% Change from Original App		1.9%	0.0%		1.9%

Community Corrections

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Community Supervision	26,441,000	26,067,700	27,824,700	29,906,100	28,237,500
Community Work Centers	5,854,000	5,709,200	5,826,500	7,737,900	7,196,600
Total:	32,295,000	31,776,900	33,651,200	37,644,000	35,434,100
BY FUND CATEGORY					
General	21,314,900	21,176,500	23,220,000	27,294,400	24,959,000
Dedicated	10,913,900	10,535,600	10,364,500	9,864,800	9,992,600
Federal	66,200	64,800	66,700	484,800	482,500
Total:	32,295,000	31,776,900	33,651,200	37,644,000	35,434,100
Percent Change:		(1.6%)	5.9%	11.9%	5.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	26,342,700	25,895,000	27,493,700	28,373,400	28,141,300
Operating Expenditures	4,161,900	4,153,900	5,303,400	6,684,300	5,251,000
Capital Outlay	1,790,400	1,728,000	854,100	2,586,300	2,041,800
Total:	32,295,000	31,776,900	33,651,200	37,644,000	35,434,100
Full-Time Positions (FTP)	392.35	392.35	407.35	430.35	417.35

Division Description

Community Corrections includes the supervision of probationers and parolees (Community Supervision Program) and the operation of community work centers throughout the state (Community Work Centers Program).

Parole and probation officers and pre-sentence investigators work out of regional offices located in each of the seven judicial districts. Officers have the responsibility of supervising all probationers and parolees. Probationers are persons with a court sentence that does not involve confinement but does impose conditions. Parolees are offenders who have served a portion of their sentence in an institution and are selected for release by the Commission of Pardons and Parole while under the continued custody of the state.

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 2018 Original Appropriation	407.35	23,220,000	33,651,200	407.35	23,220,000	33,651,200
1. Facility Expansions	0.00	233,100	335,700	0.00	233,100	335,700
7. D1 PPO Office Expansion	0.00	104,200	104,200	0.00	0	0
8. Maximizing State Reforms Grant	6.00	0	561,700	6.00	0	561,700
1. SCAAP Rescission	0.00	0	(66,700)	0.00	0	(66,700)
Cash Transfers & Adjustments	0.00	0	0	0.00	0	0
FY 2018 Total Appropriation	413.35	23,557,300	34,586,100	413.35	23,453,100	34,481,900
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	413.35	23,557,300	34,586,100	413.35	23,453,100	34,481,900
Removal of Onetime Expenditures	0.00	(740,400)	(1,885,000)	0.00	(701,600)	(1,846,200)
FY 2019 Base	413.35	22,816,900	32,701,100	413.35	22,751,500	32,635,700
Benefit Costs	0.00	(477,400)	(630,200)	0.00	(423,000)	(566,300)
Inflationary Adjustments	0.00	20,000	26,900	0.00	85,400	92,300
Replacement Items	0.00	1,461,800	1,685,900	0.00	787,400	1,011,500
Statewide Cost Allocation	0.00	(37,700)	(42,900)	0.00	(37,700)	(42,900)
Annualizations	0.00	0	51,300	0.00	0	51,300
Change in Employee Compensation	0.00	170,400	225,600	0.00	510,700	676,200
FY 2019 Program Maintenance	413.35	23,954,000	34,017,700	413.35	23,674,300	33,857,800
2. Facility Expansions	4.00	1,256,900	1,542,800	4.00	1,256,900	1,548,500
3. Probation & Parole Officers	12.00	1,054,600	1,054,600	0.00	0	0
5. Transitional Housing	0.00	650,000	650,000	0.00	0	0
8. Electronic Monitoring	1.00	351,100	351,100	0.00	0	0
15. Common Fare No-Touch Menu	0.00	27,800	27,800	0.00	27,800	27,800
FY 2019 Total	430.35	27,294,400	37,644,000	417.35	24,959,000	35,434,100
Change from Original Appropriation	23.00	4,074,400	3,992,800	10.00	1,739,000	1,782,900
% Change from Original Appropriation		17.5%	11.9%		7.5%	5.3%

Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	407.35	23,220,000	10,364,500	66,700	33,651,200

1. Facility Expansions

Community Work Centers

Department-wide, this request is for \$483,500 to add an additional 99 beds to the department's facilities in FY 2018. As it relates to the Community Corrections Division, the department requests \$335,700 to expand its community reentry centers (CRCs) to make room for an additional 63 beds. Of the 63 total additional beds in this division, 23 would go to the Nampa CRC, 24 to the Idaho Falls CRC, eight to the Treasure Valley CRC, and eight to the East Boise CRC. Of the total amount requested, \$233,100 is from the General Fund and \$102,600 is from the Inmate Labor Fund. Also, \$102,600 is in ongoing operating expenditures for various incidental costs such as urine analysis, building repairs, transportation, clothing, food, insurance, etc.; \$126,500 is in onetime operating expenditures for bunks, mattress pads, and lockers/shelving; and \$106,600 is in onetime capital outlay for two sheds (\$30,000), hookup and installation of utilities for a modular building (\$30,000), minor wall construction (\$10,000), and a visiting area remodel of the East Boise CRC (\$36,600). As the construction on these facilities began in October of 2017, this request only covers a partial year and the department has included a request for an annualization in the amount of \$51,300 for FY 2019.

The department currently uses county beds to house its inmates when state facilities reach capacity. However, county jails are reportedly over capacity and are not able to accommodate additional inmates. The department currently expects its incarcerated population to increase from 8,215 at the close of FY 2017 to 8,342 by the end of FY 2018. The department further anticipates its incarcerated population to increase to 8,583 by the end of FY 2019. To manage this expected increase, the Board of Correction voted to start facility expansions at SAWC, PWCC, and its four community work centers to increase its facility capacity by 99 beds in FY 2018. The department further intends to correspondingly decrease its county bed allocations from 801 at the close of FY 2017 to 700 by the end of FY 2019. Lastly, the department plans to revert to using out-of-state beds to house an average of 188 inmates in FY 2019. In short, the department plans to use a combination of out-of-state beds and expanded facility space to manage an expected increase in inmate counts while correspondingly reducing its use of county jail beds. Department-wide, this plan would cost a total of \$483,500 in FY 2018 and \$2,306,300 in FY 2019 (including annualizations) for a grand total of \$2,789,800.

Agency Request	0.00	233,100	102,600	0	335,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>233,100</i>	<i>102,600</i>	<i>0</i>	<i>335,700</i>

7.D1 PPO Office Expansion

Community Supervision

The department requests \$104,200 in operating expenditures from the General Fund for lease costs associated with the expansion of its District 1 Probation and Parole office in Coeur d'Alene. Of the total amount requested, \$65,400 is ongoing and \$38,800 is onetime. The original lease, which expired on June 30, 2017, was for 11,215 square feet at a discounted annual cost of \$150,600. The new ten-year lease is for 19,500 square feet at a discounted annual cost of \$216,000, a difference of \$65,400. The new lease was executed to begin on October 1, 2017. The department will use the additional square footage to offer programming, treatment, and training. The department requests \$38,800 on a onetime basis to cover the month-to-month cost of the lease at the original undiscounted rate, from July of 2017 to September of 2017.

Agency Request	0.00	104,200	0	0	104,200
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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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Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Maximizing State Reforms Grant

Community Supervision

The department requests 6.00 FTP and \$561,700 from the Federal Grant Fund to utilize a recently awarded Maximizing State Reforms grant from the Department of Justice's Office of Justice Programs. Of the total amount requested, \$386,400 is in ongoing personnel costs for salary and benefits associated with six reentry case managers; \$95,300 is in ongoing operating expenditures for cell phones, training, travel expenses, office supplies, urine analysis, copier leases, and polygraphs; \$19,000 is in onetime operating expenditures for office furniture and computer equipment; and \$61,000 is in onetime capital outlay for three sedans. The grant funds will be used to manage the reentry of approximately 660 moderate-risk and high-risk offenders into the community in District 4. More specifically, the reentry case managers will ensure (a) proper housing placement by prioritizing family, friends, or employers over transitional housing; and (b) completion of reentry checklist items, such as the Level of Services Inventory Revised (LSI-R) assessment and the attainment of proper identification documents for employment and social security benefits. The grant is for a total of \$1,525,515 over three years. The department states that it will work with legislators and other stakeholders to expand funding and sustainability of the program statewide if/when targeted goals are met.

Agency Request	6.00	0	0	561,700	561,700
<i>Governor's Recommendation</i>	<i>6.00</i>	<i>0</i>	<i>0</i>	<i>561,700</i>	<i>561,700</i>

1. SCAAP Rescission

Community Work Centers

This decision unit eliminates the department's appropriation from the Federal Grant Fund related to funding for the State Criminal Alien Assistance Program (SCAAP) grant in the amount of \$66,700 in the Community Work Centers Program. According to the department, the Office of Justice Programs will not open solicitations for this grant.

Agency Request	0.00	0	0	(66,700)	(66,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>(66,700)</i>	<i>(66,700)</i>

Cash Transfers & Adjustments

This adjustment reallocates amounts that were appropriated at the fund detail level to the fund level. For FY 2018, the department requested and received an appropriation of \$4,100 from the Inmate Labor Fund-Work Crews (0282-02) and \$6,900 from the Inmate Labor Fund-Community Work Centers (0282-03) for statewide cost allocation, which created a conflict between cash and appropriation controls at the State Controller's Office. Department-wide, this decision unit reallocates \$11,000 to the Inmate Labor Fund (0282-00).

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 Appropriation

Agency Request	413.35	23,557,300	10,467,100	561,700	34,586,100
<i>Governor's Recommendation</i>	<i>413.35</i>	<i>23,453,100</i>	<i>10,467,100</i>	<i>561,700</i>	<i>34,481,900</i>

Noncognizable Funds and Transfers

This decision unit shifts 1.00 FTP from the Federal Grant Fund to the General Fund for a net-zero effect on FTP counts. The position is a correctional case manager at the Idaho Falls Community Reentry Center. As a rescission, above, the department is eliminating its appropriation from the Federal Grant Fund related to funding for the State Criminal Alien Assistance Program (SCAAP) grant. The department, therefore, states it will use existing personnel cost appropriation from the General Fund to fund this position on an ongoing basis.

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 Estimated Expenditures

Agency Request	413.35	23,557,300	10,467,100	561,700	34,586,100
<i>Governor's Recommendation</i>	<i>413.35</i>	<i>23,453,100</i>	<i>10,467,100</i>	<i>561,700</i>	<i>34,481,900</i>

Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of Onetime Expenditures					
This decision unit removes onetime amounts appropriated in FY 2018 for replacement items, line items, and supplemental appropriations.					
Agency Request	0.00	(740,400)	(1,064,600)	(80,000)	(1,885,000)
<i>The difference between the request and the recommendation is attributable to the change in supplemental appropriations included in the Governor's recommendation.</i>					
Governor's Recommendation	0.00	(701,600)	(1,064,600)	(80,000)	(1,846,200)
FY 2019 Base					
Agency Request	413.35	22,816,900	9,402,500	481,700	32,701,100
Governor's Recommendation	413.35	22,751,500	9,402,500	481,700	32,635,700
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(477,400)	(152,800)	0	(630,200)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(423,000)	(134,900)	(8,400)	(566,300)
Inflationary Adjustments					
The department's request for general inflation includes \$4,800 for institutional and residential supplies and \$2,100 for utility charges, for a total of \$6,900. Of the total amount requested for general inflation, \$6,600 is from the Inmate Labor Fund and \$300 is from the Parolee Supervision Fund. Contract inflation includes \$20,000 from the General Fund for office rent increases at various district and satellite offices.					
Agency Request	0.00	20,000	6,900	0	26,900
<i>Along with requested contract inflation, the Governor recommends funding for the ongoing portion of increased office lease costs associated with the department's District 1 Probation and Parole office in the amount of \$65,400.</i>					
Governor's Recommendation	0.00	85,400	6,900	0	92,300
Replacement Items					
Requested replacement items include \$47,800 for ballistic vests and equipment; \$3,500 for computer equipment; \$201,100 for construction; \$314,600 for flooring, paint, plumbing, etc.; \$103,400 for kitchen equipment; \$500 for lawn equipment; \$14,000 for mattresses; \$44,900 for office equipment; \$20,000 for radio equipment; \$6,300 for residential supplies; \$266,000 for ten sedans; \$4,800 for snow removal equipment; \$77,700 for three SUVs; \$200,400 for telephones; \$2,200 for testing instruments; \$89,100 for three trucks; \$256,600 for ten vans; and \$33,000 for washers and dryers. Of the total amount requested, \$1,461,800 is from the General Fund and \$224,100 is from the Inmate Labor Fund.					
Agency Request	0.00	1,461,800	224,100	0	1,685,900
<i>For replacement items, the Governor recommends \$787,400 from the General Fund and \$224,100 from the Inmate Labor Fund.</i>					
Governor's Recommendation	0.00	787,400	224,100	0	1,011,500
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 costs will decrease by \$42,900.					
Agency Request	0.00	(37,700)	(5,200)	0	(42,900)
Governor's Recommendation	0.00	(37,700)	(5,200)	0	(42,900)

Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Annualizations					
This decision unit annualizes the amounts requested as a supplemental appropriation for facility expansions.					
Agency Request	0.00	0	51,300	0	51,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>51,300</i>	<i>0</i>	<i>51,300</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	170,400	52,100	3,100	225,600
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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 \$3,100 for that purpose.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>510,700</i>	<i>156,300</i>	<i>9,200</i>	<i>676,200</i>
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FY 2019 Program Maintenance

Agency Request	413.35	23,954,000	9,578,900	484,800	34,017,700
<i>Governor's Recommendation</i>	<i>413.35</i>	<i>23,674,300</i>	<i>9,701,000</i>	<i>482,500</i>	<i>33,857,800</i>

2. Facility Expansions

Community Work Centers

Department-wide, this request is for \$2,222,200 to add an additional 95 beds to the department's facilities in FY 2019. As it relates to the Community Corrections Division, the department requests 4.00 FTP and \$1,542,800 to expand its community reentry centers (CRCs) to make room for an additional 51 beds. Of the 51 total additional beds in this division, seven would go to the Nampa CRC, four to the Idaho Falls CRC, and 40 to the East Boise CRC. Of the total amount requested, \$1,256,900 is from the General Fund and \$285,900 is from the Inmate Labor Fund. Also, \$212,300 is in ongoing personnel costs for salary and benefits for four new correctional officers (one for each CRC); \$73,600 is in ongoing operating expenditures for various incidental costs such as urine analysis, building repairs, transportation, clothing, food, insurance, etc.; \$61,500 is in onetime operating expenditures for bunks, mattress pads, lockers/shelving, training, uniforms, and software; and \$1,195,400 is in onetime capital outlay to complete a basement remodel (\$449,600) and visiting area remodel (\$549,000) at the East Boise CRC, purchase six vans (\$192,000), and purchase four additional radios and chargers (\$4,800).

The department currently uses county beds to house its inmates when state facilities reach capacity. However, county jails are reportedly over capacity and are not able to accommodate additional inmates. The department currently expects its incarcerated population to increase from 8,215 at the close of FY 2017 to 8,342 by the end of FY 2018. The department further anticipates its incarcerated population to increase to 8,583 by the end of FY 2019. To manage this expected increase, the department has started facility expansions to increase its facility capacity by 99 beds in FY 2018 and by 95 beds in FY 2019. The department further intends to correspondingly decrease its county bed allocations from 801 at the close of FY 2017 to 700 by the end of FY 2019. Lastly, the department plans to revert to using out-of-state beds to house an average of 188 inmates in FY 2019. In short, the department plans to use a combination of out-of-state beds and expanded facility space to manage an expected increase in inmate counts while correspondingly reducing its use of county jail beds. Department-wide, this plan would cost a total of \$483,500 in FY 2018 and \$2,306,300 in FY 2019 (including annualizations) for a grand total of \$2,789,800.

Agency Request	4.00	1,256,900	285,900	0	1,542,800
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Recommended by the Governor with changes for benefits and compensation.

<i>Governor's Recommendation</i>	<i>4.00</i>	<i>1,256,900</i>	<i>291,600</i>	<i>0</i>	<i>1,548,500</i>
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Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Probation & Parole Officers				Community Supervision	

The department requests 12.00 FTP and \$1,054,600 from the General Fund to reduce the caseloads of probation and parole officers (PPOs). Of the total amount requested, \$705,300 is in ongoing personnel costs for salary and benefits. Ongoing operating expenditures include \$27,000 for cell phones; training; vehicle repair and maintenance services; fuel; and insurance. Onetime operating expenditures include \$124,800 for travel, meals, and lodging associated with a PPO academy; office furniture; computer equipment and software; uniforms; ammunition; physical therapy clothing; ballistic vests; office rent; and graduation expenses. Onetime capital outlay includes \$197,500 for weapons, radio equipment, and six vehicles.

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 have an average mixed caseload of approximately 68 offenders. In spite of Section 20-219(4), Idaho Code, 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: high-risk caseloads of 40:1; high-moderate caseloads of 40:1; low-moderate caseloads of 75:1; low-risk caseloads of 170:1; problem-solving court caseloads of 50:1; sex offender level three (SO3) caseloads of 40:1; SO2 caseloads of 50:1; and SO1 caseloads of 65:1. To this end, the department is requesting 12 PPOs in addition to its current 212.

Agency Request	12.00	1,054,600	0	0	1,054,600
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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5. Transitional Housing Community Supervision

The department requests \$650,000 in ongoing operating expenditures from the General Fund to provide transitional housing to inmates who are reentering the community. Transitional housing funding provides offenders with approximately \$450 to be used for one month of housing upon release. According to the department, providing transitional housing to reentering parolees who lack community resources or family support to obtain appropriate housing will reduce recidivism. Over the last five fiscal years, the department has expended an average of \$813,500 per year on transitional housing. To do so, however, the department has supplemented its current appropriation of \$260,000 for transitional housing with an average of \$675,500, which is otherwise allocated for recovery support services and safe and sober housing.

Agency Request	0.00	650,000	0	0	650,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Community Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Electronic Monitoring

Community Supervision

The department requests 1.00 FTP and \$351,100 from the General Fund to expand its electronic monitoring program. Of the total amount requested, \$47,000 is in ongoing personnel costs to pay salary and benefits for a position that would manage the electronic monitoring contract; \$302,100 is in ongoing operating expenditures to pay a contractor for device installation, activation, removal, deactivation, monitoring, and reporting; and \$2,000 is in onetime capital outlay for office furniture and equipment. Electronic monitoring provides the department with a discretionary alternative to incarceration for offenders that violate the terms of their probation and parole. The equipment provides probation and parole officers (PPOs) with email alerts for boundary violations, curfew violations, bracelet tampering, or failure to charge the unit. In the case of alcohol monitoring devices, a positive alcohol test will also generate an alert. In the event that violations are detected, PPOs have several options available to them, ranging from extending the amount of time the offender is on electronic monitoring to submission of a formal violation. Currently, approximately 30 passive GPS tracking and alcohol monitoring devices are utilized by the department at an average annual cost of \$32,100. However, this amount only covers equipment lease costs. If this request is funded, the department could electronically monitor an additional 75-100 offenders. It would also relieve PPOs from all equipment and monitoring related functions and free-up more time for other supervision practices.

Agency Request	1.00	351,100	0	0	351,100
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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15. Common Fare No-Touch Menu

Community Work Centers

The department requests \$27,800 in ongoing operating expenditures from the General Fund to pay for a common fare no-touch menu, as ordered by the court in the Bill Bartlett et al. v. Henry Atencio et al. (Bartlett) court case. On May 3, 2017, the plaintiffs filed a complaint alleging in relevant part that, by failing to accommodate the plaintiffs' religious dietary needs related to kosher meals, the department violated the plaintiffs' rights under the Free Exercise Clause of the First Amendment, as incorporated against the state of Idaho under the Fourteenth Amendment. On August 11, 2017, the parties stipulated to an Order of Partial Dismissal with Retained Jurisdiction, which provided that the relevant claims for relief would be dismissed pursuant to a settlement agreement regarding those claims. The settlement agreement provides that the department will begin providing a common fare no-touch menu no later than November 1, 2017. The common fare no-touch menu will consist of at least 19 varieties of pre-packaged and individually wrapped frozen meals that are kosher certified. Department-wide, this request amounts to a total of \$688,100. Of this total amount, \$660,300 is in the State Prisons Division, and \$27,800 is in the Community Work Centers Program in the Community Corrections Division.

Agency Request	0.00	27,800	0	0	27,800
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Governor's Recommendation	0.00	27,800	0	0	27,800
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FY 2019 Total

Agency Request	430.35	27,294,400	9,864,800	484,800	37,644,000
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Governor's Recommendation	417.35	24,959,000	9,992,600	482,500	35,434,100
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Agency Request

Change from Original App	23.00	4,074,400	(499,700)	418,100	3,992,800
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% Change from Original App	5.6%	17.5%	(4.8%)	626.8%	11.9%
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Governor's Recommendation

Change from Original App	10.00	1,739,000	(371,900)	415,800	1,782,900
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% Change from Original App	2.5%	7.5%	(3.6%)	623.4%	5.3%
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Community-Based Substance Abuse Treatment

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	7,811,900	7,649,300	7,821,300	10,827,900	10,853,300
Dedicated	1,859,200	1,859,200	1,895,700	0	0
Total:	9,671,100	9,508,500	9,717,000	10,827,900	10,853,300
Percent Change:		(1.7%)	2.2%	11.4%	11.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,367,100	1,224,400	1,374,000	1,357,500	1,382,900
Operating Expenditures	158,500	158,100	161,000	159,100	159,100
Trustee/Benefit	6,286,300	8,126,000	6,322,800	9,311,300	9,311,300
Lump Sum	1,859,200	0	1,859,200	0	0
Total:	9,671,100	9,508,500	9,717,000	10,827,900	10,853,300
Full-Time Positions (FTP)	18.00	18.00	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 and 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 and 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 2018 Original Appropriation	18.00	7,821,300	9,717,000	18.00	7,821,300	9,717,000
2. SUD Services for RTR	0.00	236,700	236,700	0.00	236,700	236,700
FY 2018 Total Appropriation	18.00	8,058,000	9,953,700	18.00	8,058,000	9,953,700
Removal of Onetime Expenditures	0.00	0	(1,895,700)	0.00	0	(1,895,700)
FY 2019 Base	18.00	8,058,000	8,058,000	18.00	8,058,000	8,058,000
Benefit Costs	0.00	(27,800)	(27,800)	0.00	(25,100)	(25,100)
Statewide Cost Allocation	0.00	(1,900)	(1,900)	0.00	(1,900)	(1,900)
Change in Employee Compensation	0.00	11,300	11,300	0.00	34,000	34,000
FY 2019 Program Maintenance	18.00	8,039,600	8,039,600	18.00	8,065,000	8,065,000
4. Millennium Fund Replacement	0.00	1,859,200	1,859,200	0.00	1,859,200	1,859,200
24. SUDS Provider Rate Increase	0.00	218,900	218,900	0.00	218,900	218,900
25. SUD Services for RTR	0.00	710,200	710,200	0.00	710,200	710,200
FY 2019 Total	18.00	10,827,900	10,827,900	18.00	10,853,300	10,853,300
Change from Original Appropriation	0.00	3,006,600	1,110,900	0.00	3,032,000	1,136,300
% Change from Original Appropriation		38.4%	11.4%		38.8%	11.7%

Community-Based Substance Abuse Treatment

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	18.00	7,821,300	1,895,700	0	9,717,000

2. SUD Services for RTR

The department requests \$236,700 in ongoing trustee and benefit payments from the General Fund to provide substance use disorder (SUD) services to its risk-to-revocate (RTR) population. In general, SUD services are provided to three categories of offenders: (a) felony probationers who meet diagnostic criteria for a substance use disorder and are ordered to undergo treatment as a condition of probation pursuant to Section 19-2524(2), Idaho Code; (b) RTR offenders, who are probationers or parolees that are active substance abusers (within previous 30 days) and are not enrolled in SUD services at the time they relapse into active substance abuse; and (c) reentry offenders, who are rider offenders or parolees reentering the community on active supervision after a period of incarceration with the department. For all categories of offenders, SUD services consist of assessment, outpatient/intensive outpatient care, residential care, and recovery support services such as case management, drug testing, safe/sober housing, life skills, and transportation. In FY 2017, the department provided SUD services to approximately 5,300 offenders, of which 1,394 were RTR offenders. The department estimates that approximately 864 eligible RTR offenders are not receiving SUD services. At the approximate cost of \$1,096 per offender, the department estimates a need of \$946,900 to provide SUD services to these RTR offenders. The department has included a request for the additional \$710,200 as an annualization in the maintenance area of the FY 2019 budget request. However, for purposes of transparency and informed decision-making, the FY 2019 portion of this request is displayed as line item 25.

Agency Request	0.00	236,700	0	0	236,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>236,700</i>	<i>0</i>	<i>0</i>	<i>236,700</i>

FY 2018 Total Appropriation					
Agency Request	18.00	8,058,000	1,895,700	0	9,953,700
<i>Governor's Recommendation</i>	<i>18.00</i>	<i>8,058,000</i>	<i>1,895,700</i>	<i>0</i>	<i>9,953,700</i>

Removal of Onetime Expenditures

This decision unit removes onetime amounts appropriated in FY 2018 for line items.

Agency Request	0.00	0	(1,895,700)	0	(1,895,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(1,895,700)</i>	<i>0</i>	<i>(1,895,700)</i>

FY 2019 Base					
Agency Request	18.00	8,058,000	0	0	8,058,000
<i>Governor's Recommendation</i>	<i>18.00</i>	<i>8,058,000</i>	<i>0</i>	<i>0</i>	<i>8,058,000</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(27,800)	0	0	(27,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(25,100)</i>	<i>0</i>	<i>0</i>	<i>(25,100)</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 costs will decrease by \$1,900.

Agency Request	0.00	(1,900)	0	0	(1,900)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,900)</i>	<i>0</i>	<i>0</i>	<i>(1,900)</i>

Community-Based Substance Abuse Treatment

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	11,300	0	0	11,300
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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	34,000	0	0	34,000
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FY 2019 Program Maintenance

Agency Request	18.00	8,039,600	0	0	8,039,600
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Governor's Recommendation	18.00	8,065,000	0	0	8,065,000
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4. Millennium Fund Replacement

The department requests \$1,859,200 in ongoing trustee and benefit payments from the General Fund to replace funding previously requested and received from the Idaho Millennium Income Fund. Since FY 2013, the department has requested and received \$1,859,200 from the Idaho Millennium Income Fund each year to supplement its General Fund appropriation of \$5,202,900 for substance use disorder (SUD) services.

However, for FY 2019, the department is pursuing a General Fund appropriation instead. According to the department, the year-to-year nature of funding from the Idaho Millennium Income Fund is incompatible with its ongoing needs.

Agency Request	0.00	1,859,200	0	0	1,859,200
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Governor's Recommendation	0.00	1,859,200	0	0	1,859,200
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24. SUDS Provider Rate Increase

The department requests \$218,900 in ongoing trustee and benefit payments from the General Fund to provide a 5% rate increase to substance use disorder (SUD) service providers. Along with the Department of Health and Welfare, the Department of Juvenile Corrections, and the Idaho Supreme Court, the department has decided to implement a 5% rate increase to SUD service providers for treatment services. According to an August 31, 2017 letter signed by the directors of these agencies, reimbursement rates for SUD services are below Idaho's Medicaid rates and those of surrounding states.

Agency Request	0.00	218,900	0	0	218,900
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Governor's Recommendation	0.00	218,900	0	0	218,900
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25. SUD Services for RTR

This decision unit annualizes the amount requested as a supplemental appropriation for risk-to-revocate (RTR) substance use disorder (SUD) services.

Agency Request	0.00	710,200	0	0	710,200
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Governor's Recommendation	0.00	710,200	0	0	710,200
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FY 2019 Total

Agency Request	18.00	10,827,900	0	0	10,827,900
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Governor's Recommendation	18.00	10,853,300	0	0	10,853,300
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Agency Request

Change from Original App	0.00	3,006,600	(1,895,700)	0	1,110,900
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% Change from Original App	0.0%	38.4%	(100.0%)		11.4%
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Governor's Recommendation

Change from Original App	0.00	3,032,000	(1,895,700)	0	1,136,300
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% Change from Original App	0.0%	38.8%	(100.0%)		11.7%
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Medical Services

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	41,689,100	41,087,500	43,539,200	50,269,600	49,561,900
Dedicated	3,241,100	3,235,000	135,000	135,000	135,000
Total:	44,930,200	44,322,500	43,674,200	50,404,600	49,696,900
Percent Change:		(1.4%)	(1.5%)	15.4%	13.8%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	44,930,200	44,322,500	43,674,200	50,404,600	49,696,900

Division Description

The Medical Services Division accounts for 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 2018 Original Appropriation	0.00	43,539,200	43,674,200	0.00	43,539,200	43,674,200
5. Hepatitis-C Treatment	0.00	2,979,000	2,979,000	0.00	2,979,000	2,979,000
6. Population-Driven Costs	0.00	939,100	939,100	0.00	939,100	939,100
FY 2018 Total Appropriation	0.00	47,457,300	47,592,300	0.00	47,457,300	47,592,300
FY 2019 Base	0.00	47,457,300	47,592,300	0.00	47,457,300	47,592,300
6. Mental Health Unit Expansion	0.00	751,400	751,400	0.00	751,400	751,400
10. PREA Screenings	0.00	135,000	135,000	0.00	0	0
22. Population-Driven Costs	0.00	1,925,900	1,925,900	0.00	1,353,200	1,353,200
FY 2019 Total	0.00	50,269,600	50,404,600	0.00	49,561,900	49,696,900
Change from Original Appropriation	0.00	6,730,400	6,730,400	0.00	6,022,700	6,022,700
% Change from Original Appropriation		15.5%	15.4%		13.8%	13.8%

Medical Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	43,539,200	135,000	0	43,674,200

5. Hepatitis-C Treatment

The department requests \$2,979,000 in ongoing operating expenditures from the General Fund to pay for hepatitis-C treatment for approximately 58 inmates in FY 2018. The department's contract for the provision of medical services requires the provider to comply with the Clinical Practice Guidelines for the Treatment of Viral Hepatitis from the Federal Bureau of Prisons. The guidelines establish priority criteria to ensure that those with the greatest need are identified and treated first. Based on those priority criteria, the department's medical services provider has determined that approximately 58 inmates will require hepatitis-C treatment in FY 2018 and approximately 55-60 inmates each year thereafter. According to the department, approximately 30% of its inmates are infected with hepatitis-C. Treatment costs between \$44,600 and \$62,500 per offender using the drugs, Epclusa, Ribavirin, Harvoni, and/or Zepatier, which are obtained at a substantial discount pursuant to the 340B Drug Pricing Program. The treatment is provided to inmates by a private contractor as their priority is identified by the department's medical services provider. So far, the department has treated 59 inmates. Of the inmates that have been tested 12 weeks after treatment, 100% have shown sustained viral response. In other words, treatment has been successful. The department was appropriated \$800,000 in onetime operating expenditures from the General Fund for hepatitis-C treatment costs in FY 2016 and \$3,106,100 in onetime operating expenditures from the Economic Recovery Reserve Fund in FY 2017.

Agency Request	0.00	2,979,000	0	0	2,979,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,979,000</i>	<i>0</i>	<i>0</i>	<i>2,979,000</i>

6. Population-Driven Costs

The department requests to increase its ongoing General Fund appropriation in Medical Services by \$939,100 in operating expenditures to align its budget with updated offender forecasts and bed utilization estimates. At the time the budget was set for FY 2018, the department estimated an average daily count of 7,320 inmates, at the average rate of \$16.22 per inmate per day, for 365 days. As of September 1, 2017, the department estimated an average daily count of 7,478 inmates, at the average rate of \$16.22 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 \$43,332,800 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	939,100	0	0	939,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>939,100</i>	<i>0</i>	<i>0</i>	<i>939,100</i>

FY 2018 Total Appropriation					
Agency Request	0.00	47,457,300	135,000	0	47,592,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>47,457,300</i>	<i>135,000</i>	<i>0</i>	<i>47,592,300</i>
FY 2019 Base					
Agency Request	0.00	47,457,300	135,000	0	47,592,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>47,457,300</i>	<i>135,000</i>	<i>0</i>	<i>47,592,300</i>

Medical Services

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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6. Mental Health Unit Expansion

The department requests \$751,400 in ongoing operating expenditures from the General Fund to expand the mental health unit at the Idaho Maximum Security Institution (IMSI). To do so, the department would increase capacity for the acute mental health, civil commitment, and cognitive care units by 80 beds (from 14 to 94) and reduce capacity for administrative segregation and close custody inmates by 64 beds, for a net increase of 16 beds. According to the department, this request would allow it to make needed increases to its acute mental health capacity, assist the Idaho Department of Health and Welfare in managing civil commitments, and increase its capacity to provide direct mental health services to an increased number of inmates with declining cognitive abilities. If the department expands IMSI as requested here, its medical services contract per diem amount would increase due to the addition of one clinician and one psychiatric technician for the AMHU/civil commitment unit and the addition of 4.20 licensed practical nurses (LPNs) and 4.20 certified nursing assistants (CNAs) to provide 24x7 coverage at the cognitive care unit. While the department requested this funding on an ongoing basis, funding is needed only on a onetime basis for FY 2019, as the ongoing nature of the request would be captured in its medical service contract provider per diem amounts in FY 2020 and beyond. In other words, if this request is funded, the per diem for medical services would increase by 27 cents in FY 2020, and the population-driven adjustments would need to account for that increase, as well as the increase in beds, in FY 2020.

Agency Request	0.00	751,400	0	0	751,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>751,400</i>	<i>0</i>	<i>0</i>	<i>751,400</i>

10. PREA Screenings

The department requests \$135,000 in ongoing operating expenditures from the General Fund to support inmate screenings and facility audits required by the Prison Rape Elimination Act (PREA). Pursuant to PREA, facilities must complete intake screenings within 72 hours of inmate arrival, offer clinical follow-up within 14 days when past abuse or abusiveness is revealed, and reassess all inmates within 30 days of arrival. Event-driven screenings may also be triggered by a referral, request, incident, or risk. As it relates to the medical services contract, this request would provide added nursing time for PREA intake screenings.

Agency Request	0.00	135,000	0	0	135,000
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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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22. Population-Driven Costs

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 on January 1, 2019, 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 \$16.50 per inmate day to \$17.00 per inmate day. For Medical Services in FY 2019, the department estimates an average daily count of 7,576 inmates, at the average rate of \$16.71 per inmate per day, for 365 days for an approximate total of \$46,197,768. The department currently has \$44,271,900 for medical per diem. This request reflects the difference between the appropriation and estimated cost.

Agency Request	0.00	1,925,900	0	0	1,925,900
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The Governor does not recommend funding the expected per diem increase.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,353,200</i>	<i>0</i>	<i>0</i>	<i>1,353,200</i>
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FY 2019 Total

Agency Request	0.00	50,269,600	135,000	0	50,404,600
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>49,561,900</i>	<i>135,000</i>	<i>0</i>	<i>49,696,900</i>
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Agency Request

Change from Original App	0.00	6,730,400	0	0	6,730,400
% Change from Original App		15.5%	0.0%		15.4%

Governor's Recommendation

<i>Change from Original App</i>	<i>0.00</i>	<i>6,022,700</i>	<i>0</i>	<i>0</i>	<i>6,022,700</i>
<i>% Change from Original App</i>		<i>13.8%</i>	<i>0.0%</i>		<i>13.8%</i>

Commission of Pardons & Parole

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	2,898,300	2,845,900	3,248,800	3,290,000	3,293,700
Dedicated	70,700	12,100	70,700	70,700	70,700
Total:	2,969,000	2,858,000	3,319,500	3,360,700	3,364,400
Percent Change:		(3.7%)	16.1%	1.2%	1.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,356,000	2,334,200	2,689,000	2,676,500	2,697,700
Operating Expenditures	590,000	459,600	627,700	684,200	666,700
Capital Outlay	23,000	64,200	2,800	0	0
Total:	2,969,000	2,858,000	3,319,500	3,360,700	3,364,400
Full-Time Positions (FTP)	33.00	33.00	37.00	37.00	37.00

Division Description

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

Commission of Pardons & Parole

Analyst: Hoskins

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	37.00	3,248,800	3,319,500	37.00	3,248,800	3,319,500
Removal of Onetime Expenditures	0.00	(11,200)	(11,200)	0.00	(11,200)	(11,200)
FY 2019 Base	37.00	3,237,600	3,308,300	37.00	3,237,600	3,308,300
Benefit Costs	0.00	(58,400)	(58,400)	0.00	(51,500)	(51,500)
Statewide Cost Allocation	0.00	(100)	(100)	0.00	(100)	(100)
Change in Employee Compensation	0.00	22,200	22,200	0.00	60,200	60,200
FY 2019 Program Maintenance	37.00	3,201,300	3,272,000	37.00	3,246,200	3,316,900
1. Office Lease Costs	0.00	47,500	47,500	0.00	47,500	47,500
2. Commissioner Pay	0.00	23,700	23,700	0.00	0	0
3. Commissioner Prof Development	0.00	8,000	8,000	0.00	0	0
4. Database Maintenance Costs	0.00	9,500	9,500	0.00	0	0
FY 2019 Total	37.00	3,290,000	3,360,700	37.00	3,293,700	3,364,400
Change from Original Appropriation	0.00	41,200	41,200	0.00	44,900	44,900
% Change from Original Appropriation		1.3%	1.2%		1.4%	1.4%

Commission of Pardons & Parole

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	37.00	3,248,800	70,700	0	3,319,500

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime portions of line items.

Agency Request	0.00	(11,200)	0	0	(11,200)
Governor's Recommendation	0.00	(11,200)	0	0	(11,200)

FY 2019 Base					
Agency Request	37.00	3,237,600	70,700	0	3,308,300
Governor's Recommendation	37.00	3,237,600	70,700	0	3,308,300

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	(58,400)	0	0	(58,400)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(51,500)	0	0	(51,500)
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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 costs will decrease by \$900 and State Controller fees will increase by \$800, for a net reduction of \$100.

Agency Request	0.00	(100)	0	0	(100)
Governor's Recommendation	0.00	(100)	0	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	22,200	0	0	22,200
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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	60,200	0	0	60,200
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FY 2019 Program Maintenance					
Agency Request	37.00	3,201,300	70,700	0	3,272,000
Governor's Recommendation	37.00	3,246,200	70,700	0	3,316,900

1. Office Lease Costs

The commission requests \$47,500 in ongoing operating expenditures from the General Fund to pay for an increase in its office lease costs. The increase is attributable to both contractual increases and square footage expansion. The commission originally executed the lease for FY 2015 through FY 2021. For FY 2017, the lease covered 11,608 square feet at a cost \$16.50 per square foot, for a total annual amount of \$191,532. For FY 2018, however, the commission renegotiated the lease to cover an additional 2,392 square feet at a cost of \$14.50 per square foot in addition to the regularly scheduled increase of 50 cents per square foot for the first 11,608 square feet. This increased the total annual amount for FY 2018 to \$232,020. Pursuant to the terms of the renegotiated lease, the FY 2019 cost will increase by 50 cents per square foot, bringing the total annual amount to \$239,020. The commission currently has an appropriation of \$191,500 for its office space lease, bringing the FY 2019 shortfall to \$47,500.

Agency Request	0.00	47,500	0	0	47,500
Governor's Recommendation	0.00	47,500	0	0	47,500

Commission of Pardons & Parole

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Commissioner Pay					
The agency requests \$23,700 in ongoing personnel costs from the General Fund to pay for an increase in the per diems and variable benefits associated with the commission's projected number of hearing and travel days in FY 2019. The increase is attributable to additional commissioners and hearing days. In FY 2017, the commission had five commissioners with 384 hearing days and 109 travel days. The commission projects 554 hearing days for its seven members during FY 2019 at a cost of \$300 per day. The commission further projects 154 travel days for its seven members during FY 2019 at a cost of \$75 per day. With variable benefits, the total projected personnel costs for commission hearings and travel equals \$195,900 for FY 2019. The commission currently has an appropriation of \$172,200 for hearings and travel, which brings the estimated FY 2019 shortfall to \$23,700. Though the commission expects FY 2018 to require as many hearing and travel days as it will in FY 2019, the commission has stated that it will absorb the FY 2018 shortfall with its existing appropriation.					
Agency Request	0.00	23,700	0	0	23,700
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Commissioner Prof Development					
The commission requests \$8,000 in ongoing operating expenditures from the General Fund so that four of its seven members can attend the Association of Paroling Authorities International (APAI) conference on an annual basis. Based on the actual cost of attendance in FY 2017, the total estimated cost to attend the APAI conference is \$2,000 per member, as follows: \$340 for meals; \$370 for airfare; \$820 for hotel; \$440 for registration and membership; and \$30 for miscellaneous expenses.					
Agency Request	0.00	8,000	0	0	8,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Database Maintenance Costs					
The commission requests \$9,500 in ongoing operating expenditures from the General Fund to pay for the maintenance costs associated with its Access database, which tracks all parole decisions, creates forms, tracks mail and various petitions, and is the central data repository for the agency. S1433 of 2014 was a trailer appropriation to S1357 of 2014, better known as the Justice Reinvestment Initiative. In relevant part, it appropriated an additional \$225,000 to the commission for FY 2015 to hire an information technology position to upgrade and maintain the commission's antiquated database. Ultimately, the commission opted to hire a business analyst, instead, and to contract with a private firm to develop upgrades to the database. Between FY 2015 and FY 2017, the commission spent a total of \$102,300 on the contractor to develop an Access database. Now that the database has been developed, the commission expects database maintenance to cost \$95 per hour, two hours per week, 50 weeks per year, for a total annual cost of \$9,500.					
Agency Request	0.00	9,500	0	0	9,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	37.00	3,290,000	70,700	0	3,360,700
Governor's Recommendation	37.00	3,293,700	70,700	0	3,364,400
Agency Request					
Change from Original App	0.00	41,200	0	0	41,200
% Change from Original App	0.0%	1.3%	0.0%		1.2%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	44,900	0	0	44,900
% Change from Original App	0.0%	1.4%	0.0%		1.4%

Idaho Legislative Budget Book

Judicial Branch

2018 Legislative Session

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Judicial Branch

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Court Operations	66,753,100	61,061,600	71,124,100	72,030,900	72,865,700
Guardian Ad Litem Program	641,700	641,700	1,109,200	1,109,300	1,109,200
Judicial Council	130,800	102,000	130,800	130,800	130,800
Total:	67,525,600	61,805,300	72,364,100	73,271,000	74,105,700
BY FUND CATEGORY					
General	42,415,900	42,234,400	49,400,200	50,246,000	50,946,600
Dedicated	23,234,400	18,663,900	21,246,200	21,309,600	21,440,400
Federal	1,875,300	907,000	1,717,700	1,715,400	1,718,700
Total:	67,525,600	61,805,300	72,364,100	73,271,000	74,105,700
Percent Change:		(8.5%)	17.1%	1.3%	2.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	44,131,600	42,876,000	46,342,600	48,381,400	49,216,100
Operating Expenditures	9,764,000	10,717,700	10,808,400	11,202,900	11,202,900
Capital Outlay	7,964,500	2,533,300	8,989,700	7,327,000	7,327,000
Trustee/Benefit	5,665,500	5,678,300	6,223,400	6,359,700	6,359,700
Total:	67,525,600	61,805,300	72,364,100	73,271,000	74,105,700
Full-Time Positions (FTP)	322.00	322.00	334.00	353.00	353.00

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 2018 Original Appropriation	334.00	49,400,200	72,364,100	334.00	49,400,200	72,364,100
Noncognizable Funds and Transfers	17.00	0	0	17.00	0	0
FY 2018 Estimated Expenditures	351.00	49,400,200	72,364,100	351.00	49,400,200	72,364,100
Removal of Onetime Expenditures	0.00	(3,737,000)	(3,737,000)	0.00	(3,737,000)	(3,737,000)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	351.00	45,663,200	68,627,100	351.00	45,663,200	68,627,100
Benefit Costs	0.00	(348,900)	(455,100)	0.00	(342,500)	(446,700)
Statewide Cost Allocation	0.00	7,600	7,600	0.00	7,600	7,600
Annualizations	0.00	39,600	39,600	0.00	39,600	39,600
Change in Employee Compensation	0.00	111,600	178,900	0.00	297,800	497,200
FY 2019 Program Maintenance	351.00	45,473,100	68,398,100	351.00	45,665,700	68,724,800
Line Items						
Court Operations						
1. Court Technology: Phase 5 of 5	0.00	3,684,500	3,684,500	0.00	3,684,500	3,684,500
2. Judicial CEC	0.00	253,800	253,800	0.00	761,300	761,300
3. Jerome County Magistrate	1.00	125,700	125,700	1.00	125,700	125,700
4. SUDS Provider Rate Increase	0.00	231,300	231,300	0.00	231,300	231,300
5. Residential & Recovery Support Svcs	0.00	0	100,000	0.00	0	100,000
6. Language Access	0.00	114,300	114,300	0.00	114,300	114,300
7. Custodian	1.00	58,500	58,500	1.00	59,000	59,000
8. Judicial Mentoring	0.00	153,500	153,500	0.00	153,500	153,500
9. ADA Consultant	0.00	68,800	68,800	0.00	68,800	68,800
10. Vacation Leave Payouts	0.00	82,500	82,500	0.00	82,500	82,500
FY 2019 Total	353.00	50,246,000	73,271,000	353.00	50,946,600	74,105,700
Chg from FY 2018 Orig Approp.	19.00	845,800	906,900	19.00	1,546,400	1,741,600
% Chg from FY 2018 Orig Approp.	5.7%	1.7%	1.3%	5.7%	3.1%	2.4%

Court Operations

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Supreme Court	7,266,400	8,033,700	9,276,900	9,638,600	9,748,000
Court of Appeals	2,101,500	2,020,000	2,230,500	2,222,800	2,264,300
District Courts	33,006,100	27,476,700	34,018,000	33,919,900	34,326,300
Magistrate Division	17,367,200	16,753,400	18,417,700	18,628,300	18,900,300
Water Adjudication	861,700	780,200	892,800	889,500	902,100
Community-Based Substance Abuse	5,122,100	5,122,000	5,208,800	5,539,100	5,542,800
Senior Judges	1,028,100	875,600	1,079,400	1,192,700	1,181,900
Total:	66,753,100	61,061,600	71,124,100	72,030,900	72,865,700
BY FUND CATEGORY					
General	41,643,400	41,490,700	48,160,200	49,005,900	49,706,600
Dedicated	23,234,400	18,663,900	21,246,200	21,309,600	21,440,400
Federal	1,875,300	907,000	1,717,700	1,715,400	1,718,700
Total:	66,753,100	61,061,600	71,124,100	72,030,900	72,865,700
Percent Change:		(8.5%)	16.5%	1.3%	2.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	44,113,100	42,856,800	46,324,100	48,362,800	49,197,600
Operating Expenditures	9,635,000	10,618,200	10,679,400	11,073,900	11,073,900
Capital Outlay	7,964,500	2,533,300	8,989,700	7,327,000	7,327,000
Trustee/Benefit	5,040,500	5,053,300	5,130,900	5,267,200	5,267,200
Total:	66,753,100	61,061,600	71,124,100	72,030,900	72,865,700
Full-Time Positions (FTP)	322.00	322.00	334.00	353.00	353.00

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.

MAGISTRATE 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 2018 Original Appropriation	334.00	48,160,200	71,124,100	334.00	48,160,200	71,124,100
Noncognizable Funds and Transfers	17.00	0	0	17.00	0	0
FY 2018 Estimated Expenditures	351.00	48,160,200	71,124,100	351.00	48,160,200	71,124,100
Removal of Onetime Expenditures	0.00	(3,737,000)	(3,737,000)	0.00	(3,737,000)	(3,737,000)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	351.00	44,423,200	67,387,100	351.00	44,423,200	67,387,100
Benefit Costs	0.00	(348,900)	(455,100)	0.00	(342,500)	(446,700)
Statewide Cost Allocation	0.00	7,600	7,600	0.00	7,600	7,600
Annualizations	0.00	39,600	39,600	0.00	39,600	39,600
Change in Employee Compensation	0.00	111,500	178,800	0.00	297,800	497,200
FY 2019 Program Maintenance	351.00	44,233,000	67,158,000	351.00	44,425,700	67,484,800
1. Court Technology: Phase 5 of 5	0.00	3,684,500	3,684,500	0.00	3,684,500	3,684,500
2. Judicial CEC	0.00	253,800	253,800	0.00	761,300	761,300
3. Jerome County Magistrate	1.00	125,700	125,700	1.00	125,700	125,700
4. SUDS Provider Rate Increase	0.00	231,300	231,300	0.00	231,300	231,300
5. Residential & Recovery Support Svcs	0.00	0	100,000	0.00	0	100,000
6. Language Access	0.00	114,300	114,300	0.00	114,300	114,300
7. Custodian	1.00	58,500	58,500	1.00	59,000	59,000
8. Judicial Mentoring	0.00	153,500	153,500	0.00	153,500	153,500
9. ADA Consultant	0.00	68,800	68,800	0.00	68,800	68,800
10. Vacation Leave Payouts	0.00	82,500	82,500	0.00	82,500	82,500
FY 2019 Total	353.00	49,005,900	72,030,900	353.00	49,706,600	72,865,700
Change from Original Appropriation	19.00	845,700	906,800	19.00	1,546,400	1,741,600
% Change from Original Appropriation		1.8%	1.3%		3.2%	2.4%

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	334.00	48,160,200	21,246,200	1,717,700	71,124,100

Noncognizable Funds and Transfers

Current year expenditure adjustments aimed at aligning the appropriation with the actual use and expenditure of funds include, first, the addition of 17.00 FTP in the Court Technology Fund within District Courts for the court's technology implementation plan. Relatedly, \$1,612,700 from the Court Technology Fund within District Courts is transferred from capital outlay to personnel costs to fund these 17.00 additional FTP. Third, \$37,400 from the General Fund within District Courts is transferred from operating expenditures to personnel costs to meet the obligations associated with the salaries of 45 court reporters. Fourth, \$2,200 from the General Fund within the Court of Appeals is transferred from operating expenditures to personnel costs to meet the obligations associated with the salaries of eight law clerks. Fifth, \$20,100 in operating expenditures from the Drug Court, Mental Health Court, and Family Court Services Fund is transferred from District Courts to the Magistrate Division to be used for operating expenditures (\$10,000) associated with the Court Assistance Office and personnel costs (\$10,100) associated with merit-based increases. Last, \$195,000 from the Substance Abuse Treatment Fund in the Community-Based Substance Abuse Treatment Program is transferred from trustee and benefit payments to operating expenditures so that drug testing expenditures are made from the appropriate object code.

Agency Request	17.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	17.00	0	0	0	0
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FY 2018 Estimated Expenditures					
Agency Request	351.00	48,160,200	21,246,200	1,717,700	71,124,100
Governor's Recommendation	351.00	48,160,200	21,246,200	1,717,700	71,124,100

Removal of Onetime Expenditures

This decision unit removes onetime amounts appropriated as line items in FY 2018 as follows: year 4 of 5 of the court technology implementation plan (\$3,734,500); and computer equipment for the new Bonneville County magistrate (\$2,500).

Agency Request	0.00	(3,737,000)	0	0	(3,737,000)
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Governor's Recommendation	0.00	(3,737,000)	0	0	(3,737,000)
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Base Adjustments

Each of the current year adjustments above (Noncognizable Funds and Transfers) are restored before being requested as ongoing base adjustments for FY 2019.

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 2019 Base					
Agency Request	351.00	44,423,200	21,246,200	1,717,700	67,387,100
Governor's Recommendation	351.00	44,423,200	21,246,200	1,717,700	67,387,100

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(348,900)	(102,100)	(4,100)	(455,100)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(342,500)	(99,900)	(4,300)	(446,700)
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Court Operations

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. State Controller fees will increase by \$7,800 and State Treasurer fees will decrease by \$200, for a net increase of \$7,600.					
Agency Request	0.00	7,600	0	0	7,600
Governor's Recommendation	0.00	7,600	0	0	7,600
Annualizations					
The Supreme Court requests \$37,700 in ongoing personnel costs and \$1,900 in ongoing operating expenditures from the General Fund to annualize the partial funding provided for the new magistrate position (Bonneville County) in FY 2018. Only nine months' funding was provided for FY 2018 because the magistrate's employment did not begin until October 1, 2017, the beginning of the county fiscal year. This adjustment provides the additional appropriation necessary to fund the entire year for the magistrate in FY 2019.					
Agency Request	0.00	39,600	0	0	39,600
Governor's Recommendation	0.00	39,600	0	0	39,600
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	111,500	65,500	1,800	178,800
<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>					
Governor's Recommendation	0.00	297,800	194,100	5,300	497,200
FY 2019 Program Maintenance					
Agency Request	351.00	44,233,000	21,209,600	1,715,400	67,158,000
Governor's Recommendation	351.00	44,425,700	21,340,400	1,718,700	67,484,800

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Court Technology: Phase 5 of 5					District Courts
<p>The Supreme Court requests \$3,684,500 in onetime capital outlay from the General Fund for the fifth and final phase of its 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.</p> <p>To fund this project, two different revenue sources were identified. First, the court estimated it would need five onetime appropriations from the General Fund totaling \$12.68 million: \$4.85 million in FY 2015, \$2.18 million in FY 2016, \$2 million in FY 2017, \$1.85 million in FY 2018, and \$1.8 million in 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 of 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. More specifically, in November of 2016 the court estimated a total dedicated fund revenue shortfall of \$3,769,000 over FY 2018 and FY 2019. Thus, the court revised its business plan to include an additional \$1,884,500 from the General Fund in both FY 2018 and FY 2019. In addition to its originally anticipated onetime General Fund request of \$1,850,000 for FY 2018, the court requested and received \$1,884,500, for a total of \$3,734,500. Now, the court is similarly requesting \$1,884,500 in addition to its originally anticipated onetime General Fund request of \$1,800,000 for FY 2019, for a total of \$3,684,500 in onetime capital outlay from the General Fund.</p>					
Agency Request	0.00	3,684,500	0	0	3,684,500
<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>					
Governor's Recommendation	0.00	3,684,500	0	0	3,684,500
2. Judicial CEC					Supreme Ct, Ct of Appeals, District Cts, Magistrate
<p>Commensurate with all other state employees, a 1% CEC for judicial salaries is included in the request for calculation purposes only. For judicial salaries, the Supreme Court requests a CEC percentage equal to that recommended for all other state employees. Separate legislation will be required.</p>					
Agency Request	0.00	253,800	0	0	253,800
<i>Commensurate with other state employees, the Governor has included a 3% increase for judicial salaries.</i>					
Governor's Recommendation	0.00	761,300	0	0	761,300
3. Jerome County Magistrate					Magistrate Division
<p>This request is for 1.00 FTP and \$125,700 from the General Fund to hire one new magistrate judge to be chambered in Jerome County. Of the total amount requested, \$117,600 is in ongoing personnel costs for salary and variable benefits; \$5,600 is in ongoing operating expenditures for travel costs; and \$2,500 is in onetime capital outlay for computer equipment. Currently, there are 92 magistrate judges statewide, of which one is chambered in Jerome County and 11 are chambered in the Fifth 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. This line item would fund a new magistrate judge in Jerome County for nine months, to be hired on October 1, 2018, which corresponds with the respective county fiscal year. The request would need to be annualized as a maintenance adjustment in FY 2020.</p>					
Agency Request	1.00	125,700	0	0	125,700
<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>					
Governor's Recommendation	1.00	125,700	0	0	125,700

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. SUDS Provider Rate Increase	Community-Based Substance Abuse Treatment Services				
The Supreme Court requests \$231,300 in ongoing trustee and benefit payments from the General Fund to provide a 5% rate increase to substance use disorder (SUD) service providers. Along with the Department of Health and Welfare, the Department of Juvenile Corrections, and the Department of Correction, the court has decided to implement a 5% rate increase to SUD service providers for treatment services. According to an August 31, 2017 letter signed by the directors of these agencies, reimbursement rates for SUD services are below Idaho’s Medicaid rates and those of surrounding states. The last rate increase was funded in FY 2014 when the court received \$230,000 in ongoing trustee and benefit payments from the Substance Abuse Treatment Fund for a 5% SUDS provider rate increase.					
Agency Request	0.00	231,300	0	0	231,300
<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>					
Governor's Recommendation	0.00	231,300	0	0	231,300
5. Residential & Recovery Support Svcs	Community-Based Substance Abuse Treatment Services				
This request is for \$100,000 in ongoing trustee and benefit payments from the Substance Abuse Treatment Fund for substance use disorder services (SUDS). In particular, the funds would be used to expand the availability of residential and recovery support services (RSS), which consist of safe and sober housing as well as transportation support. The court currently has an ongoing appropriation of \$4,710,300 for SUDS. Of this total amount, \$1,594,800 is from the General Fund and \$3,115,500 is from the Substance Abuse Treatment Fund. These funds are currently used to provide SUD services to approximately 2,055 problem-solving court participants each year. These services typically consist of direct services (assessments, outpatient treatment, case management, and life coaching); RSS; and drug testing. In FY 2017 the court expended \$4,444,900, \$232,400, and \$146,200 for these services, respectively. If this request is funded, the court will have an appropriation to provide RSS to approximately 98 problem-solving court participants per year, 28 more than in FY 2017. Revenues into the Substance Abuse Treatment Fund are currently expected to exceed the appropriation by approximately \$96,100 in FY 2019.					
Agency Request	0.00	0	100,000	0	100,000
<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>					
Governor's Recommendation	0.00	0	100,000	0	100,000

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. Language Access					Supreme Court

The Supreme Court requests \$114,300 in ongoing operating expenditures from the General Fund to enhance language access in each of the seven judicial districts. According to the court, as many as 40 different languages are spoken in trial courts across the state. Article I, Section 18 of the Idaho Constitution requires the courts to be open and accessible to every person. Further, Title VI of the Civil Rights Act of 1964 and the Omnibus Crime Control and Safe Streets Act of 1968 prohibit recipients of federal financial assistance from discriminating based on national origin by failing to provide "meaningful access" to individuals who have limited English proficiency. Additionally, the Americans with Disabilities Act (ADA) requires that Title II entities (state and local governments) communicate effectively with people who have communication disabilities.

For FY 2017 the court received a total of \$443,300 for language access. Ongoing amounts included \$96,500 in personnel costs for the salary and benefits of a language access manager; and \$152,800 in operating expenditures for employee travel (\$25,200), certified court interpreter services (\$97,500), and video remote interpreting (VRI) services (\$30,100). Onetime amounts included \$27,500 in operating expenditures and \$166,500 in capital outlay for VRI equipment. Here, the court is requesting an additional \$114,300 for freelance court interpreting coverage across judicial districts, as well as support for a Spanish-certified staff interpreter position in the Seventh District. More specifically, \$5,000 is for freelance court interpreting expenses for the First District; \$27,800 is for freelance court interpreter expenses for the Third District; \$10,000 is for freelance court interpreter expenses for the Fifth District; and \$71,500 is for a staff interpreter position for the Seventh District, which will be a county employee.

Agency Request	0.00	114,300	0	0	114,300
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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.

Governor's Recommendation	0.00	114,300	0	0	114,300
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7. Custodian Supreme Court

This request is for 1.00 FTP and \$58,500 in ongoing personnel costs from the General Fund to hire an additional custodian for the Supreme Court Building. Currently, the court has two custodial positions to provide normal custodial services on the first and second floors of the Supreme Court Building. However, according to the court, the recently remodeled basement space for its IT division has increased the custodial workload. Prior to the remodel, the IT division was located offsite and the Supreme Court building's basement was used for book storage. This request would accommodate both the increase in personnel and the need to clean and maintain the previously unoccupied basement.

Agency Request	1.00	58,500	0	0	58,500
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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. The recommendation includes changes for benefits and compensation.

Governor's Recommendation	1.00	59,000	0	0	59,000
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Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Judicial Mentoring		Supreme Court, Senior Judges			
The Supreme Court requests \$153,500 ongoing from the General Fund for judicial mentoring. Of the total amount requested, \$51,000 is in operating expenditures in the Supreme Court Program for mentor judges' travel costs and training, and \$102,500 is in personnel costs in the Senior Judges Program for the per diems and training of mentor judges. Mentor judges will be both sitting and senior judges. When a mentor judge is a senior judge, the personnel costs will be used to pay his or her per diems. When the mentor judge is a sitting judge, the personnel costs will be used for the per diems of a senior judge to cover for the sitting judge.					
This request is a continuation of previous requests related to the Judicial Excellence and Education Program (JEEP). The court's Judicial Performance Evaluation Committee originally proposed the establishment of JEEP to enhance judicial excellence, education, and wellness throughout a judge's service by administering self-improvement surveys on a regular basis and by providing appropriate evaluation and education. The evaluation process involves court observation, recording, education, and mentoring. For FY 2016, the court received \$80,300 to pay for three major judicial education conferences throughout the year. For FY 2017, the court received 1.00 FTP and \$82,000 for a position to administer self-improvement surveys and another \$36,000 for training. According to the court, this request would fund the final component of JEEP, i.e., mentoring. Mentor judges would engage in courtroom observation/evaluation and then review the results of the evaluation with the mentee judge as well as make any recommendations for additional training, education, or resources.					
Agency Request	0.00	153,500	0	0	153,500
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	153,500	0	0	153,500
9. ADA Consultant		Supreme Court			
This request is for \$68,800 in ongoing operating expenditures from the General Fund to hire a contracted Americans with Disabilities Act (ADA) consultant. The consultant would assist the Idaho courts with expert technical assistance regarding the assessment of physical standards for accessibility in county courthouses around the state. More specifically, these assessments would examine the areas where court services occur; building, restroom, and parking lot access; and court websites. Title II of the ADA requires that all programs, services, and activities of state and local government be accessible to individuals with disabilities. According to the court, an ADA consultant is critical to enhancing access to the courts, whether that is physical access to courthouses or access to programs, services, and activities by individuals with disabilities. The consultant would provide expertise and in-depth knowledge of the ADA architectural standards and the legal requirements.					
Agency Request	0.00	68,800	0	0	68,800
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	68,800	0	0	68,800
10. Vacation Leave Payouts		Supreme Court			
The Supreme Court requests \$82,500 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 court, it has historically used onetime 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 onetime salary savings in FY 2019 and beyond. For FY 2018, the court requested \$165,000 for the same purpose and was appropriated \$82,500, or half of the request. The court is now requesting the other half for FY 2019.					
Agency Request	0.00	82,500	0	0	82,500
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	82,500	0	0	82,500

Court Operations

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	353.00	49,005,900	21,309,600	1,715,400	72,030,900
<i>Governor's Recommendation</i>	<i>353.00</i>	<i>49,706,600</i>	<i>21,440,400</i>	<i>1,718,700</i>	<i>72,865,700</i>
Agency Request					
Change from Original App	19.00	845,700	63,400	(2,300)	906,800
% Change from Original App	5.7%	1.8%	0.3%	(0.1%)	1.3%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>19.00</i>	<i>1,546,400</i>	<i>194,200</i>	<i>1,000</i>	<i>1,741,600</i>
<i>% Change from Original App</i>	<i>5.7%</i>	<i>3.2%</i>	<i>0.9%</i>	<i>0.1%</i>	<i>2.4%</i>

Guardian Ad Litem Program

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	641,700	641,700	1,109,200	1,109,300	1,109,200
Percent Change:		0.0%	72.9%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	16,700	15,900	16,700	16,800	16,700
Operating Expenditures	0	800	0	0	0
Trustee/Benefit	625,000	625,000	1,092,500	1,092,500	1,092,500
Total:	641,700	641,700	1,109,200	1,109,300	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 2018 Original Appropriation	0.00	1,109,200	1,109,200	0.00	1,109,200	1,109,200
FY 2019 Base	0.00	1,109,200	1,109,200	0.00	1,109,200	1,109,200
Change in Employee Compensation	0.00	100	100	0.00	0	0
FY 2019 Total	0.00	1,109,300	1,109,300	0.00	1,109,200	1,109,200
Change from Original Appropriation	0.00	100	100	0.00	0	0
% Change from Original Appropriation		0.0%	0.0%		0.0%	0.0%

Guardian Ad Litem Program

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	1,109,200	0	0	1,109,200
FY 2019 Base					
Agency Request	0.00	1,109,200	0	0	1,109,200
<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>

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	100	0	0	100
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The Governor 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 2019 Total					
Agency Request	0.00	1,109,300	0	0	1,109,300
<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	100	0	0	100
% Change from Original App		0.0%			0.0%

Governor's Recommendation

<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>% Change from Original App</i>		<i>0.0%</i>			<i>0.0%</i>

Judicial Council

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	130,800	102,000	130,800	130,800	130,800
Percent Change:		(22.0%)	28.2%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,800	3,300	1,800	1,800	1,800
Operating Expenditures	129,000	98,700	129,000	129,000	129,000
Total:	130,800	102,000	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 2018 Original Appropriation	0.00	130,800	130,800	0.00	130,800	130,800
FY 2019 Base	0.00	130,800	130,800	0.00	130,800	130,800
FY 2019 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 2018 Original Appropriation	0.00	130,800	0	0	130,800
FY 2019 Base					
Agency Request	0.00	130,800	0	0	130,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>130,800</i>	<i>0</i>	<i>0</i>	<i>130,800</i>
FY 2019 Total					
Agency Request	0.00	130,800	0	0	130,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>130,800</i>	<i>0</i>	<i>0</i>	<i>130,800</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>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>% Change from Original App</i>		<i>0.0%</i>			<i>0.0%</i>

Department of Juvenile Corrections

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	4,240,400	4,250,900	4,174,200	4,436,300	4,146,400
COPS	12,769,500	10,872,300	12,326,200	11,524,100	11,549,100
Institutions	32,300,600	30,444,000	33,118,800	32,938,500	33,285,200
Community-Based Substance Abuse	3,154,900	2,882,200	3,157,200	3,155,600	3,158,900
Total:	52,465,400	48,449,400	52,776,400	52,054,500	52,139,600
BY FUND CATEGORY					
General	40,967,500	39,867,700	41,715,600	41,729,800	41,806,600
Dedicated	8,367,300	6,945,900	8,042,100	7,310,200	7,312,300
Federal	3,130,600	1,635,800	3,018,700	3,014,500	3,020,700
Total:	52,465,400	48,449,400	52,776,400	52,054,500	52,139,600
Percent Change:		(7.7%)	8.9%	(1.4%)	(1.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	26,520,400	26,388,100	27,334,500	27,433,300	27,533,300
Operating Expenditures	5,547,300	4,853,600	5,790,200	5,886,100	5,875,800
Capital Outlay	659,400	733,000	548,900	379,300	374,700
Trustee/Benefit	18,675,500	16,474,700	18,355,800	18,355,800	18,355,800
Lump Sum	1,062,800	0	747,000	0	0
Total:	52,465,400	48,449,400	52,776,400	52,054,500	52,139,600
Full-Time Positions (FTP)	412.00	412.00	413.00	417.00	414.00

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 administer federal programs, and also manage state funds through the Community Incentive Project, Mental Health Program, and Detention Clinician Project. The juvenile placement manager provides oversight of all placement and population management decisions. 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. COMMUNITY-BASED SUBSTANCE ABUSE TREATMENT SERVICES: This program provides community-based substance use disorder treatment 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 2018 Original Appropriation	413.00	41,715,600	52,776,400	413.00	41,715,600	52,776,400
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	413.00	41,715,600	52,776,400	413.00	41,715,600	52,776,400
Removal of Onetime Expenditures	0.00	(142,500)	(1,295,900)	0.00	(142,500)	(1,295,900)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	413.00	41,573,100	51,480,500	413.00	41,573,100	51,480,500
Benefit Costs	0.00	(652,000)	(662,300)	0.00	(573,000)	(581,800)
Replacement Items	0.00	0	424,100	0.00	0	424,100
Statewide Cost Allocation	0.00	25,600	25,600	0.00	25,600	25,300
Change in Employee Compensation	0.00	216,900	220,400	0.00	646,800	657,400
FY 2019 Program Maintenance	413.00	41,163,600	51,488,300	413.00	41,672,500	52,005,500
1. Rule of 80 for Direct Care Staff	0.00	33,000	33,000	0.00	35,400	35,400
2. Edu Prgrm Mgr Pay	0.00	51,800	51,800	0.00	0	0
3. Clinical Staff Pay	0.00	108,300	108,300	0.00	0	0
4. IT Systems Security Analyst	1.00	73,900	73,900	0.00	0	0
5. Instructor Pay – Phase 2 of 3	0.00	89,500	89,500	0.00	15,700	15,700
6. Records Program Manager	1.00	81,700	81,700	0.00	0	0
7. Cook	1.00	46,800	46,800	0.00	0	0
8. Clinician	1.00	72,500	72,500	1.00	74,300	74,300
9. PC Program Transfer	0.00	0	0	0.00	0	0
10. IT/Telecommunications	0.00	8,700	8,700	0.00	8,700	8,700
FY 2019 Total	417.00	41,729,800	52,054,500	414.00	41,806,600	52,139,600
Change from Original Appropriation	4.00	14,200	(721,900)	1.00	91,000	(636,800)
% Change from Original Appropriation		0.0%	(1.4%)		0.2%	(1.2%)

Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	413.00	41,715,600	8,042,100	3,018,700	52,776,400

Noncognizable Funds and Transfers

Current year expenditure adjustments include a onetime program transfer of \$186,100 in General Fund personnel costs from Institutions to Administration. Going into FY 2018, the department's personnel costs were over-obligated by \$186,100 beyond its FY 2018 Original Appropriation for Administration. According to the department, it used unobligated personnel cost appropriation in other programs 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 \$80,400 in personnel costs from other programs to Administration. The department proposes to make this transfer ongoing in FY 2019 with line item 9.

Also included is a onetime program transfer of 1.00 FTP and associated General Fund personnel costs (\$101,900) and operating expenditures (\$10,000) from Administration to Community, Operations, and Program Services (COPS) to reflect the actual supervisory structure of a placement manager position.

Lastly, a onetime program transfer of \$157,300 in Miscellaneous Revenue Fund operating expenditures from COPS to Administration is included to reflect the actual management of the department's religious services contract. These transfers net to zero.

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 Estimated Expenditures					
Agency Request	413.00	41,715,600	8,042,100	3,018,700	52,776,400
<i>Governor's Recommendation</i>	413.00	41,715,600	8,042,100	3,018,700	52,776,400

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for replacement items, the Idaho Millennium Income Fund, and onetime portions of line items.

Agency Request	0.00	(142,500)	(1,153,400)	0	(1,295,900)
<i>Governor's Recommendation</i>	0.00	(142,500)	(1,153,400)	0	(1,295,900)

Base Adjustments

Each of the current year adjustments above (Noncognizable Funds and Transfers) are restored before being requested as ongoing base adjustments for FY 2019.

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 2019 Base					
Agency Request	413.00	41,573,100	6,888,700	3,018,700	51,480,500
<i>Governor's Recommendation</i>	413.00	41,573,100	6,888,700	3,018,700	51,480,500

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(652,000)	(3,400)	(6,900)	(662,300)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	0.00	(573,000)	(2,800)	(6,000)	(581,800)
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Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

Requested replacement items from the Juvenile Corrections Center Endowment Income Fund include \$5,000 for a boiler; \$56,000 for carpet replacement; \$4,200 for classroom furniture; \$90,000 for computer equipment; \$5,000 for door locks; \$5,000 for a generator; \$34,900 for kitchen equipment; \$3,100 for medical equipment; \$6,100 for lawnmowers; \$16,300 for office furniture; \$4,500 for parking lot resurfacing; \$18,800 for radios and accessories; \$27,000 for routers, switches, batteries, etc.; \$33,000 for security cameras; \$46,600 for two sedans; \$19,500 for servers; \$3,500 for telephones; and \$45,600 for textbooks.

Agency Request	0.00	0	424,100	0	424,100
Governor's Recommendation	0.00	0	424,100	0	424,100

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 \$20,000, risk management costs will decrease by \$2,000, State Controller fees will increase by \$7,700, and State Treasurer fees will decrease by \$100, for a net increase of \$25,600.

Agency Request	0.00	25,600	0	0	25,600
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The Governor's recommendation also includes fees for Legislative Audits, which will decrease by \$300.

Governor's Recommendation	0.00	25,600	(300)	0	25,300
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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	216,900	800	2,700	220,400
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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	646,800	2,600	8,000	657,400
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FY 2019 Program Maintenance

Agency Request	413.00	41,163,600	7,310,200	3,014,500	51,488,300
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Governor's Recommendation	413.00	41,672,500	7,312,300	3,020,700	52,005,500
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1. Rule of 80 for Direct Care Staff

Institutions

This request is for \$33,000 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 11.94% to 12.28% for the employer, and from 7.16% to 8.81% for the employee. For employees, this increase would equate to an annual increase of \$333,000 in PERSI contributions department-wide. Separate legislation will be required.

Agency Request	0.00	33,000	0	0	33,000
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The Governor's recommendation includes additional funding attributable to changes to the proposed legislation.

Governor's Recommendation	0.00	35,400	0	0	35,400
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Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Edu Prgrm Mgr Pay					Institutions
<p>The department requests \$51,800 in ongoing personnel costs from the General Fund to provide pay raises to its five education program managers. For FY 2018, the department received an increase of \$484,100 in ongoing personnel costs from the General Fund to provide pay raises to its instructors that correspond with those received by instructional staff in the public school setting. In effect, this provided the department with an appropriation to support structuring its instructors' pay progression as if they were subject to the career ladder. However, just as the career ladder does not apply to administrative staff, the department's pay progression plan does not apply to its education program managers, who are comparable to administrative staff in the public school setting. This has created a pay compression problem between instructors and education program managers. This request would fund the education program managers' pay progression as if they were subject to the experience and education multipliers (i.e., steps and lanes) found in Section 33-1004A, Idaho Code, by plotting them within the appropriate cohort, based on education levels and experience, and then adding a multiplier to calculate the base salary. Three of the five education program managers (principals) would receive a 10% multiplier, the fourth (statewide federal program manager) would receive a 10% multiplier, and the fifth (vice-principal) would receive a 5% multiplier. Currently, these five positions are paid an average of \$59,700 per year. With this proposal, they would receive an average of \$68,000 per year. If this line item is funded, the department expects to request an additional \$21,200 for FY 2020 to allow for full implementation of the pay progression and additional base pay changes for those that are eligible to progress further based on established performance criteria.</p>					
Agency Request	0.00	51,800	0	0	51,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Clinical Staff Pay					Institutions
<p>This is a request for \$108,300 in ongoing personnel costs from the General Fund to provide pay raises to the department's 47 clinical staff members to address internal and external pay equity issues. The 47 staff members include four clinical supervisors, 16 clinicians, 12 licensed practical nurses, and 15 social workers. According to the agency, this request would allow it to compete for talent across the state and to ensure its clinical staff are equitably compensated in comparison to their peers at other state agencies. For example, comparable clinical supervisors at the Department of Health and Welfare earn between \$29.43 and \$30.26 per hour, whereas the clinical supervisors in the Department of Juvenile Corrections earn between \$27.29 and \$28.70 per hour. The turnover rate for these positions has been 9.1% over the last three fiscal years. The staff that would be affected by this request earn an average of \$45,600 per year. With this request, that group would earn an average of \$47,900 per year.</p>					
Agency Request	0.00	108,300	0	0	108,300
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. IT Systems Security Analyst					Administration
<p>The department requests 1.00 FTP and \$73,900 from the General Fund to hire an IT systems security analyst to enhance the department's cybersecurity capability. Of the total amount requested, \$70,500 in ongoing personnel costs is for salary and benefits and \$3,400 in onetime capital outlay is for computer equipment and office furniture. According to the agency, the purpose of the request is to meet the demands of customers and to facilitate compliance with Executive Order No. 2017-02, which requires state agencies to, in relevant part, adopt and implement the National Institute of Standards and Technology Cybersecurity Framework, implement critical security controls, and develop employee education and training plans. To that end, the requested position would create and maintain the department's cybersecurity plan; assist human resources in monitoring cybersecurity training for new and existing employees; recommend changes to IT and cybersecurity plans; develop and maintain documents on subjects such as cybersecurity, information governance, and incident response for data breaches; monitor and document changes in both the education and administrative networks; and ensure that the department is meeting requirements to maintain its status as a certified GED administrator.</p>					
Agency Request	1.00	73,900	0	0	73,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. Instructor Pay – Phase 2 of 3					Institutions
<p>This is a request for \$89,500 in ongoing personnel costs from the General Fund for phase two of the department's pay progression plan for its instructors. For FY 2018, the department received an ongoing increase of \$484,100 in personnel costs from the General Fund to provide pay raises to its instructors that correspond with those received by instructional staff in the public school setting. The amount received was adjusted downward from the amount originally requested to account for the 3% CEC. 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. The agency has 48 instructor specialists and three instruction assistants. The department originally estimated that the total cost of the proposal would be \$1,185,700 over three years (\$558,200 in FY 2018, \$308,400 in FY 2019, and \$319,100 in FY 2020). Now, the department estimates that phase two will cost \$89,500 in FY 2019, and phase three will cost \$317,000 in FY 2020.</p>					
Agency Request	0.00	89,500	0	0	89,500
<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	15,700	0	0	15,700
6. Records Program Manager					Administration
<p>The department requests 1.00 FTP and \$81,700 from the General Fund to hire a records program manager to develop and manage the department's records management program. Of the total amount requested, \$70,500 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 onetime capital outlay for a laptop and docking station. The department currently has a records management program that only includes emails. 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. The position would also be responsible for, among other things, developing and providing regular trainings for new and existing employees regarding the integration of records management into their work; serving as liaison to the records center manager and Idaho state archivist; facilitating changes to the strategic plan and performance measurement report; maintaining and monitoring outcome performance measures; and ensuring that the department's records management policies and procedures comply with Idaho statutes, administrative rules, and federal regulations.</p>					
Agency Request	1.00	81,700	0	0	81,700
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
7. Cook					Institutions
<p>This is a request for 1.00 FTP and \$46,800 in ongoing personnel costs from the General Fund to hire an additional cook for the Juvenile Corrections Center-St. Anthony (JCCS). According to the agency, a recent comparison of production rates at the three juvenile corrections centers indicates that JCCS food service staff produce disproportionately more meals per labor hour (MPLH) than the other two facilities. JCCS holds 130 beds and produces between 15 and 22 MPLH with six food service staff members; JCC-Nampa (JCCN) holds 66 beds and produces between eight and 12 MPLH with five food service staff members; and JCC-Lewiston (JCCL) holds 30 beds and produces between five and 11 MPLH with four food service staff members. In addition to increased safety, the agency believes that adding an additional cook at JCCS will allow for better supervision of the juveniles that work in the kitchen, which will in turn help them with educational and vocational development, self-confidence, and socialization.</p>					
Agency Request	1.00	46,800	0	0	46,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Department of Juvenile Corrections

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Clinician					Institutions
The department requests 1.00 FTP and \$72,500 from the General Fund to hire a clinician for the Juvenile Corrections Center-Nampa (JCCN). Of the total amount requested, \$70,300 is in ongoing personnel costs for salary and benefits; \$1,000 is in ongoing operating expenditures for travel and training; and \$1,200 is in onetime capital outlay for a laptop and docking station. According to the agency, an additional clinician would decrease the amount of time required to complete the observation and assessment process following commitment to the custody of the department. Currently, the department's policy is to complete observation and assessment within 15-20 days. However, the one clinician at JCCN is only able to complete three assessments per week, causing observation and assessment to take about five to eight weeks. The goal is to double the number of assessments completed per week and potentially decrease observation and assessment by two or three weeks and consequently reduce the length of custody for juveniles.					
Agency Request	1.00	72,500	0	0	72,500
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	74,300	0	0	74,300
9. PC Program Transfer					Administration, Institutions
This is a request to make an ongoing program transfer of \$186,100 in General Fund personnel costs from Institutions to Administration. The department requested this adjustment on a onetime basis for FY 2018 in Noncognizable Funds and Transfers above.					
Agency Request	0.00	0	0	0	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
10. IT/Telecommunications					Administration
The department requests \$8,700 in ongoing operating expenditures from the General Fund to cover charges related to the Idaho Technology Authority (ITA). According to the department, changes to the virtual private network (VPN) contract as well as increased charges related to internet/security and state network have resulted in a 67% increase in costs billed by the ITA. The \$8,700 requested here consists of \$2,250 for the VPN contract, \$5,300 for internet/security and state network charges, and \$1,150 for ITA charges.					
Agency Request	0.00	8,700	0	0	8,700
Governor's Recommendation	0.00	8,700	0	0	8,700
FY 2019 Total					
Agency Request	417.00	41,729,800	7,310,200	3,014,500	52,054,500
Governor's Recommendation	414.00	41,806,600	7,312,300	3,020,700	52,139,600
Agency Request					
Change from Original App	4.00	14,200	(731,900)	(4,200)	(721,900)
% Change from Original App	1.0%	0.0%	(9.1%)	(0.1%)	(1.4%)
<i>Governor's Recommendation</i>					
Change from Original App	1.00	91,000	(729,800)	2,000	(636,800)
% Change from Original App	0.2%	0.2%	(9.1%)	0.1%	(1.2%)

Idaho Legislative Budget Book

Idaho State Police

2018 Legislative Session

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Idaho State Police

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Brand Inspection	3,174,300	2,723,400	3,090,700	3,170,700	3,123,700
Police, Division of Idaho State	69,553,300	64,355,700	69,680,700	78,956,900	75,382,000
POST Academy	4,662,800	3,546,200	4,688,700	5,673,000	5,215,400
Racing Commission	625,500	278,600	650,100	425,800	427,900
Total:	78,015,900	70,903,900	78,110,200	88,226,400	84,149,000
BY FUND CATEGORY					
General	27,602,500	27,159,600	29,162,400	36,408,700	32,772,200
Dedicated	41,680,700	37,405,600	40,424,900	43,397,800	42,903,000
Federal	8,732,700	6,338,700	8,522,900	8,419,900	8,473,800
Total:	78,015,900	70,903,900	78,110,200	88,226,400	84,149,000
Percent Change:		(9.1%)	10.2%	13.0%	7.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	53,499,100	49,007,700	54,394,000	56,681,800	55,910,900
Operating Expenditures	16,496,300	14,533,400	17,688,700	19,610,900	17,941,800
Capital Outlay	5,005,200	5,210,000	2,813,200	9,122,400	7,485,000
Trustee/Benefit	2,921,300	2,058,800	3,027,200	2,811,300	2,811,300
Lump Sum	94,000	94,000	187,100	0	0
Total:	78,015,900	70,903,900	78,110,200	88,226,400	84,149,000
Full-Time Positions (FTP)	575.85	575.85	588.85	621.85	600.85

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 2018 Original Appropriation	588.85	29,162,400	78,110,200	588.85	29,162,400	78,110,200
Reappropriation	0.00	250,000	919,000	0.00	250,000	919,000
Supplementals						
Brand Inspection						
1. Animal Identification Software	0.00	0	0	0.00	86,400	86,400
FY 2018 Total Appropriation	588.85	29,412,400	79,029,200	588.85	29,498,800	79,115,600
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	588.85	29,412,400	79,029,200	588.85	29,498,800	79,115,600
Removal of Onetime Expenditures	0.00	(3,527,000)	(6,018,300)	0.00	(3,613,400)	(6,104,700)
Base Adjustments	(1.00)	0	0	(1.00)	0	0
FY 2019 Base	587.85	25,885,400	73,010,900	587.85	25,885,400	73,010,900
Benefit Costs	0.00	(337,800)	(855,200)	0.00	(320,300)	(813,800)
Inflationary Adjustments	0.00	500	500	0.00	500	500
Replacement Items	0.00	3,597,800	5,400,400	0.00	2,966,600	4,769,200
Statewide Cost Allocation	0.00	52,500	176,800	0.00	52,500	177,800
Change in Employee Compensation	0.00	179,000	420,900	0.00	538,800	1,280,500
FY 2019 Program Maintenance	587.85	29,377,400	78,154,300	587.85	29,123,500	78,425,100
Line Items						
Brand Inspection						
1. Brand Inspector - FTP	1.00	0	96,200	0.00	0	0
Division of Idaho State Police						
1. Patrol Officers - 17 FTP	17.00	3,423,600	3,423,600	7.00	1,239,800	1,239,800
2. Investigation Officers - 6 FTP	6.00	1,024,800	1,024,800	0.00	0	0
3. Executive Protection Officer - FTP	1.00	220,800	220,800	1.00	220,900	220,900
4. LC/MS/MS Instrument	0.00	858,000	858,000	0.00	858,000	858,000
5. CyberSecurity Maintenance	0.00	50,000	50,000	0.00	0	0
6. Instrument Maintenance	0.00	51,000	51,000	0.00	44,500	44,500
7. Forensic Scientists - 3 FTP	3.00	346,000	346,000	3.00	346,300	346,300
8. Purchase of Watertower Lots	0.00	762,600	762,600	0.00	762,600	762,600
9. Buyer- FTP	1.00	61,800	61,800	0.00	0	0
10. Human Resource Associate - FTP	1.00	56,400	56,400	0.00	0	0
11. Fleet Installation Technician	1.00	63,900	63,900	1.00	64,200	64,200
12. ABC Sergeants - 2 FTP	2.00	0	369,600	0.00	0	0
13. BCI Section Supervisor - FTP	1.00	0	79,600	1.00	0	79,800
14. Sex Offender Registry System Update	0.00	0	1,595,000	0.00	0	1,595,000
15. 9-1-1 CAMA Trunks/ ALI Circuits	0.00	104,900	104,900	0.00	104,900	104,900
19. IT/Telecommunications	0.00	7,500	7,500	0.00	7,500	7,500
20. Forensic Legislative Intent Language	0.00	0	0	0.00	0	0
POST Academy						
16. POST Dorm Contribution	0.00	0	500,000	0.00	0	0
17. POST Expanded Training	0.00	0	265,700	0.00	0	265,700
18. POST Council Legislation Fiscal Impact	0.00	0	5,000	0.00	0	5,000
19. Fitness and Training Equipment	0.00	0	129,700	0.00	0	129,700
FY 2019 Total	621.85	36,408,700	88,226,400	600.85	32,772,200	84,149,000
Chg from FY 2018 Orig Approp.	33.00	7,246,300	10,116,200	12.00	3,609,800	6,038,800
% Chg from FY 2018 Orig Approp.	5.6%	24.8%	13.0%	2.0%	12.4%	7.7%

Brand Inspection

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	250,000	0	0	0	0
Dedicated	2,924,300	2,723,400	3,090,700	3,170,700	3,123,700
Total:	3,174,300	2,723,400	3,090,700	3,170,700	3,123,700
Percent Change:		(14.2%)	13.5%	2.6%	1.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,439,900	2,317,800	2,552,300	2,564,900	2,560,100
Operating Expenditures	634,900	312,300	401,400	401,100	395,100
Capital Outlay	99,500	93,300	137,000	204,700	168,500
Total:	3,174,300	2,723,400	3,090,700	3,170,700	3,123,700
Full-Time Positions (FTP)	36.84	36.84	37.84	38.84	37.84

Division Description

The Brand Inspection Program provides protection to the livestock industry from losses by theft and illegal slaughter.

Brand Inspection

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	37.84	0	3,090,700	37.84	0	3,090,700
Reappropriation	0.00	250,000	250,000	0.00	250,000	250,000
1. Animal Identification Software	0.00	0	0	0.00	86,400	86,400
FY 2018 Total Appropriation	37.84	250,000	3,340,700	37.84	336,400	3,427,100
Removal of Onetime Expenditures	0.00	(250,000)	(394,100)	0.00	(336,400)	(480,500)
FY 2019 Base	37.84	0	2,946,600	37.84	0	2,946,600
Benefit Costs	0.00	0	(60,800)	0.00	0	(52,700)
Replacement Items	0.00	0	171,400	0.00	0	171,400
Statewide Cost Allocation	0.00	0	(3,100)	0.00	0	(2,100)
Change in Employee Compensation	0.00	0	20,400	0.00	0	60,500
FY 2019 Program Maintenance	37.84	0	3,074,500	37.84	0	3,123,700
1. Brand Inspector - FTP	1.00	0	96,200	0.00	0	0
FY 2019 Total	38.84	0	3,170,700	37.84	0	3,123,700
Change from Original Appropriation	1.00	0	80,000	0.00	0	33,000
% Change from Original Appropriation			2.6%			1.1%

Brand Inspection

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	37.84	0	3,090,700	0	3,090,700

Reappropriation

S1115 of 2017 provided an FY 2017 supplemental appropriation to Brand Inspection in the amount of \$250,000 to purchase and implement an electronic livestock software system. Under budget law exemptions, the agency was provided with carryover authority of any unspent appropriation for the development and implementation costs of the electronic livestock software system. The entire appropriation has been carried over into FY 2018 as the RFP process was just completed and the division is currently working with the Division of Purchasing to award the contract. If a contract is not awarded in FY 2018 the General Fund portion will be reverted.

Agency Request	0.00	250,000	0	0	250,000
Governor's Recommendation	0.00	250,000	0	0	250,000

1. Animal Identification Software

Agency Request	0.00	0	0	0	0
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The Governor recommends \$86,400 onetime from the General Fund for the development of a software program to facilitate the electronic management of animal identification numbers and other data pertaining to livestock movements into and out of Idaho. The software program would interface with the Department of Agriculture software program. In FY 2017, a supplemental appropriation of \$250,000 with reappropriation authority was provided for the procurement of the software program. Responses to a request for proposal (RFP) were more than appropriated. The additional appropriation will allow the agency to enter into the contract.

Governor's Recommendation	0.00	86,400	0	0	86,400
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FY 2018 Total Appropriation

Agency Request	37.84	250,000	3,090,700	0	3,340,700
Governor's Recommendation	37.84	336,400	3,090,700	0	3,427,100

Removal of Onetime Expenditures

This decision unit removes expenditures for replacement items, lines items, and reappropriation funded on a onetime basis in FY 2018.

Agency Request	0.00	(250,000)	(144,100)	0	(394,100)
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The Governor's recommendation also includes the removal of expenditures for the supplemental that were recommended on a onetime basis.

Governor's Recommendation	0.00	(336,400)	(144,100)	0	(480,500)
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FY 2019 Base

Agency Request	37.84	0	2,946,600	0	2,946,600
Governor's Recommendation	37.84	0	2,946,600	0	2,946,600

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(60,800)	0	(60,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(52,700)	0	(52,700)
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Replacement Items

The division requests \$171,400 to replace five vehicles, three desktop computers, and two flat-panel monitors.

Agency Request	0.00	0	171,400	0	171,400
Governor's Recommendation	0.00	0	171,400	0	171,400

Brand Inspection

Analyst: Otto

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 \$4,500, State Controller fees will increase by \$800, and Attorney General fees will increase by \$600, for a net decrease of \$3,100.					
Agency Request	0.00	0	(3,100)	0	(3,100)
<i>The Governor's recommendation also includes fees for Legislative Audits, which will increase by \$1,000.</i>					
Governor's Recommendation	0.00	0	(2,100)	0	(2,100)

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	0	20,400	0	20,400
<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 recommends the pay structure for state employees be moved by 3% and includes \$5,400 for that purpose.</i>					
Governor's Recommendation	0.00	0	60,500	0	60,500

FY 2019 Program Maintenance

Agency Request	37.84	0	3,074,500	0	3,074,500
Governor's Recommendation	37.84	0	3,123,700	0	3,123,700

1. Brand Inspector - FTP

Brand Inspection

The division requests \$96,200 from the State Brand Board Fund, which includes \$59,300 ongoing and \$36,900 onetime, for a brand inspector in the Twin Falls District. The agency states that a new processing facility in the Burley/Rupert area is scheduled to process approximately 500 head of livestock per day starting in July 2017. This will be the second largest facility in Idaho. The largest facility is located in Kuna and processes 1,700 head per day while the remaining facilities process 100 head of livestock or less per day. There are also two new livestock receiving stations in the Jerome/Wendell area that are estimated to receive approximately 3,500 head of livestock per week for inspection. Currently, the Brand Board has nine full-time positions and two non-benefited group positions in this district. The Twin Falls District covers Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls, half of Elmore, and half of Owyhee counties.

Agency Request	1.00	0	96,200	0	96,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

FY 2019 Total

Agency Request	38.84	0	3,170,700	0	3,170,700
Governor's Recommendation	37.84	0	3,123,700	0	3,123,700
Agency Request					
Change from Original App	1.00	0	80,000	0	80,000
% Change from Original App	2.6%		2.6%		2.6%
Governor's Recommendation					
Change from Original App	0.00	0	33,000	0	33,000
% Change from Original App	0.0%		1.1%		1.1%

Division of Idaho State Police

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Director's Office	2,705,800	2,626,300	2,613,900	3,463,100	3,385,200
Executive Protection	571,600	570,900	573,600	848,900	856,500
Investigations	10,129,400	9,178,500	9,661,200	11,017,500	10,106,200
Patrol	39,027,100	36,053,600	40,535,600	44,296,600	41,963,700
Law Enforcement Programs	2,345,700	2,268,700	2,486,500	2,753,100	2,409,000
Support Services	8,932,100	7,644,600	7,748,300	9,328,500	9,350,400
Forensic Services	5,841,600	6,013,100	6,061,600	7,249,200	7,311,000
Total:	69,553,300	64,355,700	69,680,700	78,956,900	75,382,000
BY FUND CATEGORY					
General	27,352,500	27,159,600	29,162,400	36,408,700	32,772,200
Dedicated	33,725,500	30,918,000	32,252,800	34,386,000	34,393,900
Federal	8,475,300	6,278,100	8,265,500	8,162,200	8,215,900
Total:	69,553,300	64,355,700	69,680,700	78,956,900	75,382,000
Percent Change:		(7.5%)	8.3%	13.3%	8.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	48,247,800	44,394,200	49,227,800	51,530,700	50,720,100
Operating Expenditures	13,560,600	12,837,200	14,956,500	15,969,400	14,806,300
Capital Outlay	4,865,500	5,080,600	2,633,900	8,781,400	7,180,200
Trustee/Benefit	2,785,400	1,949,700	2,675,400	2,675,400	2,675,400
Lump Sum	94,000	94,000	187,100	0	0
Total:	69,553,300	64,355,700	69,680,700	78,956,900	75,382,000
Full-Time Positions (FTP)	507.34	507.34	519.34	551.34	531.34

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: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	519.34	29,162,400	69,680,700	519.34	29,162,400	69,680,700
Reappropriation	0.00	0	669,000	0.00	0	669,000
FY 2018 Total Appropriation	519.34	29,162,400	70,349,700	519.34	29,162,400	70,349,700
Noncognizable Funds and Transfers	0.00	0	3,200	0.00	0	3,200
FY 2018 Estimated Expenditures	519.34	29,162,400	70,352,900	519.34	29,162,400	70,352,900
Removal of Onetime Expenditures	0.00	(3,277,000)	(5,336,200)	0.00	(3,277,000)	(5,336,200)
Base Adjustments	(1.00)	0	0	(1.00)	0	0
FY 2019 Base	518.34	25,885,400	65,016,700	518.34	25,885,400	65,016,700
Benefit Costs	0.00	(337,800)	(748,400)	0.00	(320,300)	(718,900)
Inflationary Adjustments	0.00	500	500	0.00	500	500
Replacement Items	0.00	3,597,800	5,083,100	0.00	2,966,600	4,451,900
Statewide Cost Allocation	0.00	52,500	150,500	0.00	52,500	150,500
Change in Employee Compensation	0.00	179,000	379,000	0.00	538,800	1,157,800
FY 2019 Program Maintenance	518.34	29,377,400	69,881,400	518.34	29,123,500	70,058,500
1. Patrol Officers - 17 FTP	17.00	3,423,600	3,423,600	7.00	1,239,800	1,239,800
2. Investigation Officers - 6 FTP	6.00	1,024,800	1,024,800	0.00	0	0
3. Executive Protection Officer - FTP	1.00	220,800	220,800	1.00	220,900	220,900
4. LC/MS/MS Instrument	0.00	858,000	858,000	0.00	858,000	858,000
5. Cybersecurity Maintenance	0.00	50,000	50,000	0.00	0	0
6. Instrument Maintenance	0.00	51,000	51,000	0.00	44,500	44,500
7. Forensic Scientists - 3 FTP	3.00	346,000	346,000	3.00	346,300	346,300
8. Purchase of Watertower Lots	0.00	762,600	762,600	0.00	762,600	762,600
9. Buyer- FTP	1.00	61,800	61,800	0.00	0	0
10. Human Resource Associate - FTP	1.00	56,400	56,400	0.00	0	0
11. Fleet Installation Technician	1.00	63,900	63,900	1.00	64,200	64,200
12. ABC Sergeants - 2 FTP	2.00	0	369,600	0.00	0	0
13. BCI Section Supervisor - FTP	1.00	0	79,600	1.00	0	79,800
14. Sex Offender Registry System Update	0.00	0	1,595,000	0.00	0	1,595,000
15. 9-1-1 CAMA Trunks/ ALI Circuits	0.00	104,900	104,900	0.00	104,900	104,900
19. IT/Telecommunications	0.00	7,500	7,500	0.00	7,500	7,500
20. Forensic Legislative Intent Language	0.00	0	0	0.00	0	0
FY 2019 Total	551.34	36,408,700	78,956,900	531.34	32,772,200	75,382,000
Change from Original Appropriation	32.00	7,246,300	9,276,200	12.00	3,609,800	5,701,300
% Change from Original Appropriation		24.8%	13.3%		12.4%	8.2%

Division of Idaho State Police

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	519.34	29,162,400	32,252,800	8,265,500	69,680,700

Reappropriation

S1166 of 2017 provided reappropriation or carryover authority for any unused and unencumbered funds appropriated from the Economic Recovery Reserve Fund to the Idaho State Police for endpoint installation and a recording system related to the Regional Communications Centers console system at the end of FY 2017.

Agency Request	0.00	0	669,000	0	669,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>669,000</i>	<i>0</i>	<i>669,000</i>

FY 2018 Total Appropriation					
Agency Request	519.34	29,162,400	32,921,800	8,265,500	70,349,700
<i>Governor's Recommendation</i>	<i>519.34</i>	<i>29,162,400</i>	<i>32,921,800</i>	<i>8,265,500</i>	<i>70,349,700</i>

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 shift of 0.12 FTP from the General Fund to the Idaho Law Enforcement Telecommunications Fund and the Miscellaneous Revenue Fund to reflect actual personnel cost appropriation within Support Services.

Additionally, the division is requesting an object transfer of \$224,000 from operating expenditures to capital outlay in the Patrol Division to replace 16 mountaintop repeater control stations. The division was appropriated \$448,000 for an ongoing lease for the regional communication centers dispatch console and 911 telephony system. The agency is not expecting its first lease payment until FY 2019 and would like to use half of the money to replace 16 mountaintop repeaters.

Agency Request	0.00	0	3,200	0	3,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,200</i>	<i>0</i>	<i>3,200</i>

FY 2018 Estimated Expenditures					
Agency Request	519.34	29,162,400	32,925,000	8,265,500	70,352,900
<i>Governor's Recommendation</i>	<i>519.34</i>	<i>29,162,400</i>	<i>32,925,000</i>	<i>8,265,500</i>	<i>70,352,900</i>

Removal of Onetime Expenditures

This decision unit removes expenditures for replacement items, lines items, and reappropriation funded on a onetime basis in FY 2018.

Agency Request	0.00	(3,277,000)	(1,802,700)	(256,500)	(5,336,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(3,277,000)</i>	<i>(1,802,700)</i>	<i>(256,500)</i>	<i>(5,336,200)</i>

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.

Additionally, there is a base reduction of 1.00 FTP from the Miscellaneous Revenue Fund. This position was to support the Idaho State Agriculture Watercraft Inspection Program. The agency states that after coordination with both agencies it was decided the best approach would be to use current troopers and pay overtime to meet the needs of the seasonal time frame.

Agency Request	(1.00)	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>(1.00)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2019 Base					
Agency Request	518.34	25,885,400	31,122,300	8,009,000	65,016,700
<i>Governor's Recommendation</i>	<i>518.34</i>	<i>25,885,400</i>	<i>31,122,300</i>	<i>8,009,000</i>	<i>65,016,700</i>

Division of Idaho State Police

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(337,800)	(388,700)	(21,900)	(748,400)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(320,300)	(371,000)	(27,600)	(718,900)
Inflationary Adjustments					
The agency requests \$500 for contract inflation from the General Fund to cover the 3% contractual increase for ISP's share of the rent increase for Public Safety Communication sites located on endowment lands. The lease will be increasing from \$19,300 in FY 2018 to \$19,800 in FY 2019.					
Agency Request	0.00	500	0	0	500
Governor's Recommendation	0.00	500	0	0	500
Replacement Items					
Executive Protection requests \$70,700 to replace vehicles and a Tri-Band radio.					
Investigations requests \$355,700 to replace vehicles and equipment, a Tri-Band radio, forensic crime computers, laptops, and licenses.					
Patrol requests \$4,038,100 to replace vehicles, a motorcycle, office equipment, ballistic vests, mountaintop repeater controls, and Tri-Band radios.					
Law Enforcement Programs requests \$35,600 to replace a sedan and equipment, desktop computers, flat panel monitors, and laptops.					
Support Services requests \$393,900 to replace routers, server blades, office equipment, and licenses.					
Forensics requests \$189,100 to replace one gas chromatograph/mass spectrometer, laptops, desktops, and licenses.					
Agency Request	0.00	3,597,800	1,339,500	145,800	5,083,100
<i>The Governor recommends a difference \$2,966,600 from the General Fund in the Patrol Division for replacement items. This removes ten sedans and equipment included in the agency request.</i>					
Governor's Recommendation	0.00	2,966,600	1,339,500	145,800	4,451,900
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 decrease \$26,400, State Controller fees will increase \$9,900, Attorney General fees will increase \$164,200, State Treasurer fees will decrease by \$100, and Legislative audit fees increase by \$2,900, for a net increase of \$150,500.					
Agency Request	0.00	52,500	99,800	(1,800)	150,500
Governor's Recommendation	0.00	52,500	99,800	(1,800)	150,500
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	179,000	168,900	31,100	379,000
<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. The Governor recommends the pay structure for state employees be moved by 3% and includes \$33,700 for that purpose.</i>					
Governor's Recommendation	0.00	538,800	528,500	90,500	1,157,800

Division of Idaho State Police

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Program Maintenance					
Agency Request	518.34	29,377,400	32,341,800	8,162,200	69,881,400
Governor's Recommendation	518.34	29,123,500	32,719,100	8,215,900	70,058,500

1. Patrol Officers - 17 FTP

Patrol

The division is requesting 17.00 FTP and \$3,423,600 from the General Fund for patrol officers, of which, \$1,559,200 is ongoing and \$1,864,400 is onetime. Funding is requested for ten motorcycle troopers, five remote resident troopers, one resident trooper, and one sergeant to increase ISP's ability to promote and enforce traffic safety. Two motorcycle troopers will be placed in each district with the exception of District 3, Meridian, which already has a motorcycle unit. Motorcycle units are able to maneuver easily in high traffic flow and are able to reach critical incidents quicker. Five remote resident troopers and one resident trooper are requested to fill the needs of rural Idaho. These requested positions will target areas throughout the state that currently do not have resident officer coverage, and as a result, have high response times. They are a resource to local police and fire agencies and become involved with the communities they serve. Resident locations are considered remote when geographic, economic, or other circumstances make the position difficult to fill. The final position adds an additional sergeant to the Coeur d'Alene office to help balance the span of control in that district.

Agency Request	17.00	3,423,600	0	0	3,423,600
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The Governor recommends 7.00 FTP and \$1,239,800 from the General Fund with \$630,700 ongoing and \$609,100 onetime for five remote resident troopers, one resident trooper, and one sergeant to target rural areas throughout the state and improve officer coverage and response time.

Governor's Recommendation	7.00	1,239,800	0	0	1,239,800
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2. Investigation Officers - 6 FTP

Investigations

The division is requesting 6.00 FTP and \$1,024,800 from the General Fund for investigation officers, of which, \$628,700 is ongoing, and \$396,100 is onetime. In 1995 the Investigations Program had 66 commissioned positions and the population of the state of Idaho was slightly over one million people. In FY 2018, the Investigations Program has 61 commissioned positions and the population is approximately 1.65 million people. ISP supports every law enforcement agency in the state when working large-scale drug trafficking cases, and complex or high profile cases. During FY 2013 and FY 2014, six detective positions were eliminated due to budget holdbacks and lack of funding. In FY 2015 and FY 2017, two detective positions were added each year, for a total of four. The agency states, due to inadequate staffing levels, increased case complexity, and more violent and frequently resistant criminals, officer safety is at risk. If approved, these positions will be allocated to district offices throughout the state affording more support in the ability to suppress drugs, and assist the local agencies as mandated by statute.

Agency Request	6.00	1,024,800	0	0	1,024,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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3. Executive Protection Officer - FTP

Executive Protection

The division is requesting 1.00 FTP and \$220,800 for an executive protection officer to ensure proper security for the Governor and First Lady all year long, in addition to when the Legislature is in session. This request is from the General Fund and \$132,400 is ongoing and \$88,400 is onetime. According to the agency, the addition of a new protection officer would help to make sure that the Governor and First Lady are properly accompanied to all state events that they attend pursuant to the secret service training standards. An additional officer would also allow the other staff to take vacation and has potential to reduce overtime requirements.

Agency Request	1.00	220,800	0	0	220,800
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	1.00	220,900	0	0	220,900
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Division of Idaho State Police

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. LC/MS/MS Instrument					Forensic Services
<p>The division is requesting \$858,000 onetime from the General Fund for two liquid chromatography tandem mass spectrometry (LC/MS/MS) instruments that will modernize current methods, and provide qualitative and quantitative toxicology testing. The LC/MS/MS method being developed offers a broader spectrum of screening. It will have the ability to detect many more compounds/drugs, including synthetic drugs, and samples will run in plates instead of single tubes allowing for 70 sample batches to run at one time. Currently, only 25 batches can run at one time. One instrument will be placed in the Pocatello lab while the other will be placed in the Coeur d'Alene lab. If approved, the new instruments would be used in addition to the old instruments, in order to complete toxicology cases quicker.</p>					
Agency Request	0.00	858,000	0	0	858,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>858,000</i>	<i>0</i>	<i>0</i>	<i>858,000</i>
5. Cybersecurity Maintenance					Support Services
<p>The division requests \$50,000 ongoing from the General Fund for employee training and cybersecurity hardware and software maintenance for the Criminal Justice Information Systems (CJIS). This increase will fund the necessary training required to ensure CJIS personnel and their skill sets are up-to-date with evolving technology and cybersecurity requirements. The request will also fund training required. CJIS is currently divided into four departments, and each department has different IT disciplines requiring a particular skill set. According to the agency, the employees have been assigned to CJIS-IT without the proper skills, or have not been able to maintain the necessary skills to support a robust and secure network infrastructure.</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>
6. Instrument Maintenance					Forensic Services
<p>The division is requesting \$51,000 ongoing from the General Fund for maintenance agreements on federally funded instruments purchased prior to the start of FY 2019. This is requested ongoing from the General Fund instead of federal funds because funding will no longer be available for the maintenance after they come off of the federal grant. All equipment is purchased to increase the capacity of the laboratory to perform forensic case work.</p>					
<p>The agency is requesting funding for maintenance on the following instruments in the Forensic Services Program:</p> <p>ABIS Maintenance; \$7,500/year</p> <p>EZ1 Advanced Instrument Maintenance; \$3,000 per instrument with two instruments totaling \$6,000 per year</p> <p>DNA AB3130 Instrument Maintenance; \$8,500 per year</p> <p>BSD DNA Database Puncher Maintenance; \$4,500 per year</p> <p>Niche Vision STRmix Software Annual Maintenance; \$18,000 per year</p> <p>Randox Toxicology Screening Instrument Maintenance; \$6,500 per year</p>					
Agency Request	0.00	51,000	0	0	51,000
<i>The Governor does not recommend maintenance for the Randox Toxicology Screening instrument as it was not purchased by the department as planned.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>44,500</i>	<i>0</i>	<i>0</i>	<i>44,500</i>

Division of Idaho State Police

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Forensic Scientists - 3 FTP					Forensic Services
The division is requesting 3.00 FTP and \$346,000 from the General Fund for forensic scientists, of which \$287,800 is ongoing and \$58,200 is onetime. These positions will be located in the Meridian lab, and will address the increased demands of the chemistry, latent print, and DNA database disciplines.					
Chemistry 1.00 FTP - State courts request case turnaround to be less than 15 days for most chemistry/drug cases due to court requirements for preliminary hearing and plea agreements. Currently, the Meridian lab has a turnaround time of 30 days. Scientists spend a great amount of time in grand jury proceedings, pretrial activities, and trial testimony. Support for new and emerging drugs has put a burden on the lab.					
Latent Print 1.00 FTP - According to the agency, cases submitted for analysis and comparison have increased by 39.98% over FY 2015 - FY 2017. In addition, S1088 of 2017 requires thumbprint comparisons performed on DNA submissions for felons and registered sex offenders. The goal of management and an Idaho Supreme Court request is to ensure all felony latent print and toxicology cases are worked in less than 30 days.					
DNA Database Lead Worker 1.00 FTP - According to the agency, sexual assault evidence kit legislation, specifically H145 of 2017 and H507 of 2016, increased submission of cases for biology screening 88% and DNA analysis 107% from FY 2016 to FY 2017. While DNA staff increased to address the legislation, the laboratory is unable to meet required turnaround times of 90 days for sexual assault kits, 30 days for courts, and strategic goal of 30 days. The laboratory has also exceeded the recommended span of control for the current DNA supervisor. This lead worker will supervise employees, and take some of the administrative burden off the DNA supervisor/technical leader.					
Agency Request	3.00	346,000	0	0	346,000
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	3.00	346,300	0	0	346,300
8. Purchase of Watertower Lots					Director's Office
The division requests \$762,600 onetime from the General Fund to participate in an auction to acquire three vacant Idaho Department of Lands (IDL) endowment lots adjacent to the ISP Meridian campus. IDL plans to auction the lots in the fall of 2018. ISP wishes to secure the lots for future needs of the agency, and the security of the 44 acre campus and training facility. The division's goal for the land is to build a new laboratory facility for Forensic Services because demand for forensic services is increasing. This land would provide the ability to build a new forensic lab, expand the services offered in the Treasure Valley to include toxicology, trace analysis, firearms analysis, and accommodate more analysts. The estimated current value of each lot is as follows: lot 1, \$236,500; lot 2, \$218,000; and lot 3, \$218,000. There is an 8% appreciation factor of \$53,800, and 5% closing costs in the amount of \$36,300, for a total amount of \$762,600.					
Agency Request	0.00	762,600	0	0	762,600
Governor's Recommendation	0.00	762,600	0	0	762,600
9. Buyer- FTP					Director's Office
The division requests 1.00 FTP and \$61,800 from the General Fund to add a buyer position to the agency's purchasing team. Of this request, \$59,000 would be ongoing, and \$2,800 would be onetime. According to the agency, current workload routinely overwhelms staff leading to periodic errors, tardiness of orders, and inventory and surplus management errors. The purchasing team currently provides purchasing and contract support to all of ISP and POST because ISP writes requests for proposals for every purchase above \$10,000, as required by the Division of Purchasing.					
Agency Request	1.00	61,800	0	0	61,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Division of Idaho State Police

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. Human Resource Associate - FTP					Director's Office
The division is requesting 1.00 FTP and \$56,400 from the General Fund for a human resource associate, of which \$53,600 is ongoing and \$2,800 is onetime. This position will provide direct support to the human resource officer, two human resource specialist seniors, and one human resource specialist. The request will allow for current staff to be able to dedicate their time to their focus areas, which includes recruitment, in-depth employment law issues, and Equal Employment Opportunity (EEO) compliance. The human resource department serves all of ISP and POST along with providing services to both the Racing Commission and the Brand Board.					
Agency Request	1.00	56,400	0	0	56,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
11. Fleet Installation Technician					Patrol
The division is requesting 1.00 FTP and \$63,900 from the General Fund for a fleet installation technician, of which \$57,100 is ongoing and \$6,800 is onetime. This position would be responsible for the design, fabrication, and installation of two-way communication systems, and emergency vehicle equipment, including the light bars, sirens, etc. The agency states that this position is needed due to the amount of work necessary to equip emergency vehicles in a timely manner. Currently, the agency does not have an employee that provides these services; the Military Division's Public Safety Communications Program, along with other commercial equipment installation companies, provide this service for ISP.					
Agency Request	1.00	63,900	0	0	63,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	64,200	0	0	64,200
12. ABC Sergeants - 2 FTP					Law Enforcement Programs
The division is requesting 2.00 FTP and \$369,600 from the Alcohol Beverage Control (ABC) Fund for ABC sergeants and their estimated overtime, of which \$236,900 is ongoing and \$132,700 is onetime. The division is requesting two additional positions to enhance management support and oversight in ISP's northern and eastern districts; one sergeant would be located in Cour d'Alene or Lewiston and the other in Pocatello or Idaho Falls. ABC is responsible for enforcement and regulation of over 5,000 alcohol beverage control licenses issued statewide and are called to assist with alcohol related investigations that include investigating under-age drinking at an organized party, investigating over service following a fatal or serious injury crash, and compliance operations. The division defines over service as any person who sells, gives, or dispenses any alcoholic beverage to another person who is actually, apparently, or obviously intoxicated. Currently, there are 17.00 FTP in the Law Enforcement Program.					
Agency Request	2.00	0	369,600	0	369,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
13. BCI Section Supervisor - FTP					Support Services
The division is requesting 1.00 FTP and \$79,600 for a criminal records section supervisor in the Bureau of Criminal Investigations (BCI), of which \$75,600 is ongoing and \$4,000 is onetime. The audit and training section of BCI used to have a lead employee who took on supervisory tasks, but that individual's duties have grown to the point that the existing supervisory duties are not always accomplished. Three of the other four areas in BCI have a formal supervisor. This unit currently has six positions; five BCI auditing and training specialists, and one technical records specialist.					
Agency Request	1.00	0	79,600	0	79,600
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	79,800	0	79,800

Division of Idaho State Police

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
14. Sex Offender Registry System Update					Support Services
The division is requesting \$1,595,000 from the Miscellaneous Revenue Fund to upgrade the Central Sex Offender Registry (SOR) system to a newer version from the existing vendor. Of the requested amount, \$1,400,000 is onetime and \$195,000 is ongoing. The upgraded version will provide the state with enhanced capabilities and interface opportunities with other state agencies. The current system will no longer be supported if not upgraded within the next one to two years.					
Agency Request	0.00	0	1,595,000	0	1,595,000
<i>In addition to the recommended line item, the Governor recommends that the agency request reappropriation for FY 2020.</i>					
Governor's Recommendation	0.00	0	1,595,000	0	1,595,000
15. 9-1-1 CAMA Trunks/ ALI Circuits					Patrol
The division is requesting \$104,900, from the General Fund to upgrade its Motorola radio consoles, of which \$93,000 will be ongoing and \$11,900 will be onetime. ISP was appropriated funds in FY 2017 to execute a ten-year contract with Motorola 9-1-1 as a joint project with the Department of Health and Welfare. For the system to function as planned ISP is requesting an upgrade to the centralized automated message accounting (CAMA) trunks and automatic location identification (ALI). This upgrade will allow the dispatchers to see the name and location of the person dialing 9-1-1.					
Agency Request	0.00	104,900	0	0	104,900
Governor's Recommendation	0.00	104,900	0	0	104,900
19. IT/Telecommunications					Director's Office
The division is requesting \$7,500 ongoing from the General Fund for increased costs of maintenance and operations for the state internet/security, network infrastructure, and staff. In FY 2015, \$7,900 was added to cover the annual internet/security and state network billing. The FY 2018 billing was \$15,400, and this request would cover the \$7,500 so that the agency would not have to absorb the cost increases in FY 2019. The agency plans to leave a position vacant for multiple pay periods to absorb this cost for FY 2018.					
Agency Request	0.00	7,500	0	0	7,500
Governor's Recommendation	0.00	7,500	0	0	7,500
20. Forensic Legislative Intent Language					Forensic Services
Intent language is necessary for the transfer of cigarette and tobacco product tax revenue deposited into the Public School Income Fund that is to be remitted annually to the Idaho State Police to increase toxicology lab capacity in forensic services for drug testing of juveniles.					
INTENT LANGUAGE: There is hereby appropriated and the State Controller shall transfer in accordance with Section 63-2552A(3), Idaho Code, on July 1, 2018, 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 2019 Total					
Agency Request	551.34	36,408,700	34,386,000	8,162,200	78,956,900
Governor's Recommendation	531.34	32,772,200	34,393,900	8,215,900	75,382,000
Agency Request					
Change from Original App	32.00	7,246,300	2,133,200	(103,300)	9,276,200
% Change from Original App	6.2%	24.8%	6.6%	(1.2%)	13.3%
Governor's Recommendation					
Change from Original App	12.00	3,609,800	2,141,100	(49,600)	5,701,300
% Change from Original App	2.3%	12.4%	6.6%	(0.6%)	8.2%

POST Academy

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	4,405,400	3,485,600	4,431,300	5,415,300	4,957,500
Federal	257,400	60,600	257,400	257,700	257,900
Total:	4,662,800	3,546,200	4,688,700	5,673,000	5,215,400
Percent Change:		(23.9%)	32.2%	21.0%	11.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,379,000	2,119,500	2,374,700	2,346,400	2,388,800
Operating Expenditures	2,137,700	1,284,700	2,165,800	3,084,400	2,584,400
Capital Outlay	40,200	36,100	42,300	136,300	136,300
Trustee/Benefit	105,900	105,900	105,900	105,900	105,900
Total:	4,662,800	3,546,200	4,688,700	5,673,000	5,215,400
Full-Time Positions (FTP)	28.67	28.67	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: Otto

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	28.67	0	4,688,700	28.67	0	4,688,700
Noncognizable Funds and Transfers	0.00	0	(3,200)	0.00	0	(3,200)
FY 2018 Estimated Expenditures	28.67	0	4,685,500	28.67	0	4,685,500
Removal of Onetime Expenditures	0.00	0	(72,100)	0.00	0	(72,100)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	28.67	0	4,613,400	28.67	0	4,613,400
Benefit Costs	0.00	0	(44,300)	0.00	0	(40,500)
Replacement Items	0.00	0	145,900	0.00	0	145,900
Statewide Cost Allocation	0.00	0	38,400	0.00	0	38,400
Change in Employee Compensation	0.00	0	19,200	0.00	0	57,800
FY 2019 Program Maintenance	28.67	0	4,772,600	28.67	0	4,815,000
16. POST Dorm Contribution	0.00	0	500,000	0.00	0	0
17. POST Expanded Training	0.00	0	265,700	0.00	0	265,700
18. POST Council Legislation Fiscal Impact	0.00	0	5,000	0.00	0	5,000
19. Fitness and Training Equipment	0.00	0	129,700	0.00	0	129,700
FY 2019 Total	28.67	0	5,673,000	28.67	0	5,215,400
Change from Original Appropriation	0.00	0	984,300	0.00	0	526,700
% Change from Original Appropriation			21.0%			11.2%

POST Academy

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	28.67	0	4,431,300	257,400	4,688,700

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	(3,200)	0	(3,200)
Governor's Recommendation	0.00	0	(3,200)	0	(3,200)

FY 2018 Estimated Expenditures					
Agency Request	28.67	0	4,428,100	257,400	4,685,500
Governor's Recommendation	28.67	0	4,428,100	257,400	4,685,500

Removal of Onetime Expenditures

This decision unit removes expenditures for replacement items funded on a onetime basis in FY 2018.

Agency Request	0.00	0	(72,100)	0	(72,100)
Governor's Recommendation	0.00	0	(72,100)	0	(72,100)

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>					
Governor's Recommendation	0.00	0	0	0	0

FY 2019 Base					
Agency Request	28.67	0	4,356,000	257,400	4,613,400
Governor's Recommendation	28.67	0	4,356,000	257,400	4,613,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(44,300)	0	(44,300)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(40,500)	0	(40,500)
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Replacement Items

The division requests \$145,900 to replace classroom chairs, firearms simulator, desktop computers, flat panel monitors, all-in-one computers, software licenses, projector system, sound system, emergency vehicle operators course (EVOC) vehicles, skid steer vehicle, training suit, hallway monitors, and office chairs.

Agency Request	0.00	0	145,900	0	145,900
Governor's Recommendation	0.00	0	145,900	0	145,900

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 decrease by \$400, State Controller fees will increase by \$300, Attorney General fees will increase by \$38,400, and Legislative Audit fees will increase by \$100, for a net increase of \$38,400.

Agency Request	0.00	0	38,400	0	38,400
Governor's Recommendation	0.00	0	38,400	0	38,400

POST Academy

Analyst: Otto

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	0	18,900	300	19,200
<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. The Governor recommends the pay structure for state employees be moved by 3% and includes \$2,100 for that purpose.</i>					
Governor's Recommendation	0.00	0	57,300	500	57,800
FY 2019 Program Maintenance					
Agency Request	28.67	0	4,514,900	257,700	4,772,600
Governor's Recommendation	28.67	0	4,557,100	257,900	4,815,000
16. POST Dorm Contribution		Peace Officer Standards and Training Academy			
The division requests \$500,000 onetime from the Peace Officer Training Fund to be able to contribute to a new dormitory project submitted to the Public Building Fund Advisory Council (PBFAC). Currently, POST does not have sufficient capacity to meet the demand for student and instructor lodging. As programs grow and require basic training at POST facilities, more offsite housing accommodations will be required. The result is a higher cost to agencies, as they are paying for hotels, and reduced effectiveness of training that is no longer being conducted in a closed campus atmosphere. If proposed legislation is passed and the PBFAC approves funding for a new dormitory building, POST will request this same amount of funding in FY 2020 to assist the Division of Public Works in construction costs. The agency believes that this facility will meet the demand for space and be utilized for training. This request is subject to the passage of proposed legislation to increase POST funding.					
Agency Request	0.00	0	500,000	0	500,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
17. POST Expanded Training		Peace Officer Standards and Training Academy			
The division requests \$265,700 ongoing from the Peace Officer Training Fund to support basic patrol academy curriculum expansion and additional in-service training. POST conducted an in-depth job task analysis for patrol officers and is using results from that study to update and re-write the basic patrol academy curriculum. This request is subject to the passage of proposed legislation to increase POST funding.					
Agency Request	0.00	0	265,700	0	265,700
Governor's Recommendation	0.00	0	265,700	0	265,700
18. POST Council Legislation Fiscal Impact		Peace Officer Standards and Training Academy			
The division requests \$5,000 ongoing from the Peace Officer Training Fund, for the increased travel, lodging, and per diem for council business. This assumes the three new anticipated council members are not located in the Meridian/Ada County area. Section 19-5102, Idaho Code, establishes the Peace Officer Standards and Training (POST) council and membership. Statute states that the POST council "shall reflect a reasonable geographic balance throughout the state" and provides a list of members and affiliations. In 2013, POST transitioned from three operational geographic regions to four regions, with no change in the composition of the council. Currently, the membership of the council does not reflect a geographical balance in the south-central and eastern regions of Idaho. Additionally, the county-based juvenile detention and probation functions are not represented on the council. The proposed legislative change will remove the Federal Bureau of Investigation representative, add a county juvenile justice administrator, add one additional chief, and add one additional sheriff. This will allow for one chief and one sheriff from each POST region to be represented. This request is subject to the passage of proposed legislation.					
Agency Request	0.00	0	5,000	0	5,000
Governor's Recommendation	0.00	0	5,000	0	5,000

POST Academy

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
19. Fitness and Training Equipment		Peace Officer Standards and Training Academy			
The division requests \$129,700 onetime for replacement of a weight machine, power cage, smith machine, weight sets, weight bench, plyo jump boxes, fitness machines, stationary bike, sound system, training dummies, computer lab chairs, classroom chairs, and gym chairs. This request is subject to the passage of proposed legislation to increase POST funding.					
Agency Request	0.00	0	129,700	0	129,700
Governor's Recommendation	0.00	0	129,700	0	129,700
FY 2019 Total					
Agency Request	28.67	0	5,415,300	257,700	5,673,000
Governor's Recommendation	28.67	0	4,957,500	257,900	5,215,400
Agency Request					
Change from Original App	0.00	0	984,000	300	984,300
% Change from Original App	0.0%		22.2%	0.1%	21.0%
Governor's Recommendation					
Change from Original App	0.00	0	526,200	500	526,700
% Change from Original App	0.0%		11.9%	0.2%	11.2%

Racing Commission

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	625,500	278,600	650,100	425,800	427,900
Percent Change:		(55.5%)	133.3%	(34.5%)	(34.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	432,400	176,200	239,200	239,800	241,900
Operating Expenditures	163,100	99,200	165,000	156,000	156,000
Trustee/Benefit	30,000	3,200	245,900	30,000	30,000
Total:	625,500	278,600	650,100	425,800	427,900
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

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	3.00	0	650,100	3.00	0	650,100
Removal of Onetime Expenditures	0.00	0	(215,900)	0.00	0	(215,900)
FY 2019 Base	3.00	0	434,200	3.00	0	434,200
Benefit Costs	0.00	0	(1,700)	0.00	0	(1,700)
Statewide Cost Allocation	0.00	0	(9,000)	0.00	0	(9,000)
Change in Employee Compensation	0.00	0	2,300	0.00	0	4,400
FY 2019 Total	3.00	0	425,800	3.00	0	427,900
Change from Original Appropriation	0.00	0	(224,300)	0.00	0	(222,200)
% Change from Original Appropriation			(34.5%)			(34.2%)

Racing Commission

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	3.00	0	650,100	0	650,100

Removal of Onetime Expenditures

This decision unit removes the onetime pari-mutuel distribution.

Agency Request	0.00	0	(215,900)	0	(215,900)
Governor's Recommendation	0.00	0	(215,900)	0	(215,900)

FY 2019 Base					
Agency Request	3.00	0	434,200	0	434,200
Governor's Recommendation	3.00	0	434,200	0	434,200

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(1,700)	0	(1,700)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(1,700)	0	(1,700)
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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. State Controller fees will decrease by \$1,400, Attorney General fees will decrease by \$7,500, and State Treasurer fees will decrease by \$100, for a net decrease of \$9,000.

Agency Request	0.00	0	(9,000)	0	(9,000)
Governor's Recommendation	0.00	0	(9,000)	0	(9,000)

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	0	2,300	0	2,300
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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	0	4,400	0	4,400
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FY 2019 Total					
Agency Request	3.00	0	425,800	0	425,800
Governor's Recommendation	3.00	0	427,900	0	427,900

Agency Request

Change from Original App	0.00	0	(224,300)	0	(224,300)
% Change from Original App	0.0%		(34.5%)		(34.5%)

Governor's Recommendation

Change from Original App	0.00	0	(222,200)	0	(222,200)
% Change from Original App	0.0%		(34.2%)		(34.2%)

Idaho Legislative Budget Book

Natural Resources

2018 Legislative Session

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Department of Environmental Quality

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration and Support	8,386,900	8,264,500	8,544,700	8,598,600	8,668,500
Air Quality	7,735,400	6,560,900	8,741,100	14,608,300	14,726,500
Water Quality	20,256,500	19,890,400	21,740,700	21,944,500	22,184,200
CDA Basin Commission	524,000	183,700	524,700	523,000	526,200
Waste Mgmt and Remediation	28,275,600	15,022,800	26,187,500	18,026,000	18,145,700
INL Oversight	2,154,200	1,345,200	2,161,200	2,152,500	2,169,000
Total:	67,332,600	51,267,500	67,899,900	65,852,900	66,420,100
BY FUND CATEGORY					
General	17,908,000	17,908,000	19,621,100	20,147,100	20,411,700
Dedicated	11,290,800	8,988,100	11,814,500	16,963,200	17,067,600
Federal	38,133,800	24,371,400	36,464,300	28,742,600	28,940,800
Total:	67,332,600	51,267,500	67,899,900	65,852,900	66,420,100
Percent Change:		(23.9%)	32.4%	(3.0%)	(2.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	32,180,800	29,859,100	33,058,900	33,075,300	33,682,500
Operating Expenditures	27,448,700	13,209,200	26,542,200	24,534,300	24,525,300
Capital Outlay	550,900	640,700	646,600	591,100	560,100
Trustee/Benefit	7,152,200	7,558,500	7,652,200	7,652,200	7,652,200
Total:	67,332,600	51,267,500	67,899,900	65,852,900	66,420,100
Full-Time Positions (FTP)	372.00	372.00	382.00	386.00	386.00

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: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	382.00	19,621,100	67,899,900	382.00	19,621,100	67,899,900
Removal of Onetime Expenditures	0.00	(402,500)	(942,500)	0.00	(402,500)	(942,500)
Base Adjustments	0.00	0	(7,500,000)	0.00	0	(7,500,000)
FY 2019 Base	382.00	19,218,600	59,457,400	382.00	19,218,600	59,457,400
Benefit Costs	0.00	(257,400)	(573,900)	0.00	(240,600)	(535,700)
Replacement Items	0.00	303,700	651,600	0.00	272,700	620,600
Statewide Cost Allocation	0.00	98,800	98,500	0.00	98,800	89,500
Change in Employee Compensation	0.00	127,200	281,100	0.00	396,600	842,300
FY 2019 Program Maintenance	382.00	19,490,900	59,914,700	382.00	19,746,100	60,474,100
1. Idaho Pollutant Discharge Elimination	4.00	656,200	538,200	4.00	665,600	546,000
2. Volkswagen Settlement	0.00	0	5,500,000	0.00	0	5,500,000
3. Environmental Remediation Match	0.00	0	(100,000)	0.00	0	(100,000)
4. Cash Transfer WPCF to Env Remed	0.00	0	1,500,000	0.00	0	1,500,000
Cash Transfer WPCF to Env Remed	0.00	0	(1,500,000)	0.00	0	(1,500,000)
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	386.00	20,147,100	65,852,900	386.00	20,411,700	66,420,100
Change from Original Appropriation	4.00	526,000	(2,047,000)	4.00	790,600	(1,479,800)
% Change from Original Appropriation		2.7%	(3.0%)		4.0%	(2.2%)

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	382.00	19,621,100	11,814,500	36,464,300	67,899,900

Removal of Onetime Expenditures

This decision unit removes \$662,500 provided for onetime replacement items and \$280,000 provided for onetime line items.

Agency Request	0.00	(402,500)	(343,900)	(196,100)	(942,500)
Governor's Recommendation	0.00	(402,500)	(343,900)	(196,100)	(942,500)

Base Adjustments

This request is made up of two parts that will decrease federal appropriation in the Waste Management and Remediation Program. First, a base adjustment reduces excess federal fund operating expenditures by \$7,500,000 in the Waste Management and Remediation Program due to the success of Silver Valley yard remediation programs. Both remediation projects and federal funding for projects are decreasing as this program meets its goals for reducing lead exposure to the public.

Second, rather than request additional appropriation, the department also requests the transfer of an additional \$500,000 in federal operating expenditures from the Waste Management and Remediation Program to the Air Quality Program for a new Cache Valley Targeted Airshed federal grant that the EPA awarded in July of 2017. This grant was provided to the department for projects in the Cache Valley, located in southeastern Idaho and northern Utah, as the valley has not attained the EPA Clean Air Act standards for Particulate Matter (PM2.5) air pollution. The goal of the project is to reduce PM2.5 air pollution in the Cache Valley by reducing emissions from road dust, wood combustion, and transportation sources. The \$2.5 million grant will be expended over a five-year period, primarily focused on providing woodstove replacement rebates and purchasing low emission transit vehicles in the valley.

Agency Request	0.00	0	0	(7,500,000)	(7,500,000)
Governor's Recommendation	0.00	0	0	(7,500,000)	(7,500,000)

FY 2019 Base					
Agency Request	382.00	19,218,600	11,470,600	28,768,200	59,457,400
Governor's Recommendation	382.00	19,218,600	11,470,600	28,768,200	59,457,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(257,400)	(109,800)	(206,700)	(573,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(240,600)	(102,000)	(193,100)	(535,700)
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Replacement Items

Replacement items include \$283,200 for computer equipment, \$107,500 for three vehicles, and \$260,900 for field equipment. The source of funding is \$303,700 from the General Fund; \$24,500 from receipts; \$1,600 from the Water Pollution Control Fund; \$13,200 from air quality permitting fees; \$11,300 from the Public Water System Supervision Fund; and \$297,300 from federal funds for a total of \$651,600. [Onetime]

Agency Request	0.00	303,700	50,600	297,300	651,600
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The Governor does not recommend half of the requested replacement PCs (\$10,600), laptops (\$6,500), handheld turbidity meters (\$1,500), or multi-parameter water sensors (\$12,500).

Governor's Recommendation	0.00	272,700	50,600	297,300	620,600
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Department of Environmental Quality

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. Attorney General fees will increase by \$99,000, risk management costs will decrease by \$9,100, and State Controller fees will increase by \$8,600, for a net increase of \$98,500.

Agency Request	0.00	98,800	(100)	(200)	98,500
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The Governor's recommendation also includes fees for Legislative Audits, which will decrease by \$9,000.

Governor's Recommendation	0.00	98,800	(4,600)	(4,700)	89,500
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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	127,200	51,900	102,000	281,100
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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 \$2,400 for that purpose. The Governor also recommends a fund shift of \$29,100 for increases in employee compensation that cannot be covered by federal grants.

Governor's Recommendation	0.00	396,600	151,900	293,800	842,300
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FY 2019 Program Maintenance

Agency Request	382.00	19,490,900	11,463,200	28,960,600	59,914,700
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Governor's Recommendation	382.00	19,746,100	11,566,500	29,161,500	60,474,100
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1. Idaho Pollutant Discharge Elimination

Administration and Support Services, Water Quality

The department requests \$656,200 from the General Fund to continue development for the Idaho Pollution Discharge Elimination System (IPDES). The request includes an offsetting reduction of \$118,000 in federal funds for a net total of \$538,200. A reduction of federal funds and increase of \$150,000 in the General Fund shifts 1.80 FTP to the General Fund in the Administration and Support Program. This line item also adds 4.00 FTP and \$506,200 to the Water Quality Program, with \$309,200 covering additional personnel costs and \$31,900 for ongoing operating expenditures. These four new staff would be inspectors, based in the Coeur d'Alene, Idaho Falls, Twin Falls, and Boise regional areas to review and determine facility compliance.

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 9.00 FTP to bring the total staff allocation to 19.00 for FY 2018 (counting the three positions funded in FY 2015, the three funded in FY 2016, and the four funded in FY 2017). The future composition of funding for the IPDES Program is expected to include a portion from permit fees that will be addressed through negotiated rulemaking. [\$165,100 Onetime]

Agency Request	4.00	656,200	0	(118,000)	538,200
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	4.00	665,600	0	(119,600)	546,000
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Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Volkswagen Settlement					Air Quality
<p>The department is requesting \$5,500,000 in operating expenditures from dedicated receipts as the initial distribution of a multi-year \$17.3 million settlement from Volkswagen Auto Group (VWAG) to fund nitrogen oxide mitigation projects across the state. The overall settlement with Volkswagen includes three major parts: 1) buyback, lease termination, vehicle modification, and emissions compliant recall programs; 2) a national zero emission vehicle investment plan; and 3) the creation of an environmental mitigation trust. VWAG established a environmental mitigation trust in the amount of \$2.925 billion to offset air pollution emitted by diesel vehicles violating standards in the Clean Air Act. This fund is distributed among states, territories, and tribes based on the portion of affected VWAG vehicles registered in each jurisdiction. The trust allows beneficiaries to expend over a ten-year period, but limits withdrawals to one-third of the total original principal for each of the first two years. After the second full year, limitations on withdrawals sunset, so the department anticipates using the final one-third of the principal in the third year.</p>					
Agency Request	0.00	0	5,500,000	0	5,500,000
Governor's Recommendation	0.00	0	5,500,000	0	5,500,000
3. Environmental Remediation Match					Waste Management and Remediation
<p>This request is in two parts: 1) to reduce 1.00 FTP and \$100,000 in the Waste Remediation Program from federal funds and to increase the Environmental Remediation (Basin) Fund by 1.00 FTP; and 2) to transfer \$100,000 from operating expenditures to personnel costs within the Environmental Remediation (Basin) Fund. This shift will be used to fund staff salaries working on match eligible projects. As federal funding for this work continues 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 the department maintains a local presence in Kellogg. The net impact recognizes a reduction of \$100,000 in federal funds.</p> <p>The state of Idaho is responsible for paying the 10% match requirement for project costs, and the vast majority of operation and maintenance (OM) 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 department has already funded remedial projects and personnel to meet the match obligations in the amount of \$3,136,500. 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 OM 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 OM into perpetuity is estimated at over \$60 million in current dollars.</p>					
Agency Request	0.00	0	0	(100,000)	(100,000)
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	0	1,100	(101,100)	(100,000)
4. Cash Transfer WPCF to Env Remed					Waste Management and Remediation
<p>This request is to transfer \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund. The department 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 2017, the Legislature had transferred \$18 million to the fund which, after accounting for interest and expenditures, had an ending balance of \$15.97 million. The objective is to transfer a total of \$45 million into the fund over a 30-year period ending in FY 2035. The Legislature started to fill this fund in FY 2006 after the Box match was satisfied.</p>					
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

Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Cash Transfer WPCF to Env Remed					Waste Management and Remediation
The department requests the following legislative intent language to be included in its FY 2019 appropriation bill:					
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, 2018, through June 30, 2019.					
Agency Request	0.00	0	(1,500,000)	0	(1,500,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(1,500,000)</i>	<i>0</i>	<i>(1,500,000)</i>

Budget Law Exemptions

The department requests the following legislative intent language be included in its FY 2019 appropriation bill:

There is hereby reappropriated to the Department of Environmental Quality any unexpended and unencumbered balance of the appropriation for Agricultural Best Management Practices to be used for non recurring expenditures for the period July 1, 2018 through June 30, 2019.

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>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 2019 Total					
Agency Request	386.00	20,147,100	16,963,200	28,742,600	65,852,900
<i>Governor's Recommendation</i>	<i>386.00</i>	<i>20,411,700</i>	<i>17,067,600</i>	<i>28,940,800</i>	<i>66,420,100</i>
Agency Request					
Change from Original App	4.00	526,000	5,148,700	(7,721,700)	(2,047,000)
% Change from Original App	1.0%	2.7%	43.6%	(21.2%)	(3.0%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>4.00</i>	<i>790,600</i>	<i>5,253,100</i>	<i>(7,523,500)</i>	<i>(1,479,800)</i>
<i>% Change from Original App</i>	<i>1.0%</i>	<i>4.0%</i>	<i>44.5%</i>	<i>(20.6%)</i>	<i>(2.2%)</i>

Department of Fish and Game

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	17,792,400	16,408,000	17,711,100	18,514,500	18,717,700
Enforcement	11,722,000	11,297,400	12,144,100	12,240,500	12,410,200
Fisheries	40,865,200	38,833,100	40,346,400	40,057,000	40,028,800
Wildlife	25,932,000	25,096,500	26,061,100	26,197,600	26,358,500
Communications	4,629,100	4,177,100	5,232,600	5,075,600	5,118,500
Engineering	1,057,400	922,300	1,062,800	1,038,700	1,056,100
Wildlife Mitigation & Habitat Cons	4,597,200	3,482,400	5,527,000	6,752,500	6,779,500
Total:	106,595,300	100,216,800	108,085,100	109,876,400	110,469,300
BY FUND CATEGORY					
Dedicated	58,096,500	54,425,900	59,646,200	61,009,400	61,298,500
Federal	48,498,800	45,790,900	48,438,900	48,867,000	49,170,800
Total:	106,595,300	100,216,800	108,085,100	109,876,400	110,469,300
Percent Change:		(6.0%)	7.9%	1.7%	2.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	56,344,900	51,663,600	57,058,200	56,203,400	56,980,300
Operating Expenditures	39,948,100	34,531,100	43,605,900	45,603,100	45,419,100
Capital Outlay	9,402,500	13,459,000	6,146,200	6,795,100	6,795,100
Trustee/Benefit	899,800	563,100	1,274,800	1,274,800	1,274,800
Total:	106,595,300	100,216,800	108,085,100	109,876,400	110,469,300
Full-Time Positions (FTP)	558.00	558.00	565.00	565.00	565.00

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: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	565.00	0	108,085,100	565.00	0	108,085,100
Removal of Onetime Expenditures	0.00	0	(6,646,200)	0.00	0	(6,646,200)
Base Adjustments	0.00	0	0	0.00	0	(40,000)
FY 2019 Base	565.00	0	101,438,900	565.00	0	101,398,900
Benefit Costs	0.00	0	(929,800)	0.00	0	(862,300)
Replacement Items	0.00	0	4,600,100	0.00	0	4,600,100
Statewide Cost Allocation	0.00	0	19,100	0.00	0	25,100
Change in Employee Compensation	0.00	0	474,400	0.00	0	1,174,200
FY 2019 Program Maintenance	565.00	0	105,602,700	565.00	0	106,336,000
1. Statewide Sportsman's Access	0.00	0	1,000,000	0.00	0	1,000,000
2. Headquarters Feasibility Study	0.00	0	500,000	0.00	0	500,000
3. Sportsmen's Access Easements	0.00	0	375,000	0.00	0	375,000
4. Fish Screening and Fishing Access	0.00	0	895,000	0.00	0	895,000
5. Hatchery Maintenance and Repairs	0.00	0	1,100,000	0.00	0	1,100,000
6. Credit Card Fees	0.00	0	100,000	0.00	0	190,000
7. Black Canyon Dam Mitigation	0.00	0	360,000	0.00	0	120,000
8. CJ Strike WMA Housing	0.00	0	200,000	0.00	0	200,000
9. Furbearer Monitoring	0.00	0	51,300	0.00	0	51,300
10. Network Services Upgrades	0.00	0	60,000	0.00	0	60,000
11. Health Insurance for Temps	0.00	0	(250,700)	0.00	0	(241,100)
12. OHV Outreach Campaign	0.00	0	(116,900)	0.00	0	(116,900)
FY 2019 Total	565.00	0	109,876,400	565.00	0	110,469,300
Change from Original Appropriation	0.00	0	1,791,300	0.00	0	2,384,200
% Change from Original Appropriation			1.7%			2.2%

Department of Fish and Game

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	565.00	0	59,646,200	48,438,900	108,085,100

Removal of Onetime Expenditures

This decision unit removes funding provided last year for onetime replacement items and onetime line items such as fish screening, weir reconstruction, and fishing access. Lastly, it removes the onetime supplemental requests for emergency winter feeding, and depredation payments to landowners.

Agency Request	0.00	0	(5,299,600)	(1,346,600)	(6,646,200)
Governor's Recommendation	0.00	0	(5,299,600)	(1,346,600)	(6,646,200)

Base Adjustments

The following is a series of adjustments to realign the base budget: First, there is a shift of \$118,100 in personnel costs and \$132,000 in operating expenditures from license funds to dedicated set-aside funds due to revenue changes resulting from 2017 legislation regarding salmon and steelhead set-aside funds. Next, the Wildlife Program realigns personnel funding by moving FTP from a mixture of license and expendable trust moneys to Pittman-Robertson federal funds. Third, the Wildlife Program shifts \$175,000 of operating expenditures to the Wildlife Mitigation and Habitat Conservation Program. The Wildlife Mitigation and Habitat Conservation Program then shifts \$500,000 from the Fish and Game License Fund to dedicated set-aside funds to account for legislative changes to the big game winterfeeding depredation control and prevention account. Finally, CEC money is shifted to account for the difference between flat percentage increases as appropriated and actual compa-ratio performance increases.

Agency Request	0.00	0	62,400	(62,400)	0
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The Governor recommends an additional base reduction of \$40,000 in the Administration Program related to H320 of 2017 for Payment Card Industry (PCI) compliance. The agency was notified during the RFP process that their vendor is already PCI compliant, and will not need further review or certification.

Governor's Recommendation	0.00	0	38,400	(78,400)	(40,000)
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FY 2019 Base					
Agency Request	565.00	0	54,409,000	47,029,900	101,438,900
Governor's Recommendation	565.00	0	54,385,000	47,013,900	101,398,900

Benefit Costs

Employer-paid health insurance costs for the Department of Fish and Game are calculated differently than most state agencies. The department 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 decrease 10% (or \$2,046 per participating FTP) for health insurance, bringing the total annual cost to \$11,984 per participating FTP for a total decrease of \$1,155,900 for all programs. The total also includes changes in workers' compensation rates that are projected to increase from 0.02910 to 0.02970 of salary for a difference of 0.0006 of salary; a 6.8% increase for life insurance to 0.00721 of salary; and a 5.5% increase for PERSI contributions to 0.1194 of salary for a total increase of \$226,100 for all programs. The net decrease is \$929,800.

Agency Request	0.00	0	(547,100)	(382,700)	(929,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(506,700)	(355,600)	(862,300)
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Replacement Items

This request includes: \$52,300 for property improvements; \$531,400 for computer equipment; \$310,200 for building improvements; \$3,314,400 for fleet replacement; \$110,000 to replace a bridge; and \$281,800 for field equipment, for a total of \$4,600,100.

Agency Request	0.00	0	4,056,600	543,500	4,600,100
Governor's Recommendation	0.00	0	4,056,600	543,500	4,600,100

Department of Fish and Game

Analyst: Sepich

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 \$15,100, risk management costs will decrease by \$6,700, State Controller fees will increase by \$12,000, and State Treasurer fees will decrease by \$1,300 for a net increase of \$19,100.					
Agency Request	0.00	0	10,800	8,300	19,100
<i>The Governor's recommendation also includes fees for Legislative Audits, which will increase by \$6,000.</i>					
Governor's Recommendation	0.00	0	14,400	10,700	25,100
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	0	266,200	208,200	474,400
<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 \$26,600 for that purpose.</i>					
Governor's Recommendation	0.00	0	681,800	492,400	1,174,200
FY 2019 Program Maintenance					
Agency Request	565.00	0	58,195,500	47,407,200	105,602,700
Governor's Recommendation	565.00	0	58,631,100	47,704,900	106,336,000
1. Statewide Sportsman's Access			Wildlife Mitigation and Habitat Conservation		
The department requests \$1,000,000 from the Fish and Game Set-aside Fund as the final element of H230 of 2017 to provide increased access for hunters and anglers. The trailer bill H317 of 2017 appropriated, among other items, funding primarily for depredation, with \$500,000 for depredation control, and another \$500,000 to fund depredation compensation. This request is to provide ongoing appropriation for access in response to the funds raised through the Access/Depredation fee created in H230. The FY 2019 Base of \$418,500 currently supports access to 353,752 acres, including 86 private properties. If approved, funds will be used for improving access to federal and other public lands through the Idaho Department of Lands, and increasing access to private lands (including corporate timberlands). The recent sale of 172,000 acres of corporate timberlands in central Idaho that resulted in eliminated public access has increased public interest and requests for access across the state. Per Section 36-111, Idaho Code, these moneys may not be used to purchase private property, only access to property for use by sportsmen.					
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
2. Headquarters Feasibility Study			Administration		
The department requests \$500,000 onetime split between dedicated license fees (\$300,000) and federal funds (\$200,000), to conduct a feasibility study to demolish the existing headquarters building on Walnut Street in Boise and build a new structure to house all staff in one location. The current building is 26,000 square feet, and was built in 1964, while the new headquarters building is anticipated to have 70,000 square feet. The department also leases 28,000 square feet at the MK Plaza, for \$490,000 annually (including a 3% discount for annual payments up front). Since 2012, the department has spent a total of \$293,000 on projects at the Walnut headquarters to replace the roof, HVAC system, and upgrade the facility for security and ADA accessibility.					
This study would include funding to estimate demolition costs for the existing building; the cost to relocate staff while a new building is being built or alternatively the cost for constructing the new building without relocation; architectural and engineering plans and estimates; relocation costs for staff and IT infrastructure; and a timeline to accomplish the project. This project is split 60% from dedicated funds and 40% from federal funds as projects that involve administrative support for Fish and Game functions are available for federal reimbursement. [Onetime]					
Agency Request	0.00	0	300,000	200,000	500,000
Governor's Recommendation	0.00	0	300,000	200,000	500,000

Department of Fish and Game

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Sportsmen's Access Easements					Wildlife
<p>The department requests \$375,000 in federal Pittman-Robertson Funds to secure a ten year sportsman's access easement that would open up and solidify hunter access on an estimated 2.4 million acres of land. In some areas, private properties functionally block off access to large tracts of public land, so the department works with private landowners to increase access and reduce crowding. The required state match of \$125,000 for the federal funds would be paid from dedicated set-aside funds already appropriated in the FY 2019 Base. The department has confirmed that it could secure the grant for all ten years of funding up front, ensuring that Pittman-Robertson apportionment would not be forfeited to other states.</p>					
Agency Request	0.00	0	0	375,000	375,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>375,000</i>	<i>375,000</i>
4. Fish Screening and Fishing Access					Fisheries
<p>The department requests \$895,000 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. According to the department, 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. [Onetime]</p>					
Agency Request	0.00	0	0	895,000	895,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>895,000</i>	<i>895,000</i>
5. Hatchery Maintenance and Repairs					Fisheries
<p>The department requests \$1,100,000 for hatchery maintenance and repairs. This request is in two parts: \$800,000 from the dedicated Fish and Game Expendable Trust Fund from the Bonneville Power Administration (BPA); and \$300,000 from dedicated license and tag moneys. BPA moneys are restricted to maintenance and repairs at resident fish hatcheries, and the fund balance is expected to be about \$600,000 by the beginning of FY 2019. The sale of the Ashton Fish Hatchery in 2016 for \$560,000 provided the license portion of the request. A 2015 engineering study estimated that \$19 million was needed to bring production facilities and residential housing to a safe and fully functional condition. Previous appropriations included \$500,000 in the FY 2016 budget for hatchery repairs; \$1.5 million for 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 in the FY 2017 budget; and \$500,000 to replace residences and repair concrete raceways. This request would replace residences at the American Falls and Grace Fish Hatcheries, construct an additional residence at the Nampa Fish Hatchery, and modernize the septic system at the Hayspur Fish Hatchery. [Onetime]</p>					
Agency Request	0.00	0	1,100,000	0	1,100,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,100,000</i>	<i>0</i>	<i>1,100,000</i>

Department of Fish and Game

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. Credit Card Fees					Administration
<p>The department requests \$100,000 in dedicated fees to pay the costs of credit card fees at Fish and Game regional offices. Current practice is to accept only cash, check, or debit cards at all Fish and Game facilities. However, the department desires to start accepting credit cards similar to license retailers. The department does not pass the credit card fee on to the customer to ensure price parity between vendors and regional offices for licenses. The department expects \$5.5 million in revenues and assumes a 60% conversion from traditional methods of payment to credit cards that will now require a 3% fee. This request assumes the Legislature passes a temporary rule that removes the requirement to prepay trophy species tag fees upon application. If this rule is rejected, the total of this request may rise to \$190,000. Payment Card Industry (PCI) compliance costs associated with credit card fees would be covered by the existing \$40,000 in the FY 2019 Base pursuant to H320 of 2017.</p>					
Agency Request	0.00	0	100,000	0	100,000
<p><i>The Governor recommends an additional \$90,000 due to the Idaho Fish and Game Commission voting to maintain the controlled trophy hunt draw structure in November. As a result, sportsmen are still required to pay both the application fee and tag fee up front with the expectation that those who do not draw a moose, sheep, or goat tag would be refunded the tag fee.</i></p>					
Governor's Recommendation	0.00	0	190,000	0	190,000
7. Black Canyon Dam Mitigation					Fisheries
<p>The department requests \$360,000 from the dedicated Fish and Game Expendable Trust Fund to rehabilitate fish habitat after high concentrations of fine sediment were released into the Payette River via the Black Canyon Dam. The Bureau of Reclamation agreed to a monetary settlement in the amount of \$360,000 to compensate Fish and Game for habitat damages. The department has planned a three-year construction program. The first-year construction is estimated to cost \$100,000 and will focus on one or two improvements from a list of four sites (Letha Bridge, Gem Island, Plaza Bridge, and the Emmett Segment of the Payette Wildlife Management Area). Planned improvements include adding amenities at facilities such as ramps for watercraft, restrooms, parking areas, fencing, and appropriate signage. The department plans to request carryover authority for any remaining unencumbered or unexpended funds in FY 2019 into the FY 2020 budget. [Onetime]</p>					
Agency Request	0.00	0	360,000	0	360,000
<p><i>The Governor recommends \$120,000 in ongoing funds that would be removed from the base after three years rather than the use of reappropriation.</i></p>					
Governor's Recommendation	0.00	0	120,000	0	120,000
8. CJ Strike WMA Housing					Wildlife
<p>The department requests a total of \$200,000 in capital outlay to construct a house for the habitat biologist that manages the CJ Strike Wildlife Management Area (WMA), who currently lives off-site. Housing the biologist on the WMA would help enhance community relations by having a local presence, decreased response time for issues that may arise, and enhanced security. Of this request, \$150,000 would come from federal Pittman-Robertson funds with a \$50,000 state match through dedicated license funds. [Onetime]</p>					
Agency Request	0.00	0	50,000	150,000	200,000
Governor's Recommendation	0.00	0	50,000	150,000	200,000
9. Furbearer Monitoring					Wildlife
<p>The department requests \$51,300 in federal Pittman-Roberson Funds to monitor fisher and wolverine populations, two species reviewed for listing under the Endangered Species Act. Wolverine listing is currently under review in the court system, and a status review is underway for fisher in the Northwest. This request will be in collaboration with Montana Fish, Wildlife, and Parks, and the USFS Rocky Mountains Research Station. The IDFG portion will provide 1,385 hours of benefitted employee time, as well as 693 hours of non-benefitted employee work. The 25% match requirement for Pittman-Robertson funding will be provided by existing appropriation in the FY 2019 Base.</p>					
Agency Request	0.00	0	0	51,300	51,300
Governor's Recommendation	0.00	0	0	51,300	51,300

Department of Fish and Game

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. Network Services Upgrades					Administration
The department requests an ongoing enhancement of \$60,000 to cover the increased cost of network services in regional offices and other locations after the transition from T1 copper lines to high speed fiber optic. Of this total, \$36,000 comes from dedicated license fees and \$24,000 comes from federal funds. This request would allow the department to purchase increased speeds and bandwidth for day to day operations and ensure a fast connection at the data backup location. This increase in bandwidth aids in disaster recovery, data intensive services such as GIS, and more responsive connections for daily access.					
Agency Request	0.00	0	36,000	24,000	60,000
Governor's Recommendation	0.00	0	36,000	24,000	60,000
11. Health Insurance for Temps					Admin, Enf, Fisheries, Wildlife, Comm, Wildlife Mit
The department requests a reduction of \$250,700 to cover decreases in health insurance costs for benefited temporary employees. Changes in health insurance costs for permanent positions are calculated in the maintenance area, but funding changes for group positions must be included as a line item. Last year, the department spent \$6.1 million for the salaries of 494 group employees plus \$1 million for health insurance for 133 of those employees, and \$1.2 million for variable benefits (social security, workers' compensation, unemployment insurance, and retirement for some) for a grand total of \$8.3 million. The request includes decreased funding as follows: \$51,400 in licenses and fees, \$28,400 in fish and game non-federal contracts, \$5,200 in license set-aside, \$2,300 in other set-aside moneys, \$1,800 in expendable trust moneys, and \$161,600 in federal funding for a total decrease of \$250,700.					
Agency Request	0.00	0	(89,100)	(161,600)	(250,700)
The Governor recommends a onetime reduction in the employer health benefit cost for the department's benefited group employees based on the November Milliman projection, which showed a decrease from the June estimate. Employer costs are projected to return to the current level in FY 2020. This recommendation also includes an reduction of \$100 for rounding errors.					
Governor's Recommendation	0.00	0	(85,600)	(155,500)	(241,100)
12. OHV Outreach Campaign					Communications
The department requests an ongoing reduction to the FY 2019 Base in the amount of \$116,900 as the Idaho Department of Fish and Game (IDFG) has relinquished the banking duties associated with the Idaho Recreation and Tourism Initiative's Off Highway Vehicle (OHV) public outreach campaign to the Department of Parks and Recreation. IDFG originally assumed the banking duties ten years ago for the "Stay on the Trails" program, however the focus of the campaign has shifted in recent years to a more safety oriented program and is less topical to the mission of IDFG. The Department of Parks and Recreation has sufficient appropriation to assume banking duties.					
Agency Request	0.00	0	(43,000)	(73,900)	(116,900)
Governor's Recommendation	0.00	0	(43,000)	(73,900)	(116,900)
FY 2019 Total					
Agency Request	565.00	0	61,009,400	48,867,000	109,876,400
Governor's Recommendation	565.00	0	61,298,500	49,170,800	110,469,300
Agency Request					
Change from Original App	0.00	0	1,363,200	428,100	1,791,300
% Change from Original App	0.0%		2.3%	0.9%	1.7%
Governor's Recommendation					
Change from Original App	0.00	0	1,652,300	731,900	2,384,200
% Change from Original App	0.0%		2.8%	1.5%	2.2%

Idaho Legislative Budget Book

Board of Land Commissioners

2018 Legislative Session

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Lands, Department of	4 - 25

Board of Land Commissioners

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Investment Board, Endow Fund	675,400	641,000	753,600	713,500	722,700
Lands, Department of	60,525,200	53,763,600	54,734,100	58,980,800	59,337,300
Total:	61,200,600	54,404,600	55,487,700	59,694,300	60,060,000
BY FUND CATEGORY					
General	5,411,300	5,326,000	6,070,100	6,115,300	5,995,900
Dedicated	43,238,300	40,294,400	42,528,100	46,691,300	47,158,100
Federal	12,551,000	8,784,200	6,889,500	6,887,700	6,906,000
Total:	61,200,600	54,404,600	55,487,700	59,694,300	60,060,000
Percent Change:		(11.1%)	2.0%	7.6%	8.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	28,402,900	26,265,400	29,660,600	30,031,300	30,488,700
Operating Expenditures	19,674,600	16,475,300	19,078,300	20,987,500	20,987,500
Capital Outlay	2,138,200	2,695,500	1,619,700	2,037,900	1,954,700
Trustee/Benefit	10,984,900	8,968,400	5,129,100	6,637,600	6,629,100
Total:	61,200,600	54,404,600	55,487,700	59,694,300	60,060,000
Full-Time Positions (FTP)	297.80	297.80	315.85	324.85	324.85

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: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	675,400	641,000	753,600	713,500	722,700
Percent Change:		(5.1%)	17.6%	(5.3%)	(4.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	480,300	470,700	558,200	521,500	530,700
Operating Expenditures	193,400	169,000	193,700	190,000	190,000
Capital Outlay	1,700	1,300	1,700	2,000	2,000
Total:	675,400	641,000	753,600	713,500	722,700
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 the Idaho Department of Environmental Quality and two wildlife habitat endowments for the Idaho Department of Fish and Game.

The State Legislature created the Endowment Fund Investment Board in 1969 (Section 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" (Section 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.

Analyst: Sepich

Millions of dollars	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
End of Year Market Values of Funds Under Management (\$ Millions)						
1. Public School Permanent Endowment	\$708.4	\$792.9	\$922.4	\$954.0	\$847.4	\$911.6
2. Public School Earnings Reserve Fund	100.2	122.0	163.8	183.6	282.6	343.7
3. Other Land Grant Permanent Funds	352.3	392.2	477.4	500.9	538.6	554.8
4. Other Land Grant Earnings Reserves	97.4	127.6	181.2	204.2	161.8	226.0
5. Subtotal Land Grant Endowments	\$1,258.3	\$1,434.8	\$1,744.8	\$1,842.7	\$1,830.4	\$2,036.1
6. Capitol Permanent Endowment	22.2	25.9	in line 3	in line 3	in line 3	in line 3
7. State Insurance Fund	592.2	594.4	630.2	621.5	669.9	729.3
8. Judges' Retirement (to PERSI in 2015)	60.4	66.4	75.1	0.0	0.0	0.0
9. Other Investments * IDPR, DEQ, IDFG	3.3	3.4	3.7	74.8	77.1	86.7
10. Total Funds under Management	\$1,936.3	\$2,125.0	\$2,453.7	\$2,539.1	\$2,577.4	\$2,852.0
*IDPR Ritter Island \$1.3 M; IDPR Trail of the Coeur d'Alenes \$2.8 M; DEQ Bunker Hill Water Treatment \$60.7 M; IDFG Wildlife Stewardship \$18.2 M; F&G Trust \$3.6 M						
Combined Permanent & Earnings Reserve Funds (\$ Millions)						
11. Beginning Value July 1	\$1,245.9	\$1,258.3	\$1,434.8	\$1,744.8	\$1,842.7	\$1,830.4
12. Lands Contributions to Permanent Fund	11.64	2.43	28.28	49.14	2.08	1.95
13. Lands Contributions to Earnings Reserve	62.62	74.42	87.87	83.09	78.18	70.67
14. Income (Loss) from Investments	12.66	179.31	273.75	53.17	(2.84)	233.81
15. Lands Expenses	(22.67)	(26.00)	(23.72)	(27.69)	(25.33)	(29.24)
16. EFIB Expenses	(5.41)	(6.17)	(7.27)	(7.65)	(7.59)	(7.83)
17. Capital Endowment Distributions	0.00	0.00	(.05)	(.10)	(.40)	(.50)
18. Distributions to Beneficiaries	(46.43)	(47.51)	(48.84)	(51.98)	(56.47)	(63.16)
19. Ending Combined Perm & ER Funds	\$1,258.3	\$1,434.8	\$1,744.8	\$1,842.7	\$1,830.4	\$2,036.1
20. Gross Investment Return Before Fees	1.0%	14.4%	18.8%	3.0%	(0.2%)	(0.2%)
21. Expenses to year-end net assets	0.45%	0.43%	0.42%	0.44%	0.43%	0.43%
					FY 2018	FY 2019
Distributions to Beneficiaries (\$ Millions)	FY 2014	FY 2015	FY 2016	FY 2017	Estimate	Estimate
22. Public Schools	\$31.2924	\$31.2924	\$32.7588	\$36.7248	\$47.0496	\$50.3256
23. Agricultural College	.9672	1.1640	1.2888	1.3476	1.3476	1.4472
24. Charitable Institutions	3.3480	3.8520	4.5000	5.5440	5.5440	5.7540
25. Idaho State University 4/15	.8928	1.0272	1.2000	1.4784	1.4784	1.5344
26. Juvenile Corrections Center 4/15	.8928	1.0272	1.2000	1.4784	1.4784	1.5344
27. State Hospital North 4/15	.8928	1.0272	1.2000	1.4784	1.4784	1.5344
28. Veterans Home 5/30	.5580	.6420	.7500	.9240	.9240	.9590
29. School for the Deaf and Blind 1/30	.1116	.1284	.1500	.1848	.1848	.1918
30. Normal School	2.6700	3.1440	3.6084	4.2624	4.2624	4.4100
31. ISU College of Education 1/2	1.3350	1.5720	1.8042	2.1312	2.1312	2.2050
32. Lewis-Clark State College 1/2	1.3350	1.5720	1.8042	2.1312	2.1312	2.2050
33. Penitentiary	1.4220	1.7076	1.8720	1.9656	1.9656	2.1936
34. School of Science	3.3384	3.8664	3.8664	4.7088	4.7088	4.8264
35. SHS Mental Hospital	2.9460	3.6254	4.5624	4.5624	4.5624	5.0244
36. University of Idaho	2.8608	3.3264	4.0164	4.0428	4.0428	4.2252
37. Distributions to Land Grant Beneficiaires	\$48.8448	\$51.9782	\$56.4732	\$63.1584	\$73.4832	\$78.2064
38. Percent Change in Distributions	2.8%	6.4%	8.6%	11.8%	16.3%	6.4%

FY 2019 Idaho Legislative Budget Book

Endowment Fund Investment Board

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	3.70	0	753,600	3.70	0	753,600
Removal of Onetime Expenditures	0.00	0	(38,500)	0.00	0	(38,500)
FY 2019 Base	3.70	0	715,100	3.70	0	715,100
Benefit Costs	0.00	0	(4,800)	0.00	0	(5,100)
Replacement Items	0.00	0	2,000	0.00	0	2,000
Statewide Cost Allocation	0.00	0	(3,700)	0.00	0	(3,700)
Change in Employee Compensation	0.00	0	4,900	0.00	0	14,400
FY 2019 Program Maintenance	3.70	0	713,500	3.70	0	722,700
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	3.70	0	713,500	3.70	0	722,700
Change from Original Appropriation	0.00	0	(40,100)	0.00	0	(30,900)
% Change from Original Appropriation			(5.3%)			(4.1%)

Endowment Fund Investment Board

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	3.70	0	753,600	0	753,600

Removal of Onetime Expenditures

This request removes \$36,800 provided for double filling the position of the investment manager and \$1,700 provided for replacement items.

Agency Request	0.00	0	(38,500)	0	(38,500)
Governor's Recommendation	0.00	0	(38,500)	0	(38,500)

FY 2019 Base					
Agency Request	3.70	0	715,100	0	715,100
Governor's Recommendation	3.70	0	715,100	0	715,100

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(4,800)	0	(4,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(5,100)	0	(5,100)
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Replacement Items

The Endowment Fund Investment Board requests \$2,000 in dedicated funds to purchase one new computer and two new chairs.

Agency Request	0.00	0	2,000	0	2,000
Governor's Recommendation	0.00	0	2,000	0	2,000

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. Attorney General fees will decrease by \$3,200, risk management costs will decrease by \$200, and State Controller fees will decrease by \$300, for a net reduction of \$3,700.

Agency Request	0.00	0	(3,700)	0	(3,700)
Governor's Recommendation	0.00	0	(3,700)	0	(3,700)

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	0	4,900
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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.

Governor's Recommendation	0.00	0	14,400	0	14,400
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FY 2019 Program Maintenance					
Agency Request	3.70	0	713,500	0	713,500
Governor's Recommendation	3.70	0	722,700	0	722,700

Endowment Fund Investment Board

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Budget Law Exemptions

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.

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, \$7,211,682 for FY 2016, and \$7,588,547 for FY 2017.

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, 2018, through June 30, 2019.

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 2019 Total					
Agency Request	3.70	0	713,500	0	713,500
Governor's Recommendation	3.70	0	722,700	0	722,700

Agency Request

Change from Original App	0.00	0	(40,100)	0	(40,100)
% Change from Original App	0.0%		(5.3%)		(5.3%)

Governor's Recommendation

Change from Original App	0.00	0	(30,900)	0	(30,900)
% Change from Original App	0.0%		(4.1%)		(4.1%)

Department of Lands

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Support Services	6,338,200	6,376,600	6,591,600	7,080,100	7,150,900
Forest Resources Management	32,685,500	28,879,000	27,083,400	30,925,300	31,072,300
Lands and Waterways	10,522,400	8,569,800	10,722,600	9,415,200	9,484,700
Forest & Range Fire Protection	10,715,400	9,716,500	10,064,100	10,576,000	10,632,800
Scaling Practices	263,700	221,700	272,400	267,500	271,000
Oil and Gas Conservation	0	0	0	716,700	725,600
Total:	60,525,200	53,763,600	54,734,100	58,980,800	59,337,300
BY FUND CATEGORY					
General	5,411,300	5,326,000	6,070,100	6,115,300	5,995,900
Dedicated	42,562,900	39,653,400	41,774,500	45,977,800	46,435,400
Federal	12,551,000	8,784,200	6,889,500	6,887,700	6,906,000
Total:	60,525,200	53,763,600	54,734,100	58,980,800	59,337,300
Percent Change:		(11.2%)	1.8%	7.8%	8.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	27,922,600	25,794,700	29,102,400	29,509,800	29,958,000
Operating Expenditures	19,481,200	16,306,300	18,884,600	20,797,500	20,797,500
Capital Outlay	2,136,500	2,694,200	1,618,000	2,035,900	1,952,700
Trustee/Benefit	10,984,900	8,968,400	5,129,100	6,637,600	6,629,100
Total:	60,525,200	53,763,600	54,734,100	58,980,800	59,337,300
Full-Time Positions (FTP)	294.10	294.10	312.15	321.15	321.15

Division Description

The Department of Lands has six budgeted programs. 1) The Support Services Program provides staff support and technical assistance to the State Board of Land Commissioners and Department of Lands for fiscal, administrative, data processing, personnel, and legal needs.

2) The Division of Forest Resources supervises and develops an annual timber sales program of 242.2 million board feet on state endowment lands; administers an intensive forest improvement program to enhance the productivity of state forest lands; and assists 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 administration of the Lake Protection Act, Surface Mining Act, and the Dredge and 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.

4) The Forest and Range Fire Protection Program provides protection to the timber and grazing 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.

6) The Oil and Gas Conservation Division is charged with overseeing the petroleum industry pursuant to H301aa and S1099aaH of 2016, which established the division and created a new deputy director to oversee gas and oil exploration in Idaho. This division was budgeted under the Lands and Waterways Program prior to FY 2019.

Department of Lands

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	312.15	6,070,100	54,734,100	312.15	6,070,100	54,734,100
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	312.15	6,070,100	54,734,100	312.15	6,070,100	54,734,100
Removal of Onetime Expenditures	(1.00)	(238,500)	(2,220,400)	(1.00)	(238,500)	(2,220,400)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	311.15	5,831,600	52,513,700	311.15	5,831,600	52,513,700
Benefit Costs	0.00	(80,700)	(474,600)	0.00	(73,800)	(434,700)
Inflationary Adjustments	0.00	3,600	24,000	0.00	3,600	24,000
Replacement Items	0.00	187,900	1,679,900	0.00	104,700	1,596,700
Statewide Cost Allocation	0.00	6,400	64,200	0.00	6,400	64,200
Change in Employee Compensation	0.00	34,500	240,500	0.00	95,600	625,000
FY 2019 Program Maintenance	311.15	5,983,300	54,047,700	311.15	5,968,100	54,388,900
1. Good Neighbor Authority Forest Pgrm	7.00	0	3,784,300	7.00	0	3,801,900
2. Good Neighbor Authority Range FTP	1.00	0	122,500	1.00	0	125,100
3. Heavy Equipment Mechanic	1.00	26,900	53,800	1.00	27,800	55,600
4. HR Assistant	1.00	8,300	55,400	1.00	0	57,200
5. Hazard Management IT System	0.00	80,000	330,000	0.00	0	330,000
6. IT/Telecommunications	0.00	8,300	55,500	0.00	0	55,500
7. Electronic Forms Module License	0.00	0	25,000	0.00	0	25,000
8. Fire Equipment	0.00	0	68,400	0.00	0	68,400
9. Timber Protective Assn CEC & Inflation	0.00	8,500	8,500	0.00	0	0
10. Grayback Gulch Bridge Replacement	0.00	0	429,700	0.00	0	429,700
FY 2019 Total	321.15	6,115,300	58,980,800	321.15	5,995,900	59,337,300
Change from Original Appropriation	9.00	45,200	4,246,700	9.00	(74,200)	4,603,200
% Change from Original Appropriation		0.7%	7.8%		(1.2%)	8.4%

Department of Lands

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	312.15	6,070,100	41,774,500	6,889,500	54,734,100

Noncognizable Funds and Transfers

This decision unit realigns 1.52 FTP between programs and fund sources for a net of zero. It transfers 0.28 FTP and \$20,800 in personnel costs in the Endowment Earnings Reserve Fund from the Support Services Program to the Forest Resources Management Program to account for the actual distribution of CEC versus how it was budgeted in FY 2018.

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 Estimated Expenditures					
Agency Request	312.15	6,070,100	41,774,500	6,889,500	54,734,100
Governor's Recommendation	312.15	6,070,100	41,774,500	6,889,500	54,734,100

Removal of Onetime Expenditures

This decision unit removes \$1,142,400 for onetime replacement items, and \$1,078,000 for onetime line items.

Agency Request	(1.00)	(238,500)	(1,981,900)	0	(2,220,400)
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Governor's Recommendation	(1.00)	(238,500)	(1,981,900)	0	(2,220,400)
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Base Adjustments

This decision unit transfers 1.80 FTP specializing in graphical information systems and \$164,800 from the Lands and Waterways Program to Technical Services Bureau in the Forest Resources Management Program. This includes \$148,800 in personnel costs and \$16,000 in associated operating expenditures. It transfers 5.84 FTP and a total of \$698,500 from the Lands and Waterways Program to create a new Oil and Gas Conservation Division pursuant to H301aa and S1099aaH, which established a new Division Administrator of Oil and Gas Conservation to oversee the industry. Of the total shifting to the new program, \$511,500 is for personnel costs and \$187,000 is for operating expenditures for travel expenses and training for the new division.

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 2019 Base					
Agency Request	311.15	5,831,600	39,792,600	6,889,500	52,513,700
Governor's Recommendation	311.15	5,831,600	39,792,600	6,889,500	52,513,700

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(80,700)	(376,000)	(17,900)	(474,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(73,800)	(344,100)	(16,800)	(434,700)
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Inflationary Adjustments

Inflationary adjustments include \$24,000 for the increase in the Capitol Park Plaza rent charged by the Department of Lands as part of a new five-year lease renegotiation. The department leases 22,852 square feet at 300 North 6th Street in Boise, and lease costs are expected to increase by 12.85% or \$24,000. The Capitol Park Plaza is owned by the State Hospital South endowment and the Normal School endowment.

Agency Request	0.00	3,600	20,400	0	24,000
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Governor's Recommendation	0.00	3,600	20,400	0	24,000
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Department of Lands

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
Replacement items include \$712,600 for computer and networking equipment, \$888,400 for vehicles and field equipment, and \$78,900 for specific use equipment for a total of \$1,679,900. The total includes \$187,900 from the General Fund, \$676,000 from the Department of Lands Fund, and \$816,000 from the Endowment Earnings Administrative Fund.					
Agency Request	0.00	187,900	1,492,000	0	1,679,900
<i>The Governor does not recommend the replacement of a pickup with 65,980 miles (\$39,400) or an SUV with 84,990 miles (\$43,800).</i>					
Governor's Recommendation	0.00	104,700	1,492,000	0	1,596,700
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 \$89,600, risk management costs will decrease by \$24,000, State Controller fees will decrease by \$1,000, and State Treasurer fees will decrease by \$400, for a net increase of \$64,200.					
Agency Request	0.00	6,400	57,800	0	64,200
Governor's Recommendation	0.00	6,400	57,800	0	64,200
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	34,500	189,900	16,100	240,500
<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	95,600	496,100	33,300	625,000
FY 2019 Program Maintenance					
Agency Request	311.15	5,983,300	41,176,700	6,887,700	54,047,700
Governor's Recommendation	311.15	5,968,100	41,514,800	6,906,000	54,388,900

Department of Lands

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Good Neighbor Authority Forest Pgrm		Forest Resources Management			
The department requests 7.00 FTP and \$3,784,300 from the Department of Lands Fund to implement agreements under the Good Neighbor Authority (GNA) as directed by SCR126 of 2015, which tasked the department with increasing the state management of federal lands. Included is funding for a GNA Bureau Chief to supervise personnel; a GNA regional forester to review and coordinate plans for proposed forest and watershed restoration; a contracting specialist to review timber sale contracts that are expected to generate \$2.5 to \$3 million in program income in FY 2018; three GNA forester positions to oversee restoration activities based out of the Priest Lake, Ponderosa, and St. Joe supervisory area offices; and a technical records specialist to maintain databases holding records for National Forest agreements and timber sale transactions. Due to the increase in expected program income, \$1,500,000 in operating expenditures is requested for anticipated expenses, while an additional \$1,500,000 of trustee and benefit payments appropriation is requested to complete payments to the Forest Service as required under the supplemental project agreements (SPAs). Funding of \$513,800 would supply salaries to the additional FTP, and \$52,500 is requested for supplies, training, and travel. Lastly, \$218,000 in capital outlay would provide computers for all seven FTP and five 4x4 1/2 ton trucks for the Bureau Chief, regional forester, and three GNA forester positions.					
In 2016, the Idaho Department of Lands signed a master GNA agreement with US Forest Service Regions 1 and 4, encompassing all national forests within Idaho. For FY 2017, the Legislature authorized 2.33 FTP and \$200,000 in ongoing dedicated funds and \$300,000 in ongoing federal funds. For FY 2018, the Legislature authorized an additional 2.00 FTP, moved 1.00 FTP from federal funds to the General Fund, and provided an additional appropriation of \$750,000 split evenly between the General Fund, dedicated, and federal funds. Specific project activities are carried out on individual national forests through SPAs developed under the authority of the statewide master GNA. [\$218,000 Onetime]					
Agency Request	7.00	0	3,784,300	0	3,784,300
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	7.00	0	3,801,900	0	3,801,900
2. Good Neighbor Authority Range FTP		Lands and Waterways			
The department requests 1.00 FTP and \$122,500 from the Department of Lands Fund to hire a Lands Program Specialist in the Good Neighbor Authority (GNA) Range Program to provide technical assistance and contracting for review, planning, and administration of federal sage-steppe restoration projects and grazing permit renewals. Idaho Department of Lands is entering into a Memorandum of Understanding (MOU) under the GNA, where the Bureau of Land Management (BLM) Idaho State Office would commit funding in exchange for state assistance to address the backlog of grazing permit renewals and rangeland restoration projects on federal rangelands. Many federal permits are often adjoined with state grazing leases through combined allotment-based grazing management plans, providing consistency to lessees. This request includes \$77,300 for the salaries and benefits of the specialist, and \$2,500 for office equipment. Also included in the request is \$42,700 in operating expenditures to support the GNA program agreement with the BLM. [\$2,500 Onetime]					
Agency Request	1.00	0	122,500	0	122,500
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	1.00	0	125,100	0	125,100
3. Heavy Equipment Mechanic		Forest and Range Fire Protection			
The department requests 1.00 FTP and \$53,800 split evenly between the General Fund and dedicated funds to make ongoing the Rangeland Fire Protection Association (RFPA) mechanic that has been approved on a onetime basis for the past three years. Of this request \$52,300 is for personnel costs and \$1,500 would cover operating expenditures for training on advanced equipment. This position has assisted in refurbishing approximately 350 pieces of firefighting equipment from FY 2015 to FY 2017, such as fire engines, water tenders, pumps, and tanks. The end users of this rebuilt equipment include the department as well as Fire Services Organizations that include cities, counties, RFPAs, and volunteer fire districts across the state.					
Agency Request	1.00	26,900	26,900	0	53,800
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	1.00	27,800	27,800	0	55,600

Department of Lands

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. HR Assistant					Support Services
<p>The department requests 1.00 FTP and \$55,400 to hire a human resource assistant position, including \$2,000 for travel and training, and \$1,100 for a computer with a funding split of 15% General Fund, 25% from Department of Lands Fund, and 60% from the Endowment Earnings Administrative Fund. The department has seen turnover double in the last five years, and there are currently 3.00 FTP in human resources (HR). According to a study of HR team and general staffing, Idaho Department of Lands currently serves 178 employees per HR FTP while the average for similar agencies is 105 per HR FTP. This position would bring IDL's average to 134 employees per HR FTP, and support agency-wide hiring, recruiting, and benefits administration. The assistant would allow for a more centralized approach to hiring temporary employees by creating the capacity for the state office to handle the hiring paperwork, assist in recruiting, and provide benefits consultation to free up administrative assistants at the field offices who are currently doing much of this work. [\$1,100 Onetime]</p>					
Agency Request	1.00	8,300	47,100	0	55,400
<p><i>Recommended by the Governor with changes for benefits and compensation, with all funding split evenly between the Department of Lands Fund, and the Endowment Earnings Administrative Fund.</i></p>					
Governor's Recommendation	1.00	0	57,200	0	57,200
5. Hazard Management IT System					Forest and Range Fire Protection
<p>The department requests \$330,000 in two parts to update software. The first part is \$80,000 from the General Fund to update the Navision Hazard System to automate data entry and integrate with the publicly accessible Land Information Management System (LIMS) Forestry customer portal that is used by counties, mills, private land owners, and Idaho Department of Lands (IDL) offices. This would allow real time access to accurate information regarding slash withholding payments, refunds, and potential ongoing liabilities. The second portion is \$250,000 from the Department of Lands Fund to upgrade the Private Fire application that tracks landowner assessments of fire risk on private land. Upgrading the Private Fire application, established in 2008, would reduce maintenance costs and make reporting by county assessor offices and IDL employees more streamlined and effective at assessing fire protection fees. At this time, most lumber mills and county assessors' offices utilize paper forms to exchange data with IDL, and transitioning to automated electronic forms is expected to save IDL approximately 16 staff hours per month, and 15 hours per quarter for each of the 37 counties where timber harvest occurs. IDL plans to request carryover authority in FY 2020 on the \$250,000 portion to ensure that the project can be completed. [Onetime]</p>					
Agency Request	0.00	80,000	250,000	0	330,000
<p><i>Recommended by the Governor through the use of dedicated funds.</i></p>					
Governor's Recommendation	0.00	0	330,000	0	330,000
6. IT/Telecommunications					Support Services
<p>The department requests \$55,500 split between the General Fund (15%), the Department of Lands Fund (25%), and the Endowment Earnings Administrative Fund (60%) for a three-part modernization of telecommunications needs in accordance with the Office of the Chief Information Officer's (OCIO) guidance. The first portion of the request is \$16,000 to purchase network hardware in the Southwest Area Office and the Kootenai Valley Area Office as those offices have outgrown their current IT capacity. This would increase the bandwidth of the two offices and ensure continued network activity in times of high traffic. Second, this request includes \$33,000 to purchase an additional 150 user licenses for Microsoft Office 365 in addition to the 350 licenses currently appropriated in the FY 2019 Base. These licenses are selectively given to permanent, temporary, and seasonal workers who require email or other cloud based Microsoft products. Having all employees on the same platform enhances security and improves the capacity to respond to public records requests in a timely manner. Lastly, the department requests \$6,500 to purchase an IT network monitoring software licensing to allow the IT staff to optimize and protect the network. [\$16,000 Onetime]</p>					
Agency Request	0.00	8,300	47,200	0	55,500
<p><i>Recommended by the Governor with all funding split evenly between the Department of Lands Fund, and the Endowment Earnings Administrative Fund.</i></p>					
Governor's Recommendation	0.00	0	55,500	0	55,500

Department of Lands

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Electronic Forms Module License			Oil and Gas Conservation		
The department requests \$25,000 from the Oil and Gas Conservation Fund to obtain an electronic forms module of the existing Risk Based Data Management System (RBDMS) software. This module would allow for applications and reports to be submitted by a user through an online portal, which currently must be done in paper form. Adding electronic forms increases efficiency and improves the customer service provided to oil and gas applicants, who currently must type and mail, or email in documents that then must be manually inputted into the system by department staff. Manually entered data can be error prone and requires additional review, slowing down response time to royalty owners and other operators.					
Agency Request	0.00	0	25,000	0	25,000
Governor's Recommendation	0.00	0	25,000	0	25,000
8. Fire Equipment			Forest and Range Fire Protection		
The department requests a total of \$68,400 from the Department of Lands Fund for a variety of firefighting equipment at the Coeur d'Alene Fire Cache. This includes: \$6,800 to purchase a welder as the current one is shared between two mechanic shop employees; \$9,400 for an expander that is used to make soft line hose connections that are currently outsourced to third party manufacturing; \$900 for a polypropylene strapping machine used to secure loads and materials as the current machine is facing mechanical issues; \$1,300 for two tarps to cover materials and equipment that are stored outside; \$600 for a fuel evacuator to remove fuel from numerous tanks that are sent out with crews, but must be emptied prior to storage; \$1,700 for two 12 volt battery bank chargers to help maintain the useful life of batteries rather than purchasing new ones; \$1,000 for diagnostic software used to troubleshoot chainsaws manufactured with electronic fuel and ignition management systems; \$18,500 for a new weather station that would provide fire weather information over 1 million acres in the Clearwater River Canyon area; and \$27,200 for eight handheld radios and four repeaters as there are two distinct radio systems in Kootenai County that do not communicate with each other. This request would provide cross band repeaters that can connect to all air and ground frequencies; and \$1,000 for a remote radio head and connection cable to allow the timber and fire staff at the Coeur d'Alene office to monitor the radio at all times. [Onetime]					
Agency Request	0.00	0	68,400	0	68,400
Governor's Recommendation	0.00	0	68,400	0	68,400
9. Timber Protective Assn CEC & Inflation			Forest and Range Fire Protection		
This is an \$8,500 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 \$850,700 for CPTPA and \$253,000 for SITPA for a total of \$850,700. The request is \$4,800 for CPTPA and \$2,100 for SITPA in personnel costs and \$1,100 for CPTPA and \$500 for SITPA in operating expenditures for a total of \$8,500.					
Agency Request	0.00	8,500	0	0	8,500
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0

Department of Lands

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. Grayback Gulch Bridge Replacement		Forest Resources Management			
The department requests \$429,700 from the Endowments Earning Reserve Fund for the department's matching share of the replacement costs for the Grayback Gulch Bridge. This bridge was removed during the 2017 spring runoff because it was failing, and rehabilitating the bridge would have required lengthening and realignment to prevent similar catastrophic runoff failures. This bridge is part of a cooperative road use agreement with the US Forest Service (USFS), where the USFS is responsible for 6% and Idaho Department of Lands (IDL) owns 94%. The Idaho City area road provides access to a USFS campground, 1,785 acres of endowment timberland, and access for fire suppression to nearly 8,000 acres of IDL protected land. Due to road usage and the campground, a settlement was reached to share costs with IDL covering 66% and the USFS providing 34% of the replacement costs. The Federal Highway Administration estimates replacement costs at \$651,000, of which IDL is responsible for \$429,700. IDL was granted a 90% reimbursement through the Idaho Office of Emergency Management, requiring a 10% match (approximately \$43,000), however IDL must pay the full amount prior to being reimbursed by the IOEM. Under the agreement between IDL and the USFS, invoices must be submitted between 7/1//2018 and 5/1/2019. [Onetime]					
Agency Request	0.00	0	429,700	0	429,700
Governor's Recommendation	0.00	0	429,700	0	429,700
FY 2019 Total					
Agency Request	321.15	6,115,300	45,977,800	6,887,700	58,980,800
Governor's Recommendation	321.15	5,995,900	46,435,400	6,906,000	59,337,300
Agency Request					
Change from Original App	9.00	45,200	4,203,300	(1,800)	4,246,700
% Change from Original App	2.9%	0.7%	10.1%	0.0%	7.8%
Governor's Recommendation					
Change from Original App	9.00	(74,200)	4,660,900	16,500	4,603,200
% Change from Original App	2.9%	(1.2%)	11.2%	0.2%	8.4%

Idaho Legislative Budget Book

Department of Parks and Recreation

2018 Legislative Session

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Department of Parks and Recreation

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Parks & Recreation, Dept of	46,331,500	32,222,900	41,229,200	45,359,400	43,189,700
Lava Hot Springs Foundation	2,337,200	2,189,900	2,291,500	2,271,700	2,287,300
Total:	48,668,700	34,412,800	43,520,700	47,631,100	45,477,000
BY FUND CATEGORY					
General	4,393,200	3,821,900	3,356,600	6,253,400	4,217,700
Dedicated	39,150,500	27,015,800	33,436,600	34,161,700	34,029,600
Federal	5,125,000	3,575,100	6,727,500	7,216,000	7,229,700
Total:	48,668,700	34,412,800	43,520,700	47,631,100	45,477,000
Percent Change:		(29.3%)	26.5%	9.4%	4.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	13,940,500	13,365,000	14,318,600	14,579,300	14,672,700
Operating Expenditures	7,922,100	6,747,400	7,879,600	8,104,600	8,103,100
Capital Outlay	13,468,500	3,579,600	6,533,200	10,157,900	7,911,900
Trustee/Benefit	13,337,600	10,720,800	14,789,300	14,789,300	14,789,300
Total:	48,668,700	34,412,800	43,520,700	47,631,100	45,477,000
Full-Time Positions (FTP)	164.69	164.69	170.44	172.44	172.44

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: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Management Services	16,728,400	14,080,000	18,126,600	18,362,400	18,373,300
Park Operations	17,737,500	15,863,000	18,468,600	19,199,000	19,264,400
Capital Development	11,865,600	2,279,900	4,634,000	7,798,000	5,552,000
Total:	46,331,500	32,222,900	41,229,200	45,359,400	43,189,700
BY FUND CATEGORY					
General	4,393,200	3,821,900	3,356,600	6,253,400	4,217,700
Dedicated	36,813,300	24,825,900	31,145,100	31,890,000	31,742,300
Federal	5,125,000	3,575,100	6,727,500	7,216,000	7,229,700
Total:	46,331,500	32,222,900	41,229,200	45,359,400	43,189,700
Percent Change:		(30.5%)	27.9%	10.0%	4.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	12,765,500	12,213,400	12,970,200	13,245,300	13,323,100
Operating Expenditures	7,130,900	6,053,400	7,134,000	7,366,900	7,365,400
Capital Outlay	13,097,500	3,235,300	6,335,700	9,957,900	7,711,900
Trustee/Benefit	13,337,600	10,720,800	14,789,300	14,789,300	14,789,300
Total:	46,331,500	32,222,900	41,229,200	45,359,400	43,189,700
Full-Time Positions (FTP)	150.89	150.89	154.64	156.64	156.64

Division Description

The Department of Parks and Recreation was created by H138 of 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 and 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; and 3) Capital Development includes only the capital outlay appropriated for facility maintenance, repair, and construction.

Department of Parks and Recreation

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	154.64	3,356,600	41,229,200	154.64	3,356,600	41,229,200
Reappropriation	0.00	571,300	10,766,300	0.00	571,300	10,766,300
FY 2018 Total Appropriation	154.64	3,927,900	51,995,500	154.64	3,927,900	51,995,500
Return Eagle Island Approp	0.00	0	(2,200,000)	0.00	0	(2,200,000)
FY 2018 Estimated Expenditures	154.64	3,927,900	49,795,500	154.64	3,927,900	49,795,500
Removal of Onetime Expenditures	0.00	(571,300)	(14,902,000)	0.00	(571,300)	(14,902,000)
FY 2019 Base	154.64	3,356,600	34,893,500	154.64	3,356,600	34,893,500
Benefit Costs	0.00	(61,000)	(255,800)	0.00	(53,100)	(225,000)
Replacement Items	0.00	2,761,000	5,647,700	0.00	865,000	3,941,700
Statewide Cost Allocation	0.00	(5,600)	(7,100)	0.00	(5,600)	(8,600)
Change in Employee Compensation	0.00	20,100	107,600	0.00	54,800	221,800
FY 2019 Program Maintenance	154.64	6,071,100	40,385,900	154.64	4,217,700	38,823,400
1. Increase Entry to 80% of Policy	0.00	0	71,000	0.00	0	0
2. Seasonal Employees	0.00	0	175,000	0.00	0	175,000
3. Increased Park Operating Expenditures	0.00	0	230,000	0.00	0	230,000
4. Trail Maintenance	0.00	0	35,000	0.00	0	35,000
5. Single Track Trail Dozer	0.00	0	100,000	0.00	0	100,000
6. Boating Equipment Storage	0.00	0	60,000	0.00	0	60,000
7. Construction Foreman	1.00	98,900	98,900	1.00	0	100,600
8. Design Professional	1.00	83,400	83,400	1.00	0	85,500
9. Billingsley Cr. (BC) Visitor Center	0.00	0	600,000	0.00	0	60,000
10. BC Entrance Road	0.00	0	650,000	0.00	0	650,000
11. BC Trail Project	0.00	0	225,000	0.00	0	225,000
12. BC Campground	0.00	0	2,200,000	0.00	0	2,200,000
13. BC Irrigation System	0.00	0	75,000	0.00	0	75,000
14. BC Arboretum & Elevated Camping	0.00	0	250,000	0.00	0	250,000
15. BC Fishing & Paddling Access	0.00	0	55,000	0.00	0	55,000
16. IT/Telecommunications	0.00	0	65,200	0.00	0	65,200
FY 2019 Total	156.64	6,253,400	45,359,400	156.64	4,217,700	43,189,700
Change from Original Appropriation	2.00	2,896,800	4,130,200	2.00	861,100	1,960,500
% Change from Original Appropriation		86.3%	10.0%		25.7%	4.8%

Department of Parks and Recreation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	154.64	3,356,600	31,145,100	6,727,500	41,229,200

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation balance for the Capital Development Program only from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime 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	571,300	9,583,700	611,300	10,766,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>571,300</i>	<i>9,583,700</i>	<i>611,300</i>	<i>10,766,300</i>

FY 2018 Total Appropriation					
Agency Request	154.64	3,927,900	40,728,800	7,338,800	51,995,500
<i>Governor's Recommendation</i>	<i>154.64</i>	<i>3,927,900</i>	<i>40,728,800</i>	<i>7,338,800</i>	<i>51,995,500</i>

Return Eagle Island Approp

Capital Development

The department was appropriated \$1,100,000 from the dedicated Recreational Vehicle Fund and \$1,100,000 from the federal Land and Water Conservation Fund for a total of \$2,200,000 for an RV campground at Eagle Island State Park for FY 2018. This project was contingent upon approval by the RV Advisory Committee, which declined to approve the campground and use of Recreational Vehicle Funds. The department requests an early reversion to keep the previously appropriated money in the funds to make them available for other projects in FY 2019, such as the Thousand Springs - Billingsly Creek campground found in line items 9-15.

Agency Request	0.00	0	(1,100,000)	(1,100,000)	(2,200,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(1,100,000)</i>	<i>(1,100,000)</i>	<i>(2,200,000)</i>

FY 2018 Estimated Expenditures					
Agency Request	154.64	3,927,900	39,628,800	6,238,800	49,795,500
<i>Governor's Recommendation</i>	<i>154.64</i>	<i>3,927,900</i>	<i>39,628,800</i>	<i>6,238,800</i>	<i>49,795,500</i>

Removal of Onetime Expenditures

This decision unit removes onetime funding in the amount of \$3,405,700 provided for replacement items, \$730,000 for line items, and \$10,766,300 for reappropriation for a total of \$14,902,000.

Agency Request	0.00	(571,300)	(13,591,900)	(738,800)	(14,902,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(571,300)</i>	<i>(13,591,900)</i>	<i>(738,800)</i>	<i>(14,902,000)</i>

FY 2019 Base					
Agency Request	154.64	3,356,600	26,036,900	5,500,000	34,893,500
<i>Governor's Recommendation</i>	<i>154.64</i>	<i>3,356,600</i>	<i>26,036,900</i>	<i>5,500,000</i>	<i>34,893,500</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(61,000)	(174,300)	(20,500)	(255,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(53,100)</i>	<i>(154,000)</i>	<i>(17,900)</i>	<i>(225,000)</i>
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Department of Parks and Recreation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

Replacement items and alteration and repair projects include \$1,207,000 for site development; \$915,000 for building improvements; \$1,595,000 for property improvements; \$65,000 for personal computer hardware; \$24,000 for server and storage hardware; \$20,000 for networking hardware; \$23,100 for peripheral computer equipment; \$1,201,500 for landscape equipment; \$363,000 for autos and light trucks; \$167,800 for small motorized equipment; and \$66,300 for non-motorized equipment for a total of \$5,647,700. Of this amount, \$493,000 comes from federal grants, \$2,761,000 from the General Fund, \$662,400 from the Parks and Recreation Fund, \$36,000 from the Parks and Recreation Enterprise Fund, and \$1,695,300 from the Recreational Fuels Fund.

Agency Request	0.00	2,761,000	2,393,700	493,000	5,647,700
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The Governor does not recommend 26 items that are considered building preservation, maintenance, or infrastructure improvements. Priorities for the General Fund are items that would improve safety of both park staff and patrons.

Governor's Recommendation	0.00	865,000	2,583,700	493,000	3,941,700
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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. Attorney General fees will decrease by \$5,400, risk management costs will decrease by \$4,900, State Controller fees will increase by \$3,300, and State Treasurer fees will decrease by \$100 for a net reduction of \$7,100.

Agency Request	0.00	(5,600)	(1,500)	0	(7,100)
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The Governor's recommendation also includes fees for Legislative Audits, which will decrease by \$1,500.

Governor's Recommendation	0.00	(5,600)	(3,000)	0	(8,600)
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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	20,100	79,000	8,500	107,600
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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.

Governor's Recommendation	0.00	54,800	147,400	19,600	221,800
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FY 2019 Program Maintenance

Agency Request	154.64	6,071,100	28,333,800	5,981,000	40,385,900
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Governor's Recommendation	154.64	4,217,700	28,611,000	5,994,700	38,823,400
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1. Increase Entry to 80% of Policy

Management Services, Park Operations

The department requests \$71,000 from the dedicated Parks and Recreation Fund to increase the minimum entry hire rate of employees to 80% of their pay grade policy. This request will bring all existing full-time employees up to 80% of policy for their position, and will be split between the Management Services Program (\$13,000) and the Park Operations Program (\$58,000). As of July 1, 2017, there were 57 employees below 80% of policy, 30 of whom had been with the department for less than 18 months. These individuals are predominantly office specialist 2s or park rangers, which experience the highest turnover in the department.

Agency Request	0.00	0	71,000	0	71,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Department of Parks and Recreation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Seasonal Employees					Park Operations
<p>The department requests \$175,000 from the dedicated Parks and Recreation Fund to increase seasonal hours and higher wages for temporary employees. From calendar year 2011 to 2016 overnight camping visitations increased 26% from 128,635 to 162,507, but during this same time the department saw a 4.2% decrease in actual expenditures for seasonal personnel costs. In FY 2017, the department exceeded its seasonal budget of \$2.47 million but was able to use salary savings to make up the difference in funding for that year. This request would provide approximately 13,800 additional hours of seasonal staffing to be allocated statewide, averaging one additional ranger per park.</p>					
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>
3. Increased Park Operating Expenditures					Park Operations
<p>The department requests \$230,000 from dedicated funds to provide additional funding for utility costs, increased visitation, and deferred maintenance needs. Of this amount, \$180,000 comes from the Parks and Recreation Fund, and \$50,000 comes from the Public Recreation Enterprise Fund. The Passport Program has experienced 20% growth year over year, combined with a 26% increase in overnight camping. From FY 2012 to FY 2017, the department has seen a 24.3% increase in utility costs across all parks, and an 18.1% increase in repair and maintenance supplies and services needed to keep parks in operation. Growth in park use and expenses associated with keeping the parks clean and operable have been absorbed by the department by cutting back on utilities and routine maintenance. A 2016 study by the department estimates that over \$20 million is needed for maintenance and repair costs throughout the entire park system, and that delaying routine maintenance may eventually require more expensive repairs.</p>					
Agency Request	0.00	0	230,000	0	230,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>230,000</i>	<i>0</i>	<i>230,000</i>
4. Trail Maintenance					Park Operations
<p>This request is for \$35,000 from the Recreational Fuels Tax Administration Fund to employ an additional part-time seasonal employee to address the backlog of trail maintenance near Coeur d'Alene. The department developed a five-year plan to address this backlog in partnership with the U.S. Forest Service and local off highway vehicle (OHV) enthusiasts. The FY 2019 Base of \$150,000 supports nine seasonal trail rangers and three regional trail cat operators. Once this program is completed, the area of focus will shift to a different location to do similar work. This request would provide approximately eight months of personnel funding to support trail maintenance and OHV improvements.</p>					
Agency Request	0.00	0	35,000	0	35,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>35,000</i>	<i>0</i>	<i>35,000</i>
5. Single Track Trail Dozer					Park Operations
<p>The department requests \$100,000 from the Off-Road Motor Vehicle Fund to purchase a single track trail dozer to build and maintain single track trails for the OHV Recreation Program. The program currently operates two single track dozers, but does not foresee being able to meet OHV user demands with current resources. With the addition of the third dozer, there would be machines dedicated to the north, southwest, and southeast portions of the state. [Onetime]</p>					
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>
6. Boating Equipment Storage					Park Operations
<p>The department requests \$60,000 in federal funds to expand existing storage at the department headquarters. Currently, the boating program houses equipment such as boats, trailers, canoes, and kayaks in an open area adjacent to existing covered storage, which provides little protection from the elements. This request would be used to build on to the existing storage facility, protect against potential theft or vandalism, and prolong the life of boating equipment. The Coast Guard's Recreational Boating Safety Grant Program is a formula grant that provides facilities, equipment, and supplies for boating safety education purposes. [Onetime]</p>					
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>

Department of Parks and Recreation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Construction Foreman			Management Services		
The department requests 1.00 FTP and \$98,900 from the General Fund to hire a construction foreman to perform maintenance, new construction, and repair as well as oversee contracted construction projects. This request includes \$30,000 to purchase a work truck and an equipment trailer. During FY 2017, the Governor tasked the department with assessing the backlog of maintenance projects and the agency estimates that there is over \$20 million in deferred maintenance projects. Of this total, over \$500,000 is for projects less than \$10,000 that could be addressed by the requested foreman, freeing up park rangers to dedicate their time to park patrons. [\$30,000 Onetime]					
Agency Request	1.00	98,900	0	0	98,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	100,600	0	100,600
8. Design Professional			Management Services		
The department requests 1.00 FTP and \$83,400 from the General Fund to restore a design professional within the Development Bureau that was eliminated during the budget cuts of 2010. There are currently two design professionals working for the agency, and they are unable to keep up with the number of ongoing projects. In 2010, the Development Bureau had 8.00 FTP, and was able to accomplish \$4.6 million worth of projects, however the current staff has averaged about \$2.7 million in projects due to the reduction in staffing. The department estimates that, by restoring this position, they will be better able to reduce the need for reappropriation as projects are completed, and begin to address the \$20 million maintenance backlog.					
Agency Request	1.00	83,400	0	0	83,400
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	85,500	0	85,500
9. Billingsley Cr. (BC) Visitor Center			Capital Development		
The department requests a total of \$4,055,000 to expand the Billingsley Creek Unit (BC) of the Thousand Springs State Park through a series of seven onetime line items in the Capital Development Program for the FY 2019 request.					
This line item represents a request for \$600,000 from the Parks and Recreation Expendable Fund to build out a 1,500 square foot visitor center at the Billingsley Creek Unit. Thousand Springs State Park does not currently have a visitor center as it is spread out over five units (Malad, Billingsley, Ritter Island, Box Canyon, and Niagara Springs) and accompanying features such as the Kelton Trail or Crystal Lake along the Snake River. The proposed visitor center would provide information for the various units of the Thousand Springs State Park that are all within a short drive or bicycle ride. This particular project would be led by the Division of Public Works in coordination with department staff.					
In 2001, the department acquired the Emerald Valley Ranch and created the Billingsley Creek Unit as part of the greater Thousand Springs State Park along the Snake River, south of Bliss and north of Buhl. Billingsley Creek is north of Hagerman along Highway 30 and is undeveloped. The Idaho Parks and Recreation Board has directed the department to develop the park. The total park development plan presented to the board estimated the project to cost \$12 million and be completed in phases over four years. [Onetime]					
Agency Request	0.00	0	600,000	0	600,000
<i>The Governor recommends \$60,000 from the Parks and Recreation Expendable Trust Fund to conduct preliminary engineering and design work for the construction of a shared visitor center at the Billingsley Creek Unit. The department recently began discussing the possibility of a combined visitor center with the National Park Service (NPS), which is exploring building a visitor center for the Hagerman Fossil Beds. It is expected that a shared center could save on construction, staffing, and utility costs.</i>					
Governor's Recommendation	0.00	0	60,000	0	60,000

Department of Parks and Recreation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. BC Entrance Road					
Capital Development					
The department requests \$650,000 from the Recreational Fuels Fund to construct a new entrance and park road at the Billingsley Creek Unit of Thousand Springs State Park. This entrance road would be 1.4 miles long and 20 feet wide and accommodate vehicle and RV access to the visitor center, campgrounds, and various fishing and paddling access points along the Snake River. [Onetime]					
Agency Request	0.00	0	650,000	0	650,000
Governor's Recommendation	0.00	0	650,000	0	650,000
11. BC Trail Project					
Capital Development					
The department requests \$150,000 from dedicated funds and \$75,000 in federal funds to design and construct a trail system within and adjacent to the Billingsley Creek Unit (BC). The source of dedicated funds comes from the Park Land Trust Fund, which includes proceeds from the sale of the Vardis Fisher properties portion of BC. This trail system would include a 1/2 mile long, ten foot wide asphalt trail along the western boundary of the park, as well as a 2.2 mile long, four foot wide unpaved trail within the park. The paved portion of this project would connect with the first phase of a trail proposed by the Hagerman Walk/Bike Alliance, and provide a non-motorized path linking BC to the town of Hagerman. The eventual goal of the alliance is to develop a paved non-motorized trail throughout the Hagerman Valley, connecting all units of Thousand Springs State Park with other attractions such as the Hagerman Fossil Beds National Monument, Hagerman National Fish Hatchery, and Miracle Hot Springs. [Onetime]					
Agency Request	0.00	0	150,000	75,000	225,000
Governor's Recommendation	0.00	0	150,000	75,000	225,000
12. BC Campground					
Capital Development					
The department requests \$2,200,000 to develop a 50 site RV accessible campground at Billingsley Creek. Half of this request would come from the dedicated Recreational Vehicle Fund through the RV Fund Grant Program, while the other half would come from federal Land and Water Conservation Fund State Assistance Program funds. The 2015 Idaho Visitor Report found that travelers on overnight trips to Idaho were much more likely to use a camper or RV than the national average. There is currently no publically managed overnight camping in the area. The department conservatively estimates new revenue of \$158,000 annually from campsite rentals and expects additional revenue through ancillary services, retail sales, and elevated cabin rentals. [Onetime]					
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
13. BC Irrigation System					
Capital Development					
The department requests \$75,000 from the Park Land Trust Fund to begin the first phase of redesign and modification of existing irrigation systems for landscaping. The park has adequate water rights and pressurized irrigation available, however, it is set up for agricultural purposes and will need modification to accommodate the new needs. There are several irrigation ditches that run through the center of the property that would need to be either buried or relocated with underground pipes. The department anticipates phasing the irrigation system in over four years in conjunction with the development of park features. [Onetime]					
Agency Request	0.00	0	75,000	0	75,000
Governor's Recommendation	0.00	0	75,000	0	75,000
14. BC Arboretum & Elevated Camping					
Capital Development					
The department requests \$250,000 from the Park Land Trust Fund to begin the first phase of a 20 acre arboretum, three 14-foot by 14-foot elevated cabin structures, and one concrete vault toilet. This phase includes design costs, grading of the land, terminal connections for irrigation installation, the creation of pathways, and planting of trees and shrubs. The department plans to coordinate a fundraising campaign for the arboretum as an opportunity for tree donations and memorials. [Onetime]					
Agency Request	0.00	0	250,000	0	250,000
Governor's Recommendation	0.00	0	250,000	0	250,000

Department of Parks and Recreation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
15. BC Fishing & Paddling Access			Capital Development		
The department requests \$55,000 from the Park Land Trust Fund to construct an access point to Billingsley Creek. Currently, there is no access point to the creek located within the boundaries of the Billingsley Creek Unit. The requested facility would include a small unpaved parking lot for approximately ten vehicles, a single vault concrete toilet, and a dock into the creek at the north end of the property to provide a take-out area. This facility would be at the northern end of the park, downstream from an existing Idaho Fish and Game access point that is south of park boundaries, and would provide a take-out for visitors floating or paddling the creek. [Onetime]					
Agency Request	0.00	0	55,000	0	55,000
Governor's Recommendation	0.00	0	55,000	0	55,000
16. IT/Telecommunications			Management Services		
The department requests \$65,200 from the Indirect Cost Recovery Fund to upgrade the current phone system to a VOIP phone system as advised by the Department of Administration. The current phone system is 14 years old and has been unsupported by the manufacturer since 2012, meaning that replacement hardware is expensive or difficult to find, and security vulnerabilities exist due to outdated operating systems. Windows 10 is not compatible with the legacy phone systems, and the upgrade could save on monthly operating costs. [Onetime]					
Agency Request	0.00	0	65,200	0	65,200
Governor's Recommendation	0.00	0	65,200	0	65,200
FY 2019 Total					
Agency Request	156.64	6,253,400	31,890,000	7,216,000	45,359,400
Governor's Recommendation	156.64	4,217,700	31,742,300	7,229,700	43,189,700
Agency Request					
Change from Original App	2.00	2,896,800	744,900	488,500	4,130,200
% Change from Original App	1.3%	86.3%	2.4%	7.3%	10.0%
Governor's Recommendation					
Change from Original App	2.00	861,100	597,200	502,200	1,960,500
% Change from Original App	1.3%	25.7%	1.9%	7.5%	4.8%

Lava Hot Springs Foundation

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	2,337,200	2,189,900	2,291,500	2,271,700	2,287,300
Percent Change:		(6.3%)	4.6%	(0.9%)	(0.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,175,000	1,151,600	1,348,400	1,334,000	1,349,600
Operating Expenditures	791,200	694,000	745,600	737,700	737,700
Capital Outlay	371,000	344,300	197,500	200,000	200,000
Total:	2,337,200	2,189,900	2,291,500	2,271,700	2,287,300
Full-Time Positions (FTP)	13.80	13.80	15.80	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 FTP 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: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	15.80	0	2,291,500	15.80	0	2,291,500
Removal of Onetime Expenditures	0.00	0	(197,500)	0.00	0	(197,500)
FY 2019 Base	15.80	0	2,094,000	15.80	0	2,094,000
Benefit Costs	0.00	0	(25,700)	0.00	0	(21,800)
Replacement Items	0.00	0	120,000	0.00	0	120,000
Statewide Cost Allocation	0.00	0	(7,900)	0.00	0	(7,900)
Change in Employee Compensation	0.00	0	11,300	0.00	0	23,000
FY 2019 Program Maintenance	15.80	0	2,191,700	15.80	0	2,207,300
1. Pavilion Construction Costs	0.00	0	50,000	0.00	0	50,000
2. Restroom Facility Feasibility Study	0.00	0	30,000	0.00	0	30,000
FY 2019 Total	15.80	0	2,271,700	15.80	0	2,287,300
Change from Original Appropriation	0.00	0	(19,800)	0.00	0	(4,200)
% Change from Original Appropriation			(0.9%)			(0.2%)

Lava Hot Springs Foundation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	15.80	0	2,291,500	0	2,291,500

Removal of Onetime Expenditures

This decision unit removes funding provided for onetime items including \$167,500 for replacement items and \$30,000 for a feasibility study to construct a parking garage.

Agency Request	0.00	0	(197,500)	0	(197,500)
Governor's Recommendation	0.00	0	(197,500)	0	(197,500)

FY 2019 Base					
Agency Request	15.80	0	2,094,000	0	2,094,000
Governor's Recommendation	15.80	0	2,094,000	0	2,094,000

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(25,700)	0	(25,700)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(21,800)	0	(21,800)
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Replacement Items

Replacement items and alteration and repair projects include \$40,000 for eight pumps and motors; \$50,000 to repair or replace decks; and \$30,000 to replace picnic tables for a total of \$120,000.

Agency Request	0.00	0	120,000	0	120,000
Governor's Recommendation	0.00	0	120,000	0	120,000

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. Attorney General fees will increase by \$200, risk management costs will decrease by \$9,600, and State Controller fees will increase by \$1,500, for a net reduction of \$7,900.

Agency Request	0.00	0	(7,900)	0	(7,900)
Governor's Recommendation	0.00	0	(7,900)	0	(7,900)

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	0	11,300	0	11,300
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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	0	23,000	0	23,000
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FY 2019 Program Maintenance					
Agency Request	15.80	0	2,191,700	0	2,191,700
Governor's Recommendation	15.80	0	2,207,300	0	2,207,300

Lava Hot Springs Foundation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Pavilion Construction Costs		Lava Hot Springs Foundation			
The Lava Hot Springs Foundation (LHSF) requests \$50,000 from the Lava Hot Springs Capital Improvement Fund to replace two pavilions in two rental parks and construct one new pavilion. The LHSF has four parks that are rented for use in the summer, and a recent state safety inspection noted concerns for two pavilions. This request includes funding to remove and replace the two unsafe pavilions, and build a new pavilion in a rental park that currently has none. The foundation has engineering plans on file from structures built in 2006 that will be used in lieu of designing new pavilions. It is anticipated that the additional pavilion will increase customer satisfaction and potentially bring in additional revenue. [Onetime]					
Agency Request	0.00	0	50,000	0	50,000
Governor's Recommendation	0.00	0	50,000	0	50,000
2. Restroom Facility Feasibility Study		Lava Hot Springs Foundation			
The Lava Hot Springs Foundation requests \$30,000 from the Lava Hot Springs Capital Improvement Fund to conduct a feasibility study and engineering designs for a restroom facility located in the east and west rental parks. Currently, there are few flushing toilets provided in the city of Lava Hot Springs, and the foundation provides portable toilets in the rental parks at a cost of approximately \$575 per month. This request would provide funding to study the feasibility of obtaining power, sewer, and water for a permanent restroom facility. [Onetime]					
Agency Request	0.00	0	30,000	0	30,000
Governor's Recommendation	0.00	0	30,000	0	30,000
FY 2019 Total					
Agency Request	15.80	0	2,271,700	0	2,271,700
Governor's Recommendation	15.80	0	2,287,300	0	2,287,300
Agency Request					
Change from Original App	0.00	0	(19,800)	0	(19,800)
% Change from Original App	0.0%		(0.9%)		(0.9%)
Governor's Recommendation					
Change from Original App	0.00	0	(4,200)	0	(4,200)
% Change from Original App	0.0%		(0.2%)		(0.2%)

Department of Water Resources

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Management & Support Services	2,665,000	2,456,600	2,938,300	3,098,200	2,900,300
Planning and Technical Services	14,093,200	13,140,800	12,081,400	12,065,900	12,021,800
Water Management	10,969,600	9,643,300	11,040,500	10,665,700	10,782,500
Northern Idaho Adjudication	546,500	510,400	551,600	551,800	556,600
Total:	28,274,300	25,751,100	26,611,800	26,381,600	26,261,200
BY FUND CATEGORY					
General	18,530,400	18,535,700	19,300,500	19,682,800	19,488,300
Dedicated	7,465,600	6,173,100	5,004,300	5,007,400	5,072,700
Federal	2,278,300	1,042,300	2,307,000	1,691,400	1,700,200
Total:	28,274,300	25,751,100	26,611,800	26,381,600	26,261,200
Percent Change:		(8.9%)	3.3%	(0.9%)	(1.3%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	13,418,900	11,916,500	13,878,900	13,276,600	13,514,800
Operating Expenditures	6,165,800	5,072,900	6,401,200	6,820,100	6,493,900
Capital Outlay	607,600	679,700	449,700	394,900	370,500
Trustee/Benefit	582,000	582,000	882,000	890,000	882,000
Lump Sum	7,500,000	7,500,000	5,000,000	5,000,000	5,000,000
Total:	28,274,300	25,751,100	26,611,800	26,381,600	26,261,200
Full-Time Positions (FTP)	155.00	155.00	160.00	161.00	162.00

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 Resource 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: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	160.00	19,300,500	26,611,800	160.00	19,300,500	26,611,800
Removal of Onetime Expenditures	0.00	(700,400)	(700,400)	0.00	(700,400)	(700,400)
Base Adjustments	0.00	0	(625,000)	0.00	0	(625,000)
FY 2019 Base	160.00	18,600,100	25,286,400	160.00	18,600,100	25,286,400
Benefit Costs	0.00	(177,100)	(247,000)	0.00	(163,700)	(228,400)
Inflationary Adjustments	0.00	60,400	108,100	0.00	46,000	93,700
Replacement Items	0.00	566,200	566,200	0.00	392,200	392,200
Statewide Cost Allocation	0.00	96,900	97,500	0.00	96,900	100,500
Change in Employee Compensation	0.00	77,500	111,600	0.00	230,300	330,300
FY 2019 Program Maintenance	160.00	19,224,000	25,922,800	160.00	19,201,800	25,974,700
1. Aquifer Measuring & Monitoring	0.00	0	716,000	0.00	0	716,000
2. METRIC Technical Analyst	0.00	116,000	116,000	1.00	117,100	117,100
3. Grants and Contracts FTP	1.00	72,600	72,600	1.00	72,400	72,400
4. IT/Telecommunications	0.00	97,000	97,000	0.00	97,000	97,000
5. Software Licenses	0.00	49,000	49,000	0.00	0	0
6. Ground Water Database Software	0.00	101,800	101,800	0.00	0	0
7. Western Region Bandwidth	0.00	8,000	8,000	0.00	0	0
8. Wi-Fi Infrastructure	0.00	14,400	14,400	0.00	0	0
9. Priest Lake Infrastructure	0.00	0	0	0.00	2,400,000	2,400,000
Cash Transfers	0.00	0	(716,000)	0.00	(2,400,000)	(3,116,000)
FY 2019 Total	161.00	19,682,800	26,381,600	162.00	19,488,300	26,261,200
Change from Original Appropriation	1.00	382,300	(230,200)	2.00	187,800	(350,600)
% Change from Original Appropriation		2.0%	(0.9%)		1.0%	(1.3%)

Department of Water Resources

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	160.00	19,300,500	5,004,300	2,307,000	26,611,800

Removal of Onetime Expenditures

This decision unit removes \$327,000 provided for replacement items and \$373,400 for onetime line items.

Agency Request	0.00	(700,400)	0	0	(700,400)
Governor's Recommendation	0.00	(700,400)	0	0	(700,400)

Base Adjustments

This request includes two adjustments, the first adjustment transfers 1.00 FTP from the Water Management Program to the Planning and Technical Services Program to adjust for workload. Second is a reduction of \$625,000 in federal funds in the Planning and Technical Services Program (\$255,000) and the Water Management Program (\$370,000) due to excess personnel cost appropriations.

Agency Request	0.00	0	0	(625,000)	(625,000)
Governor's Recommendation	0.00	0	0	(625,000)	(625,000)

FY 2019 Base

Agency Request	160.00	18,600,100	5,004,300	1,682,000	25,286,400
Governor's Recommendation	160.00	18,600,100	5,004,300	1,682,000	25,286,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(177,100)	(61,600)	(8,300)	(247,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(163,700)	(57,000)	(7,700)	(228,400)
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Inflationary Adjustments

Inflationary adjustments include \$62,100 for general inflation and \$46,000 for contract inflation for a total of \$108,100. General inflationary adjustments include communication costs (a 2.09% increase), employee travel (a 3.06% increase), general services (a 1.16% increase), professional services (a 1.07% increase), computer supplies (a 0.69% increase), fuel and lubricant costs (a 7.24% increase), utility charges (a 2.67% increase), and repair and maintenance services (a 3.39% increase). Contract inflation, all from the General Fund, includes rent increases amounting to \$36,400 (a 2.56% increase) for the Water Center and \$9,600 (a 3.48% average) for regional offices for a total of \$46,000.

Agency Request	0.00	60,400	34,500	13,200	108,100
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The Governor does not recommended \$14,400 in General Funds for general inflation.

Governor's Recommendation	0.00	46,000	34,500	13,200	93,700
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Replacement Items

Replacement items, all from the General Fund, include \$100,000 for 40 computers, \$65,000 for network equipment, \$20,000 for network software, \$108,000 for three light trucks, \$32,400 for furniture, \$2,400 for four tablets, \$16,200 for various equipment, \$48,200 for software licenses, and \$174,000 to replace carpet on the 5th and 6th floors of the Idaho Water Center for a total of \$566,200. [Onetime]

Agency Request	0.00	566,200	0	0	566,200
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The Governor does not recommend \$174,000 to replace carpet at the Idaho Water Center.

Governor's Recommendation	0.00	392,200	0	0	392,200
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Department of Water Resources

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. Attorney General fees will increase by \$103,200, risk management costs will decrease by \$9,900, State Controller fees will increase by \$4,100, and State Treasurer fees will increase by \$100, for a net increase of \$97,500.

Agency Request	0.00	96,900	600	0	97,500
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The Governor's recommendation also includes fees for Legislative Audits, which will increase by \$3,000.

Governor's Recommendation	0.00	96,900	3,600	0	100,500
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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	77,500	29,600	4,500	111,600
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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.

Governor's Recommendation	0.00	230,300	87,300	12,700	330,300
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FY 2019 Program Maintenance

Agency Request	160.00	19,224,000	5,007,400	1,691,400	25,922,800
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Governor's Recommendation	160.00	19,201,800	5,072,700	1,700,200	25,974,700
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1. Aquifer Measuring & Monitoring

Planning and Technical Services

The Idaho Water Resource Board (IWRB) requests that \$716,000 be transferred from the continuously appropriated 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 ninth 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. [Onetime cash transfer]

Agency Request	0.00	0	716,000	0	716,000
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Governor's Recommendation	0.00	0	716,000	0	716,000
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Department of Water Resources

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. METRIC Technical Analyst

Planning and Technical Services

The department requests shifting 1.00 FTP that is currently vacant and unfunded under federal funds to the General Fund, and \$116,000 from the General Fund to hire a technical remote sensing analyst. This analyst would supplement University of Idaho resources analyzing data with the Mapping Evapotranspiration with High Resolution and Internalized Calibration (METRIC) and the Normalized Difference Vegetation Index (NDVI) software programs. These technologies measure and map evapotranspiration (ET), and have become the main tools the department uses to determine the water consumption for irrigated crops; develop water budgets; validate ground water models; determine injury to senior water rights holders; administer delivery calls; evaluate long term trends and patterns; and quantify Idaho's consumptive use under the Bear River Compact. This request also includes \$9,000 to purchase two high performance computers to aid in the advanced computations necessary with the custom software and \$8,000 for travel, training, and other operating expenditures associated with the position. [\$9,000 onetime]

Analyst Comment: The shift of the vacant and unfunded FTP from federal funds to the General Fund was originally requested as a base adjustment; however, per Budget Development Manual guidelines, it has been included as a line item for transparency and informed decision making.

Agency Request	0.00	116,000	0	0	116,000
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Recommended by the Governor with changes for benefits and compensation. The Governor also recommends adding 1.00 FTP from the General Fund rather than shifting a vacant, unfunded FTP from federal funds to the General Fund.

Governor's Recommendation	1.00	117,100	0	0	117,100
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3. Grants and Contracts FTP

Management and Support Services

The department requests \$72,600 from the General Fund to hire a grants and contracts program specialist to manage the increase in service contracts the department has seen in the past few years. Of this request, \$59,100 would provide salary and benefits, \$5,500 would provide onetime capital outlay to purchase office supplies including a computer, and \$8,000 would represent associated operating expenditures such as training and travel. The department went from servicing 22 contracts with a total value of \$651,634 in FY 2014 to 68 contracts with a total value of \$16,393,714 in FY 2017, primarily due to Water Resource Board efforts and the Mountain Home Air Force Base water supply project. The current contract process is not standardized and has increasingly taken the time of engineers and management away from their traditional day-to-day work. Due to increases in contracting needs, ten technical employees who previously worked exclusively on engineering tasks now write the majority of these contracts and have reduced time for their normal work. The department estimates that it expends \$100,000 annually in staff costs relating to contracts that could be absorbed by hiring a lower-paid position to handle this work. This position would provide a single point of contact, maintain consistency across grants and contracts, strengthen ongoing relationships with contractors and legal advisors, and limit delays to purchasing while freeing up engineers to work on more technical duties. [\$5,500 Onetime]

Agency Request	1.00	72,600	0	0	72,600
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	1.00	72,400	0	0	72,400
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4. IT/Telecommunications

Management and Support Services, Water Management

The department is requesting \$97,000 from the General Fund to purchase cybersecurity software of network, server, phone, and IT infrastructure per the Governor's Executive Order No. 2017-02. In the Management and Support Services Program, this includes \$65,000 to purchase cybersecurity software that proactively logs, monitors, and reacts to cybersecurity threats. These software suites scan for vulnerabilities, test for penetration risks, and provide automatic notifications if corrective action is required by IT staff. In the Water Management Program, this request includes \$32,000 to replace phone systems in the eastern and southern regional offices with CISCO VOIP and integrated email system through the Office of the Chief Information Officer. As part of a three year plan, it is anticipated that the northern and western offices will be included in the FY 2020 budget request. [\$69,500 Onetime]

Agency Request	0.00	97,000	0	0	97,000
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Governor's Recommendation	0.00	97,000	0	0	97,000
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Department of Water Resources

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. Software Licenses					
Management and Support Services					
<p>The department requests \$49,000 from the General Fund to purchase an additional software license, and ensure continued maintenance and support for software that has already been purchased. This request contains three parts. The first is to purchase an additional license (\$7,000) and ongoing support (\$3,700) of Aquarius, which collects, stores, analyzes, and presents time series surface water data for internal and external users. There is currently only one access point for three users of the software, requiring scheduling to ensure that users can access the data. Second, is the purchase of ongoing support (\$37,000) for ESRI GIS, which integrates data and maps to provide water rights information, points of diversion, places of use, and other geographical data points. Third, is the purchase of ongoing maintenance (\$1,300) for RockWorks, which is a visualization software that models surface and sub-surface data. This software models data to delineate high areas of recharge potential, physical limitations of an aquifer, and determine sub-surface water movement and direction. [\$7,000 Onetime]</p>					
Agency Request	0.00	49,000	0	0	49,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Ground Water Database Software					
Planning and Technical Services					
<p>The department requests \$101,800 from the General Fund to purchase an off-the-shelf, third-party Integrated Ground Water Data Management System (IGWDMS) to consolidate and modernize the current database that houses all of the department's groundwater data. The current system is approximately 15 years old and can no longer guarantee the validity of data queries, causing some missing well characteristics and attribute data to be auto-populated with incorrect data from an entirely different well; exported data to be concatenated with other data or arbitrarily cut off; and discrepancies in reports between US Geological Survey (USGS) data on the department database and the same measurements on the USGS's own database. The department "has the responsibility to maintain the natural resource geographic information system for the state and is the collector of baseline data for the state's water resources," and "the system shall be accessible to the public," per Section 39-120, Idaho Code. This data is needed to support the Surface Water Coalition-Idaho Ground Water Appropriators Settlement Agreement and monitor aquifer health across the state. Further, using industry standard applications would allow automated water level monitoring every few minutes, whereas the current application is limited to readings only twice a day. The department estimates that building a custom SQL server database would cost \$230,000 over 18 months if done in-house, or \$202,800 via contracted services to provide a similar product. Both alternatives would require \$27,000 in ongoing maintenance costs. [\$88,000 Onetime]</p>					
Agency Request	0.00	101,800	0	0	101,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
7. Western Region Bandwidth					
Water Management					
<p>The department requests \$8,000 ongoing from the General Fund 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 roughly double from \$358/month to \$650/month. This change will increase capacity and improve speeds similar to those provided at the eastern and southern regions.</p>					
Agency Request	0.00	8,000	0	0	8,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
8. Wi-Fi Infrastructure					
Water Management					
<p>The department requests \$14,400 from the General Fund to create wireless internet networks at the eastern and southern region offices. According to the department, employees using tablets or phones often leave the building and seek wireless access points at coffee shops or other public venues to view and upload data. The ongoing portion of this request (\$2,000) is primarily for maintenance of the wireless access points by department IT staff. The department anticipates requesting funding in FY 2020 for similar projects in the western and northern offices. [\$14,400 Onetime]</p>					
Agency Request	0.00	14,400	0	0	14,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Department of Water Resources

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
9. Priest Lake Infrastructure				Planning and Technical Services	
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$2,400,000 from the General Fund be transferred to the Revolving Development Fund for water management construction projects on Priest Lake. An evaluation presented to the Idaho Water Resources Board in October estimated that Priest Lake would require \$5 million to provide additional water storage to maintain water flows to Priest River, and keep the three mile long Thorofare between the upper and main lakes open to watercraft.</i>					
Governor's Recommendation	0.00	2,400,000	0	0	2,400,000

Cash Transfers Planning and Technical Services

The following language reflects the cash transfers as requested. If approved, the legislative intent 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, 2018, or as soon thereafter as practicable, for the period July 1, 2018, through June 30, 2019.

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, 2018, or as soon thereafter as practicable, for the period July 1, 2018, through June 30, 2019.

Agency Request	0.00	0	(716,000)	0	(716,000)
<i>The Governor recommends an additional \$2.4 million cash transfer from the General Fund to the continuously appropriated Revolving Development Fund for Priest Lake Infrastructure improvements as recommended in line item nine.</i>					
Governor's Recommendation	0.00	(2,400,000)	(716,000)	0	(3,116,000)

FY 2019 Total					
Agency Request	161.00	19,682,800	5,007,400	1,691,400	26,381,600
Governor's Recommendation	162.00	19,488,300	5,072,700	1,700,200	26,261,200

Agency Request					
Change from Original App	1.00	382,300	3,100	(615,600)	(230,200)
% Change from Original App	0.6%	2.0%	0.1%	(26.7%)	(0.9%)
Governor's Recommendation					
Change from Original App	2.00	187,800	68,400	(606,800)	(350,600)
% Change from Original App	1.3%	1.0%	1.4%	(26.3%)	(1.3%)

Idaho Legislative Budget Book

Economic Development

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Economic Development

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Idaho Legislative Budget Book

Department of Agriculture

2018 Legislative Session

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Department of Agriculture

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Agriculture, Dept of	42,458,400	32,252,800	44,939,600	44,408,500	44,815,300
Soil and Water Conservation	3,158,500	3,048,800	3,125,900	4,367,100	3,324,400
Total:	45,616,900	35,301,600	48,065,500	48,775,600	48,139,700
BY FUND CATEGORY					
General	12,555,700	12,510,000	14,634,200	15,530,400	14,506,100
Dedicated	26,796,500	19,686,900	26,045,700	26,661,200	27,008,000
Federal	6,264,700	3,104,700	7,385,600	6,584,000	6,625,600
Total:	45,616,900	35,301,600	48,065,500	48,775,600	48,139,700
Percent Change:		(22.6%)	36.2%	1.5%	0.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	25,508,900	20,950,400	26,092,300	26,391,500	26,796,700
Operating Expenditures	11,944,600	7,556,200	11,129,000	11,189,200	11,148,100
Capital Outlay	1,122,100	1,017,700	1,019,400	1,602,800	1,602,800
Trustee/Benefit	7,041,300	5,777,300	8,824,800	9,592,100	8,592,100
Lump Sum	0	0	1,000,000	0	0
Total:	45,616,900	35,301,600	48,065,500	48,775,600	48,139,700
Full-Time Positions (FTP)	220.75	220.75	226.75	240.00	238.75

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: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	2,697,300	2,320,800	2,996,100	3,395,800	3,433,900
Animal Industries	6,481,700	5,068,600	6,051,000	6,074,900	6,156,500
Agricultural Resources	3,696,800	2,987,800	3,768,400	3,759,500	3,806,000
Plant Industries	12,742,200	10,073,800	15,316,900	14,864,600	14,958,000
Agricultural Inspections	12,503,500	9,448,900	12,463,900	12,246,700	12,400,000
Market Development	3,610,600	1,897,700	3,615,800	3,439,500	3,450,600
Animal Damage Control	547,100	375,000	547,100	431,400	431,400
Sheep and Goat Health Board	179,200	80,200	180,400	196,100	178,900
Total:	42,458,400	32,252,800	44,939,600	44,408,500	44,815,300
BY FUND CATEGORY					
General	9,869,200	9,810,000	11,899,300	11,817,300	11,846,900
Dedicated	26,324,500	19,338,100	25,672,200	26,288,500	26,631,900
Federal	6,264,700	3,104,700	7,368,100	6,302,700	6,336,500
Total:	42,458,400	32,252,800	44,939,600	44,408,500	44,815,300
Percent Change:		(24.0%)	39.3%	(1.2%)	(0.3%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	24,141,400	19,619,400	24,700,500	24,739,300	25,141,300
Operating Expenditures	11,561,600	7,265,800	10,738,700	10,731,200	10,736,000
Capital Outlay	1,067,300	943,500	928,800	1,599,100	1,599,100
Trustee/Benefit	5,688,100	4,424,100	7,571,600	7,338,900	7,338,900
Lump Sum	0	0	1,000,000	0	0
Total:	42,458,400	32,252,800	44,939,600	44,408,500	44,815,300
Full-Time Positions (FTP)	203.00	203.00	209.00	217.00	217.00

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: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	209.00	11,899,300	44,939,600	209.00	11,899,300	44,939,600
1. Additional Organic Inspectors	2.00	0	209,900	2.00	0	209,900
Pest Control Deficiency Warrants	0.00	209,800	209,800	0.00	209,700	209,700
Cash Transfers & Adjustments	0.00	(209,800)	(209,800)	0.00	(209,700)	(209,700)
FY 2018 Total Appropriation	211.00	11,899,300	45,149,500	211.00	11,899,300	45,149,500
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	211.00	11,899,300	45,149,500	211.00	11,899,300	45,149,500
Removal of Onetime Expenditures	0.00	(160,000)	(2,149,000)	0.00	(160,000)	(2,149,000)
Base Adjustments	0.00	0	(191,900)	0.00	0	(191,900)
FY 2019 Base	211.00	11,739,300	42,808,600	211.00	11,739,300	42,808,600
Benefit Costs	0.00	(103,000)	(541,900)	0.00	(94,400)	(472,300)
Replacement Items	0.00	33,700	1,022,900	0.00	33,700	1,022,900
Statewide Cost Allocation	0.00	36,200	39,200	0.00	36,200	44,000
Change in Employee Compensation	0.00	45,900	185,600	0.00	132,100	530,700
FY 2019 Program Maintenance	211.00	11,752,100	43,514,400	211.00	11,846,900	43,933,900
1. Lab Quality Assurance Manager	1.00	45,200	92,500	1.00	0	94,800
2. Dairy Program Inspectors	2.00	0	255,600	2.00	0	260,600
3. Marketing Personnel Costs	0.00	0	26,000	0.00	0	26,000
4. Food Safety Grant	3.00	0	0	3.00	0	0
5. Office Space at IFQAL	0.00	0	500,000	0.00	0	500,000
6. General Fund Support	0.00	20,000	20,000	0.00	0	0
FY 2019 Total	217.00	11,817,300	44,408,500	217.00	11,846,900	44,815,300
Change from Original Appropriation	8.00	(82,000)	(531,100)	8.00	(52,400)	(124,300)
% Change from Original Appropriation		(0.7%)	(1.2%)		(0.4%)	(0.3%)

Department of Agriculture

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	209.00	11,899,300	25,672,200	7,368,100	44,939,600
1. Additional Organic Inspectors		Agricultural Inspections			
The department requests an FY 2018 supplemental appropriation of 2.00 FTP and \$209,900 from the Agricultural Fees - Organic Food Products Fund to hire two additional organic inspectors. Of this request, \$139,400 is for personnel costs, \$10,300 is for operating expenditures for office space rent and training, and \$60,200 is for two sedans and computers for the inspectors. Since 2014, the organic program has seen a 40% increase in the number of certified organic producers, especially small, artisan commodities. The average turnaround time for certification in 2016 was 4.2 months, which is difficult for producers who have annual certification requirements for current year crop sales. Program revenue continues to increase due to fees being tied on the previous year's gross organic sales for each farm. There are currently three full-time inspectors and two contract inspectors in the FY 2018 Base; however, existing staff are unable to keep up with the increased demand from industry. Since 2015, four employees have left the program because of a combination of burnout and positions taken in other programs or outside of the department. This request would add one inspector to the Boise area and one to the Pocatello area. There are currently no other public or private entities in the state that can legally grant an organic certification. If this request is not funded, the department would likely scale back services and producers would be forced to purchase certification services through private for-profit or not-for-profit certifiers located out of state. The department capped the number of new certifications in August of 2017, turning away 15-20 operations seeking certification. As of September 20, 2017, the program has completed 227 of the total 286 inspections necessary for certifying operations as organic for 2017. Annually, the department is also required to sample 5% of operations seeking certification and conduct 89 unannounced inspections, but it has only completed one unannounced inspection this year. The staff anticipates being able to complete all inspections; however, final reviews and technical inquiries such as label approvals and material reviews may be delayed. [\$60,200 Onetime]					
Agency Request	2.00	0	209,900	0	209,900
Governor's Recommendation	2.00	0	209,900	0	209,900
Pest Control Deficiency Warrants		Plant Industries			
Funding is requested to reimburse actual expenditures incurred in FY 2017 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. 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 that is expected to cover an additional two years at current use. By comparison, FY 2017 costs included \$22,300 for exotic pest monitoring and \$187,400 for Japanese Beetle treatment. FY 2016 costs totaled \$342,600. [Onetime]					
Agency Request	0.00	209,800	0	0	209,800
Recommended by the Governor with updated totals that correct for rounding errors.					
Governor's Recommendation	0.00	209,700	0	0	209,700
Cash Transfers & Adjustments		Plant Industries			
This decision unit transfers General Fund cash to the Pest Deficiency Warrant Fund where actual costs were incurred.					
Agency Request	0.00	(209,800)	0	0	(209,800)
Recommended by the Governor with updated totals that correct for rounding errors.					
Governor's Recommendation	0.00	(209,700)	0	0	(209,700)
FY 2018 Total Appropriation					
Agency Request	211.00	11,899,300	25,882,100	7,368,100	45,149,500
Governor's Recommendation	211.00	11,899,300	25,882,100	7,368,100	45,149,500

Department of Agriculture

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Noncognizable Funds and Transfers

PLANT INDUSTRIES: The department requests a transfer from personnel costs (\$150,000) and operating expenditures (\$100,000) to capital outlay to cover capital purchases for the expansion of the invasive species program for sheds, lighted signs, a boat, and other miscellaneous items.

ANIMAL DAMAGE CONTROL: The department requests a transfer of \$7,000 from trustee and benefit payments to operating expenditures to pay the Sheep Commission for administrative charges.

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 Estimated Expenditures					
Agency Request	211.00	11,899,300	25,882,100	7,368,100	45,149,500
Governor's Recommendation	211.00	11,899,300	25,882,100	7,368,100	45,149,500

Removal of Onetime Expenditures

This decision unit removes onetime replacement funding provided for FY 2018 including \$166,600 for the Administration Program; \$219,500 for the Animal Industries Program; \$54,400 for the Agricultural Resources Program; \$336,500 for the Plant Industries Program; \$137,600 for the Agricultural Inspections Program; and \$3,200 from the Market Development Program. It also removes onetime line item funding in the amount of \$1,000,000 in federal funds for invasive species watercraft inspection stations, \$11,000 for other equipment, and \$160,000 for the methyl bromide research program. It also removes \$60,200 for an FY 2018 supplemental appropriation for equipment in the Organic Program.

Agency Request	0.00	(160,000)	(921,100)	(1,067,900)	(2,149,000)
Governor's Recommendation	0.00	(160,000)	(921,100)	(1,067,900)	(2,149,000)

Department of Agriculture

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Base Adjustments

There are multiple FY 2018 base adjustments that result in a net reduction of \$191,900 for FY 2019. These include:

ANIMAL INDUSTRIES: In two parts: 1) Reduces personnel costs associated with poultry inspections (\$36,200) due to a number of anticipated poultry farms not coming online, and reduces operating expenditures related to trichomoniasis testing (\$40,000) that has also seen less growth than expected. 2) Transfers \$270,000 of federal appropriation to Plant Industries.

AGRICULTURAL RESOURCES: Transfers \$65,000 in federal funds to Plant Industries to cover the growth of invasive species and food safety grants.

PLANT INDUSTRIES: In two parts: 1) Transfers \$250,000 in dedicated capital outlay to personnel costs (\$150,000) and operating expenditures (\$100,000) for capital purchases were only needed on a onetime basis. 2) Includes a net zero transfer between programs that total \$750,000 in federal funds to Plant Industries as program specific grants, such as invasive species and food safety grow, while federal grants in other programs shrink. By budgeted program, \$270,000 is transferred from the Animal Industries Program; \$65,000 from the Agricultural Resources Program; \$220,000 from the Agricultural Inspections Program; and \$195,000 from the Market Development Program.

AGRICULTURAL INSPECTIONS: \$220,000 in federal funding previously associated with the Organic Grant Program is requested to be moved to Plant Industries as the United States Department of Agriculture now offers funding directly through local Farm Service Agency offices for state disbursement.

MARKET DEVELOPMENT: A shift of \$195,000 in federal funds is requested in the Plant Industries Program to cover the growth of invasive species and food safety grants.

ANIMAL DAMAGE CONTROL: The department requests a \$115,700 decrease in the FY 2019 Base to align the appropriation of the Animal Damage Control Fund with actual funding. H230 of 2017 eliminated the potential for additional funds to be distributed to the Animal Damage Control Fund from the Expendable Big Game Depredation Fund, so any appropriation in excess of the \$100,000 annually transferred from the Fish and Game Fund is no longer necessary.

Agency Request	0.00	0	(191,900)	0	(191,900)
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Recommended by the Governor.

Governor's Recommendation	0.00	0	(191,900)	0	(191,900)
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FY 2019 Base

Agency Request	211.00	11,739,300	24,769,100	6,300,200	42,808,600
Governor's Recommendation	211.00	11,739,300	24,769,100	6,300,200	42,808,600

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(103,000)	(423,700)	(15,200)	(541,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(94,400)	(364,100)	(13,800)	(472,300)
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Department of Agriculture

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

Replacement items total \$1,022,900, and include \$151,300 for computer equipment; \$610,300 for autos and light trucks; \$2,000 for furniture; and \$259,300 for laboratory and field equipment by program and fund as follows:

ADMINISTRATION PROGRAM: \$58,800 from the Administration and Accounting Services Fund.

ANIMAL INDUSTRIES PROGRAM: \$84,400 from the Livestock Disease Control Fund, \$33,700 from the General Fund, and \$218,500 from the Dairy Fund, for a total of \$336,600 for this program.

AGRICULTURAL RESOURCES PROGRAM: \$126,800 from the Pesticides Fund.

PLANT INDUSTRIES PROGRAM: \$34,700 from the Agricultural Inspection Fund, \$183,000 from the Feed and Fertilizer Fund, \$34,600 from the Laboratory Services Fund, and \$33,700 from the Invasive Species Fund for a total of \$286,000 for this program.

AGRICULTURAL INSPECTIONS: \$90,200 from the Weights and Measures Fund, \$6,200 from the Organic Food Fund, and \$115,100 from the Fresh Fruit and Vegetable Inspection Fund for a total of \$211,500 for this program.

MARKET DEVELOPMENT: \$3,200 from the Agricultural Inspection Fund.

Agency Request	0.00	33,700	989,200	0	1,022,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>33,700</i>	<i>989,200</i>	<i>0</i>	<i>1,022,900</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. Attorney General fees will increase by \$51,900, risk management costs will decrease by \$17,300, State Controller fees will increase by \$4,900, and State Treasurer fees will decrease by \$300, for a net increase of \$39,200.

Agency Request	0.00	36,200	3,000	0	39,200
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The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$4,800.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>36,200</i>	<i>7,800</i>	<i>0</i>	<i>44,000</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	45,900	122,000	17,700	185,600
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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.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>132,100</i>	<i>348,500</i>	<i>50,100</i>	<i>530,700</i>
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FY 2019 Program Maintenance

Agency Request	211.00	11,752,100	25,459,600	6,302,700	43,514,400
<i>Governor's Recommendation</i>	<i>211.00</i>	<i>11,846,900</i>	<i>25,750,500</i>	<i>6,336,500</i>	<i>43,933,900</i>

Department of Agriculture

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Lab Quality Assurance Manager				Animal Industries, Plant Industries	
<p>The department requests 1.00 FTP, \$84,300 in personnel costs, \$6,000 for operating expenditures, and \$2,200 in capital outlay for a total of \$92,500 split between the Animal and the Plant Industries Programs to hire a laboratory improvement manager to handle quality assurance and provide standard operating procedures for the Bureau of Labs. Operating expenditures fund training and travel, while the \$2,200 in capital outlay would provide a desktop computer and furniture for the new position. This request is split between programs because the quality assurance manager would be responsible for performing services for each of the six labs and would be managed by the bureau chief, whose position is also split between the labs. This request is 50% General Fund, and 50% from dedicated funds, and would track quality within the labs, create over 25 proficiency tests, and conduct internal and external audits, trend analysis, and personnel training. Most labs currently receive 35 - 50% of their annual funding from the General Fund. Of dedicated funds, \$7,500 would come from Agricultural Inspection fees, \$15,000 from Commercial Feed and Fertilizer fees, \$17,200 from the Livestock Disease Control Fund, and \$7,600 from Dairy Inspection fees. [\$2,200 Onetime]</p>					
Agency Request	1.00	45,200	47,300	0	92,500
<i>Recommended by the Governor with no General Fund appropriation, and changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	94,800	0	94,800
2. Dairy Program Inspectors				Animal Industries	
<p>The department requests 2.00 FTP and a total of \$255,600 from dedicated Dairy Inspection Fees to hire additional staff to support the Dairy Program to keep up with increased demand for inspections and analysis. The request includes \$84,300 in personnel costs for a scientist 4 position at 80% of policy to provide technical services to the Nutrient Management Plan Program (NMP) which includes standardizing inspection processes for lagoons; solid stack and compost; staff training; and approval of NMPs. Second, \$77,300 in personnel costs is included for an agriculture program specialist, also at 80% of policy, who would conduct pasteurizer timing and sealing; plant sanitation inspection; sampling (finished and raw products); and non-fat dry milk (NDM) powder sampling for compliance with the Food and Drug Administration's Pasteurized Milk Ordinance. Of this request, \$74,000 is in operating expenditures to purchase two trucks, two laptop computers, and four flat panel monitors, and \$20,000 is in operating expenditures for travel, office space, and training expenses. [\$74,000 Onetime]</p>					
Agency Request	2.00	0	255,600	0	255,600
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	2.00	0	260,600	0	260,600
3. Marketing Personnel Costs				Market Development	
<p>The department requests \$26,000 from the dedicated Agricultural Inspection Fund to allow the Marketing Division to hire interns, seasonal temporary employees, and other staff to meet growing marketing needs, particularly in export assistance and local food promotion. The source of funding is revenue collected in pursuit of the Free Sale Program. Certificates of Free Sale for the export of processed agricultural products are issued by the department, governed by IDAPA 02.01.05, which establishes the criteria for certifying that Idaho products distributed to foreign and domestic markets are in compliance with Idaho health laws and sanitary regulations. Activities that this funding would go toward may include inbound buyer missions, international trade missions, trade shows, promotional materials, educational workshops, public relations work, social media outreach, and special events.</p>					
Agency Request	0.00	0	26,000	0	26,000
Governor's Recommendation	0.00	0	26,000	0	26,000

Department of Agriculture

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Food Safety Grant					Plant Industries
<p>The department requests 3.00 federally-funded FTP to comply with the Food and Drug Administration (FDA) agreement outlined in the State and Territory Cooperative Agreement to Enhance Produce Safety in Preparation of Implementation of FDA's Rule: Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption. This request is for two full-time senior agriculture investigators at pay grade K and one full-time administrative assistant at paygrade I to support the Produce Safety Program. The department has sufficient appropriation in federal funds to hire the additional employees. As a regulatory rule, the Food Safety Modernization Act (FSMA) requires science based minimum standards for growing, harvesting, packing, and holding of fruits and vegetables for human consumption. As part of a regulatory agreement, the department has agreed to create operational and statutory frameworks, including hiring these individuals to implement the infrastructure for inspection, compliance, and enforcement requirements of the rule. The department anticipates the need to hire additional inspectors in the future as the cooperative agreement requirements grow.</p>					
Agency Request	3.00	0	0	0	0
Governor's Recommendation	3.00	0	0	0	0
5. Office Space at IFQAL					Administration
<p>The department requests \$500,000 from the Administration and Accounting Services Fund to expand office space for eight employees at the Idaho Food Quality Assurance Laboratory (IFQAL) in Twin Falls. This project would be completed through the Division of Public Works and would add an additional eight offices to the building's current footprint. The agency has been expanding staffing in the Magic Valley, and without this addition to the existing building, leased space elsewhere in the area will be required for staff. The department is currently working with the College of Southern Idaho to lease additional spacing until the additional IFQAL expansion can be completed. [Onetime]</p>					
Agency Request	0.00	0	500,000	0	500,000
Governor's Recommendation	0.00	0	500,000	0	500,000
6. General Fund Support					Sheep and Goat Health Board
<p>The department requests \$20,000 from the General Fund to support the Sheep and Goat Health Board. A lack of wool sales has led to a decrease in revenues. The board is currently taking steps to decrease its ongoing costs by reducing the hours of its one inspector and reducing operating expenditures where possible. The requested support from the General Fund would allow the board to keep inspections going.</p>					
Agency Request	0.00	20,000	0	0	20,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	217.00	11,817,300	26,288,500	6,302,700	44,408,500
Governor's Recommendation	217.00	11,846,900	26,631,900	6,336,500	44,815,300
Agency Request					
Change from Original App	8.00	(82,000)	616,300	(1,065,400)	(531,100)
% Change from Original App	3.8%	(0.7%)	2.4%	(14.5%)	(1.2%)
Governor's Recommendation					
Change from Original App	8.00	(52,400)	959,700	(1,031,600)	(124,300)
% Change from Original App	3.8%	(0.4%)	3.7%	(14.0%)	(0.3%)

Soil and Water Conservation Commission

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	2,686,500	2,700,000	2,734,900	3,713,100	2,659,200
Dedicated	472,000	348,800	373,500	372,700	376,100
Federal	0	0	17,500	281,300	289,100
Total:	3,158,500	3,048,800	3,125,900	4,367,100	3,324,400
Percent Change:		(3.5%)	2.5%	39.7%	6.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,367,500	1,331,000	1,391,800	1,652,200	1,655,400
Operating Expenditures	383,000	290,400	390,300	458,000	412,100
Capital Outlay	54,800	74,200	90,600	3,700	3,700
Trustee/Benefit	1,353,200	1,353,200	1,253,200	2,253,200	1,253,200
Total:	3,158,500	3,048,800	3,125,900	4,367,100	3,324,400
Full-Time Positions (FTP)	17.75	17.75	17.75	23.00	21.75

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. The commission's mission is 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; and 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, and 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; and 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: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	17.75	2,734,900	3,125,900	17.75	2,734,900	3,125,900
1. Sagebrush Restoration Grant	1.00	0	25,000	0.00	0	25,000
FY 2018 Total Appropriation	18.75	2,734,900	3,150,900	17.75	2,734,900	3,150,900
Noncognizable Funds and Transfers	4.00	0	156,800	4.00	0	179,000
FY 2018 Estimated Expenditures	22.75	2,734,900	3,307,700	21.75	2,734,900	3,329,900
Removal of Onetime Expenditures	(5.00)	(90,600)	(272,400)	(4.00)	(90,600)	(294,600)
FY 2019 Base	17.75	2,644,300	3,035,300	17.75	2,644,300	3,035,300
Benefit Costs	0.00	(23,800)	(27,400)	0.00	(21,600)	(25,000)
Inflationary Adjustments	0.00	400	700	0.00	400	700
Replacement Items	0.00	1,700	1,800	0.00	1,700	1,800
Statewide Cost Allocation	0.00	(1,300)	(1,200)	0.00	(1,300)	(1,200)
Change in Employee Compensation	0.00	10,100	11,600	0.00	29,900	34,600
FY 2019 Program Maintenance	17.75	2,631,400	3,020,800	17.75	2,653,400	3,046,200
1. Water Quality Program for Ag	0.25	1,079,000	1,079,000	0.00	0	0
2. Field Office Assistance	4.00	0	180,800	3.00	0	185,400
3. Sagebrush Restoration Grant	1.00	0	82,800	1.00	0	85,000
4. IT/Telecommunications	0.00	2,700	3,700	0.00	5,800	7,800
FY 2019 Total	23.00	3,713,100	4,367,100	21.75	2,659,200	3,324,400
Change from Original Appropriation	5.25	978,200	1,241,200	4.00	(75,700)	198,500
% Change from Original Appropriation		35.8%	39.7%		(2.8%)	6.4%

Soil and Water Conservation Commission

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	17.75	2,734,900	373,500	17,500	3,125,900

1. Sagebrush Restoration Grant

The agency requests a onetime FY 2018 supplemental appropriation of 1.00 FTP and \$25,000 in personnel costs for grants from the National Fish and Wildlife Foundation (NFWF) to hire a temporary sagebrush landscape restoration specialist. This funding would finish FY 2018 projects, while line item 3 expands this effort for FY 2019. The FY 2018 and FY 2019 requests are paid entirely through NFWF grants. This specialist would collaborate with the Idaho Sage Grouse Action Team, university staff, the Office of Species Conservation, and local stakeholders to raise awareness of the National Resource Conservation Service (NRCS) Agricultural Conservation Easement, the Agricultural Land Easement, and the Wetland Restoration Easement programs. The agency states this request would help conserve important habitat for the sage grouse with the intent to preclude the need for a federal endangered species listing of the species. The agency anticipates receiving the same grant for FY 2020. [Onetime]

Agency Request	1.00	0	0	25,000	25,000
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Recommended by the Governor, with the 1.00 FTP sourced through the noncognizable request for 4.00 FTP. The agency expects that the personnel funding from the Natural Resource Conservation Service (NRCS) will only be enough to fill 3.00 FTP, leaving 1.00 FTP for the Sagebrush Restoration Grant for FY 2018.

Governor's Recommendation	0.00	0	0	25,000	25,000
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FY 2018 Total Appropriation					
Agency Request	18.75	2,734,900	373,500	42,500	3,150,900
Governor's Recommendation	17.75	2,734,900	373,500	42,500	3,150,900

Noncognizable Funds and Transfers

This request is in two parts. The first moves 0.25 FTP from the General Fund to federal funds and 0.01 FTP from the General Fund to the Resource Conservation and Rangeland Development Fund to more accurately reflect the work that is being done.

The second includes \$156,800 in onetime federal funds approved by the Division of Financial Management through the noncognizable process to hire 4.00 FTP as nonclassified temporary employees to work on federal Natural Resource Conservation Service (NRCS) projects in FY 2018. The NRCS is subject to a national agency wide personnel cap, meaning that the federal agency has the funding, but not the FTP authorization to carry out work in Idaho. The commission seeks to hire these individuals until the personnel cap is lifted by the Secretary of the US Department of Agriculture, when NRCS will hire the positions. NRCS has pledged to cover all associated costs and provide 10% overhead to cover administrative and operating expenditures. These conservation planners advise on professional farm planning methods and procedures as well as soil testing and interpretation; develop farm conservation plans; implement Farm Bill programs; and ensure compliance.

Agency Request	4.00	0	0	156,800	156,800
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Recommended by the Governor with corrected totals of federal noncognizable appropriation. The original amount requested was less than the total amount of appropriation approved by the Division of Financial Management by \$22,200. The agency expects that the personnel funding from the Natural Resource Conservation Service (NRCS) will only be enough to fill 3.00 FTP, leaving 1.00 FTP for the Sagebrush Restoration Grant supplemental for FY 2018.

Governor's Recommendation	4.00	0	0	179,000	179,000
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FY 2018 Estimated Expenditures					
Agency Request	22.75	2,734,900	373,500	199,300	3,307,700
Governor's Recommendation	21.75	2,734,900	373,500	221,500	3,329,900

Soil and Water Conservation Commission

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of Onetime Expenditures					
This line item removes onetime funding as follows: \$90,500 to replace three vehicles, \$156,800 and 4.00 FTP from the noncognizable adjustment for Natural Resource Conservation Service projects, and \$25,000 and 1.00 FTP for the FY 2018 portion of the sagebrush restoration projects.					
Agency Request	(5.00)	(90,600)	0	(181,800)	(272,400)
Governor's Recommendation	(4.00)	(90,600)	0	(204,000)	(294,600)
FY 2019 Base					
Agency Request	17.75	2,644,300	373,500	17,500	3,035,300
Governor's Recommendation	17.75	2,644,300	373,500	17,500	3,035,300
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(23,800)	(3,200)	(400)	(27,400)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(21,600)	(3,000)	(400)	(25,000)
Inflationary Adjustments					
The agency requests \$400 from the General Fund, \$200 from the Resource Conservation and Rangeland Development Fund, and \$100 in federal funds to pay for a 1.42% increase in rent at the Water Center in Boise. Yearly rent for FY 2019 is expected to total \$43,700, or about \$18 per square foot.					
Agency Request	0.00	400	200	100	700
Governor's Recommendation	0.00	400	200	100	700
Replacement Items					
The agency requests \$1,700 from the General Fund and \$100 from the Resource Conservation and Rangeland Development Fund to purchase hard drive upgrades for laptops. [Onetime]					
Agency Request	0.00	1,700	100	0	1,800
Governor's Recommendation	0.00	1,700	100	0	1,800
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, risk management costs will decrease by \$2,600, State Controller fees will increase by \$600, and State Treasurer fees will increase by \$100, for a net reduction of \$1,200.					
Agency Request	0.00	(1,300)	100	0	(1,200)
Governor's Recommendation	0.00	(1,300)	100	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	10,100	1,400	100	11,600
<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>					
Governor's Recommendation	0.00	29,900	4,200	500	34,600
FY 2019 Program Maintenance					
Agency Request	17.75	2,631,400	372,100	17,300	3,020,800
Governor's Recommendation	17.75	2,653,400	375,100	17,700	3,046,200

Soil and Water Conservation Commission

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Water Quality Program for Ag					
<p>The agency requests \$1,079,000 from the General Fund to reestablish the Water Quality Program for Agriculture (WQPA) to implement best management practices (BMPs) on agricultural lands in Idaho. BMPs are set with water quality objectives based on the Total Maximum Daily Load (TMDL) measures outlined in the Clean Water Act. Between 2000 and 2012, the commission administered the WQPA before the program was cut due to funding constraints. Efforts to reinstate the program received support from the Idaho Association of Soil Conservation Districts' Board of Directors. This request includes \$29,000 in personnel costs to reclassify and adjust compensation for an existing employee who would manage the WQPA implementation. Second, it would add 0.25 FTP to move a part-time financial specialist to full-time to provide financial assistance to the commission, and \$50,000 for contracting out two TMDL implementation plans and to cover the costs of administering WQPA. Lastly, this request adds \$1,000,000 in ongoing funds that will be passed through to local conservation districts to carry out voluntary measures in support of BMPs across the state.</p>					
Agency Request	0.25	1,079,000	0	0	1,079,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Field Office Assistance					
<p>The agency requests 4.00 FTP and \$180,000 in onetime federal funds to provide the FY 2019 portion of conservation planning assistance to the federal Natural Resource Conservation Service (NRCS). The NRCS is subject to a national agency wide personnel cap, meaning that the federal agency has the funding, but not the FTP authorization to carry out work across the state. The commission seeks to hire these individuals until the personnel cap is lifted by the Secretary of the US Department of Agriculture, when the NRCS will hire the positions. In July 2017, the commission was granted noncognizable approval from the Division of Financial Management and the Governor's Office to hire four nonclassified temporary employees to work on NRCS projects in FY 2018. NRCS has pledged to cover all associated costs and provide 10% overhead to cover administrative and operating expenditures. This request would extend these temporary workers into FY 2019. However, should federal funds be eliminated, the commission would terminate the four positions. These conservation planners advise on professional farm planning methods and procedures as well as soil testing and interpretation; develop farm conservation plans; implement Farm Bill programs; and ensure compliance. The agency anticipates receiving the same grant for FY 2020. [Onetime]</p>					
Agency Request	4.00	0	0	180,800	180,800
<p><i>Recommended by the Governor with changes for benefits and compensation. The agency expects that the personnel funding from the Natural Resource Conservation Service (NRCS) will only be enough to fill 3.00 FTP, so the Governor does not recommend all 4.00 FTP. The Governor recommends ongoing, limited service positions that will be removed once the hiring cap is lifted and NRCS can hire the positions.</i></p>					
Governor's Recommendation	3.00	0	0	185,400	185,400
3. Sagebrush Restoration Grant					
<p>The agency requests 1.00 FTP and \$82,800 in onetime National Fish and Wildlife Foundation (NFWF) grants to hire a temporary sagebrush landscape restoration specialist. This request continues the supplemental request for FY 2018 into FY 2019, both of which are paid for through NFWF grants. The specialist would collaborate with the Idaho Sage Grouse Action Team, university staff, the Office of Species Conservation, and local stakeholders to raise awareness of the Natural Resource Conservation Service (NRCS) Agricultural Conservation Easement, the Agricultural Land Easement, and the Wetland Restoration Easement programs. The agency states this request would help conserve important habitat for the sage grouse with the intent to preclude the need for a federal endangered species listing of the species. The agency anticipates receiving the same grant for FY 2020. [Onetime]</p>					
Agency Request	1.00	0	0	82,800	82,800
<p><i>Recommended by the Governor as an ongoing, limited service position that will be removed once the National Fish and Wildlife Foundation grant ceases. The recommendation includes changes for benefits and compensation.</i></p>					
Governor's Recommendation	1.00	0	0	85,000	85,000

Soil and Water Conservation Commission

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. IT/Telecommunications					
The agency requests \$3,700 for two IT-related items. The first is for \$1,800 split between the General Fund (66%), federal funds (22%), and dedicated funds (11%) to compensate the Department of Administration for increased costs for internet security and state network maintenance. This covers incremental growth in the cost of cybersecurity, maintenance and operations, and penetration and vulnerability testing. Agency costs are calculated on a per user basis, and this request would add to the FY 2018 Base of \$281 per user.					
Additionally, \$1,500 from the General Fund and \$400 from the Resource Conservation and Rangeland Development Fund are requested on a onetime basis to upgrade nine phones so that security support will be available. [\$1,900 Onetime]					
Agency Request	0.00	2,700	600	400	3,700
<i>Recommended by the Governor with a \$4,100 increase to account for actual costs for Microsoft 365 per the OCIO, as the agency originally only requested funding for internet and IT infrastructure.</i>					
Governor's Recommendation	0.00	5,800	1,000	1,000	7,800
FY 2019 Total					
Agency Request	23.00	3,713,100	372,700	281,300	4,367,100
Governor's Recommendation	21.75	2,659,200	376,100	289,100	3,324,400
Agency Request					
Change from Original App	5.25	978,200	(800)	263,800	1,241,200
% Change from Original App	29.6%	35.8%	(0.2%)	1,507.4%	39.7%
Governor's Recommendation					
Change from Original App	4.00	(75,700)	2,600	271,600	198,500
% Change from Original App	22.5%	(2.8%)	0.7%	1,552.0%	6.4%

Department of Commerce

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	5,813,800	5,660,900	5,780,500	5,756,300	5,800,900
Dedicated	14,254,000	11,004,700	16,784,800	20,229,000	20,244,100
Federal	16,264,900	7,484,200	16,264,300	16,261,900	16,269,000
Total:	36,332,700	24,149,800	38,829,600	42,247,200	42,314,000
Percent Change:		(33.5%)	60.8%	8.8%	9.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,693,400	3,239,500	3,750,900	3,717,900	3,784,700
Operating Expenditures	7,027,900	6,570,300	8,296,800	10,203,600	10,203,600
Capital Outlay	0	24,800	20,200	9,100	9,100
Trustee/Benefit	25,611,400	14,315,200	26,761,700	28,316,600	28,316,600
Total:	36,332,700	24,149,800	38,829,600	42,247,200	42,314,000
Full-Time Positions (FTP)	43.00	43.00	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 and 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 and Expansion provides ongoing communication and outreach to existing Idaho businesses 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 or 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 and 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, and 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 2018 Original Appropriation	43.00	5,780,500	38,829,600	43.00	5,780,500	38,829,600
Reappropriation	0.00	56,800	56,800	0.00	56,800	56,800
FY 2018 Total Appropriation	43.00	5,837,300	38,886,400	43.00	5,837,300	38,886,400
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	43.00	5,837,300	38,886,400	43.00	5,837,300	38,886,400
Removal of Onetime Expenditures	0.00	(71,900)	(77,000)	0.00	(71,900)	(77,000)
FY 2019 Base	43.00	5,765,400	38,809,400	43.00	5,765,400	38,809,400
Benefit Costs	0.00	(41,500)	(64,400)	0.00	(38,900)	(59,800)
Replacement Items	0.00	6,800	9,100	0.00	6,800	9,100
Statewide Cost Allocation	0.00	4,300	6,300	0.00	4,300	6,300
Change in Employee Compensation	0.00	21,300	31,400	0.00	63,300	93,600
FY 2019 Program Maintenance	43.00	5,756,300	38,791,800	43.00	5,800,900	38,858,600
1. Tourism & Promotion Enhancement	0.00	0	3,455,400	0.00	0	3,455,400
2. Opportunity Fund Cash Infusion	0.00	1,000,000	1,000,000	0.00	0	0
Cash Transfers	0.00	(1,000,000)	(1,000,000)	0.00	0	0
FY 2019 Total	43.00	5,756,300	42,247,200	43.00	5,800,900	42,314,000
Change from Original Appropriation	0.00	(24,200)	3,417,600	0.00	20,400	3,484,400
% Change from Original Appropriation		(0.4%)	8.8%		0.4%	9.0%

Department of Commerce

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	43.00	5,780,500	16,784,800	16,264,300	38,829,600

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation for education, promotion, and outreach efforts to recruit the F-35 mission to Gowen Field from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base. H124 of 2017 provided a supplemental appropriation in the amount of \$100,000. The agency expended \$46,300 in FY 2017. However, an error by the State Controller resulted in an additional \$3,100 in carryover authority totaling \$56,800 available for FY 2018.

Agency Request	0.00	56,800	0	0	56,800
<i>Governor's Recommendation</i>	0.00	56,800	0	0	56,800

FY 2018 Total Appropriation					
Agency Request	43.00	5,837,300	16,784,800	16,264,300	38,886,400
<i>Governor's Recommendation</i>	43.00	5,837,300	16,784,800	16,264,300	38,886,400

Noncognizable Funds and Transfers

Transfer 0.45 FTP from the federal grant fund to the General Fund to align operations.

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 Estimated Expenditures					
Agency Request	43.00	5,837,300	16,784,800	16,264,300	38,886,400
<i>Governor's Recommendation</i>	43.00	5,837,300	16,784,800	16,264,300	38,886,400

Removal of Onetime Expenditures

Removes onetime funding for items including \$56,800 in authorized carryover for the F-35 mission, and replacement of a van that was authorized for FY 2018.

Agency Request	0.00	(71,900)	(5,100)	0	(77,000)
<i>Governor's Recommendation</i>	0.00	(71,900)	(5,100)	0	(77,000)

FY 2019 Base					
Agency Request	43.00	5,765,400	16,779,700	16,264,300	38,809,400
<i>Governor's Recommendation</i>	43.00	5,765,400	16,779,700	16,264,300	38,809,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(41,500)	(16,700)	(6,200)	(64,400)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	0.00	(38,900)	(15,100)	(5,800)	(59,800)
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Replacement Items

Replace network switches.

Agency Request	0.00	6,800	2,300	0	9,100
<i>Governor's Recommendation</i>	0.00	6,800	2,300	0	9,100

Department of Commerce

Analyst: Bybee

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 \$6,300, risk management costs will decrease by \$200, and State Controller fees will increase by \$200, for a net increase of \$6,300.					
Agency Request	0.00	4,300	1,600	400	6,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>4,300</i>	<i>1,600</i>	<i>400</i>	<i>6,300</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	21,300	6,700	3,400	31,400
<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>63,300</i>	<i>20,200</i>	<i>10,100</i>	<i>93,600</i>

FY 2019 Program Maintenance

Agency Request	43.00	5,756,300	16,773,600	16,261,900	38,791,800
<i>Governor's Recommendation</i>	<i>43.00</i>	<i>5,800,900</i>	<i>16,788,700</i>	<i>16,269,000</i>	<i>38,858,600</i>

1. Tourism & Promotion Enhancement

This request is for additional ongoing appropriation to expand marketing and promotion of the state from the Tourism and Promotion Fund, of which \$1,900,500 is in operating expenditures and \$1,554,900 is in trustee and 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 portion from trustee and benefit payments 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.

Agency Request	0.00	0	3,455,400	0	3,455,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,455,400</i>	<i>0</i>	<i>3,455,400</i>

2. Opportunity Fund Cash Infusion

This request is for \$1,000,000 onetime in trustee and 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 \$3,000,000 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.

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>

Cash Transfers

The following cash transfer is requested if line item 2 is approved:

CASH TRANSFER: There is hereby appropriated to the Department of Commerce and the State Controller shall transfer \$1,000,000 from the General Fund to the Idaho Opportunity Fund, on or after July 1, 2018, or as soon thereafter as is practicable.

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>

Department of Commerce

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	43.00	5,756,300	20,229,000	16,261,900	42,247,200
<i>Governor's Recommendation</i>	<i>43.00</i>	<i>5,800,900</i>	<i>20,244,100</i>	<i>16,269,000</i>	<i>42,314,000</i>
Agency Request					
Change from Original App	0.00	(24,200)	3,444,200	(2,400)	3,417,600
% Change from Original App	0.0%	(0.4%)	20.5%	0.0%	8.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>20,400</i>	<i>3,459,300</i>	<i>4,700</i>	<i>3,484,400</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>0.4%</i>	<i>20.6%</i>	<i>0.0%</i>	<i>9.0%</i>

Department of Finance

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	8,170,300	7,789,100	8,355,300	8,532,400	8,648,100
Percent Change:		(4.7%)	7.3%	2.1%	3.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	6,373,700	5,988,700	6,531,400	6,644,900	6,761,000
Operating Expenditures	1,723,100	1,726,900	1,741,900	1,822,100	1,821,700
Capital Outlay	73,500	73,500	82,000	65,400	65,400
Total:	8,170,300	7,789,100	8,355,300	8,532,400	8,648,100
Full-Time Positions (FTP)	64.00	64.00	66.00	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.

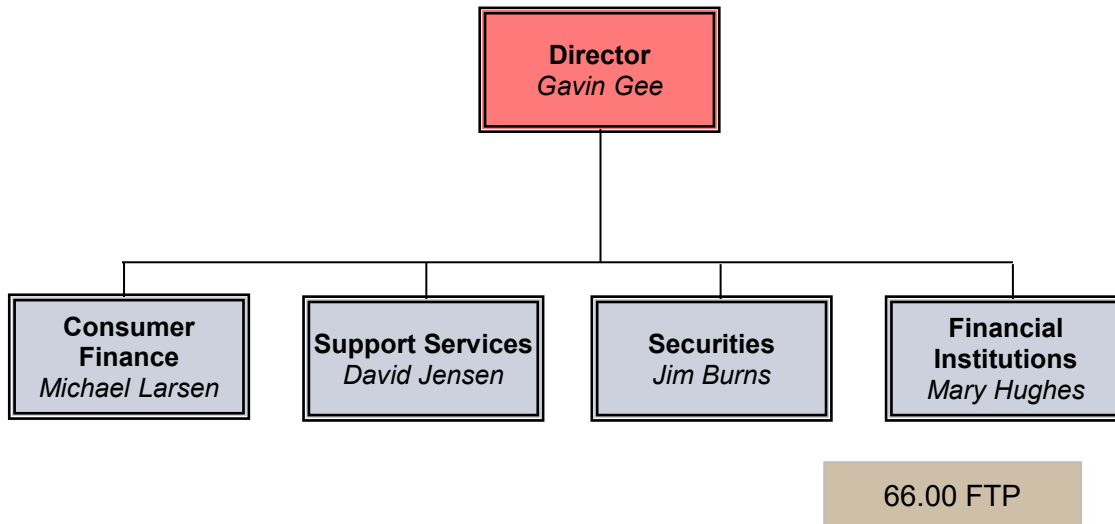
The mission of the department is to aggressively promote access to vigorous, healthy, and comprehensive financial services for Idaho citizens. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities, and credit transactions. Through administration 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]

Department of Finance Agency Profile

Analyst: Bybee

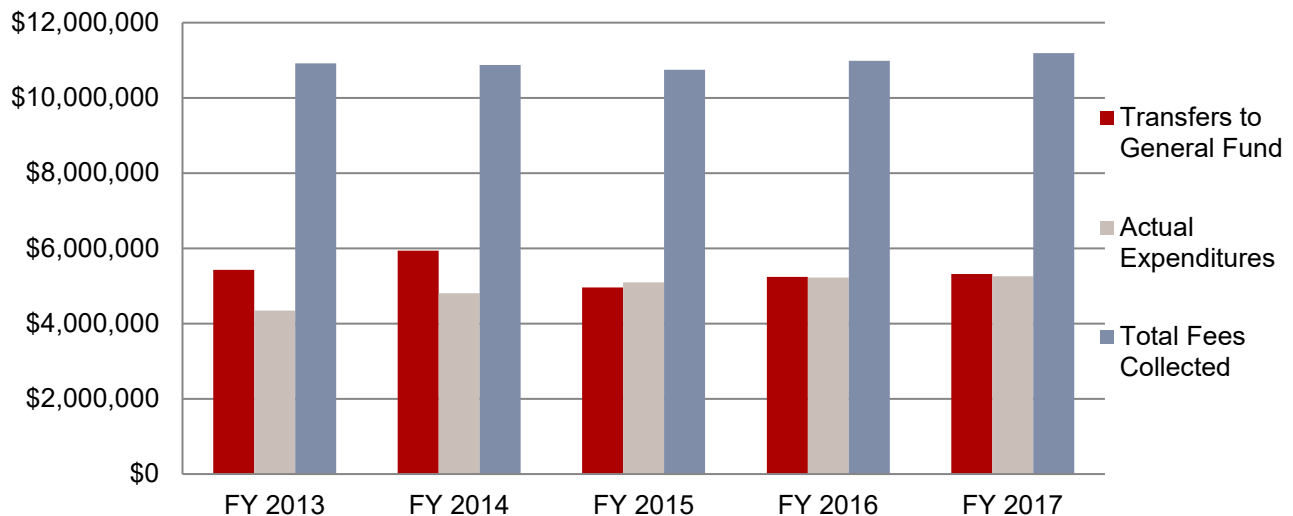
Organizational Chart and General Fund Transfers



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



Department of Finance

Analyst: Bybee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	66.00	0	8,355,300	66.00	0	8,355,300
Removal of Onetime Expenditures	0.00	0	(151,700)	0.00	0	(151,700)
FY 2019 Base	66.00	0	8,203,600	66.00	0	8,203,600
Benefit Costs	0.00	0	(93,500)	0.00	0	(91,700)
Replacement Items	0.00	0	145,300	0.00	0	145,300
Statewide Cost Allocation	0.00	0	64,000	0.00	0	63,600
Change in Employee Compensation	0.00	0	56,400	0.00	0	166,000
FY 2019 Program Maintenance	66.00	0	8,375,800	66.00	0	8,486,800
1. Deputy Director	1.00	0	156,600	1.00	0	161,300
FY 2019 Total	67.00	0	8,532,400	67.00	0	8,648,100
Change from Original Appropriation	1.00	0	177,100	1.00	0	292,800
% Change from Original Appropriation			2.1%			3.5%

Department of Finance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	66.00	0	8,355,300	0	8,355,300
Removal of Onetime Expenditures					
Removes onetime funding for replacement items authorized for FY 2018.					
Agency Request	0.00	0	(151,700)	0	(151,700)
Governor's Recommendation	0.00	0	(151,700)	0	(151,700)
FY 2019 Base					
Agency Request	66.00	0	8,203,600	0	8,203,600
Governor's Recommendation	66.00	0	8,203,600	0	8,203,600
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	0	(93,500)	0	(93,500)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	0	(91,700)	0	(91,700)
Replacement Items					
Replacement items include software subscriptions (\$51,900), copier leases (\$12,000), backup system (\$5,100), firewall maintenance (\$4,500), reference materials (\$2,100), and a Storage Area Network (SAN) (\$63,400).					
Agency Request	0.00	0	145,300	0	145,300
Governor's Recommendation	0.00	0	145,300	0	145,300
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 increase by \$62,500, risk management costs will decrease by \$200, State Controller fees will increase by \$1,600, and State Treasurer fees will increase by \$100, for a net increase of \$64,000.					
Agency Request	0.00	0	64,000	0	64,000
<i>The Governor's recommendation also includes funding for Legislative Audit fees, which will decrease by \$400 for a net increase of \$63,600.</i>					
Governor's Recommendation	0.00	0	63,600	0	63,600
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	56,400	0	56,400
<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	0	166,000	0	166,000
FY 2019 Program Maintenance					
Agency Request	66.00	0	8,375,800	0	8,375,800
Governor's Recommendation	66.00	0	8,486,800	0	8,486,800

Department of Finance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Deputy Director					
This request includes 1.00 FTP and \$150,600 in personnel costs, \$4,000 in operating expenditures for travel and training, and \$2,000 in onetime capital outlay for office furniture and a computer from the State Regulatory Fund for a deputy director position. The deputy position will develop department policies and procedures, manage day-to-day operations, develop the budget, supervise and evaluate the performance of the bureau chiefs, and act in the capacity of the director in the director's absence, among other things. This position will be benchmarked against pay grade R at \$55.00/hour or \$114,400 annually.					
Agency Request	1.00	0	156,600	0	156,600
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	161,300	0	161,300
FY 2019 Total					
Agency Request	67.00	0	8,532,400	0	8,532,400
Governor's Recommendation	67.00	0	8,648,100	0	8,648,100
Agency Request					
Change from Original App	1.00	0	177,100	0	177,100
% Change from Original App	1.5%		2.1%		2.1%
<i>Governor's Recommendation</i>					
Change from Original App	1.00	0	292,800	0	292,800
% Change from Original App	1.5%		3.5%		3.5%

Industrial Commission

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Compensation	6,224,000	5,700,300	6,278,200	6,240,200	6,313,000
Rehabilitation	4,161,000	3,943,800	4,239,700	4,080,500	4,145,000
Crime Victims Compensation	3,885,900	3,544,100	3,901,100	4,270,900	4,286,800
Adjudication	2,430,500	2,235,100	2,434,000	2,399,300	2,436,300
Total:	16,701,400	15,423,300	16,853,000	16,990,900	17,181,100
BY FUND CATEGORY					
Dedicated	15,901,400	14,623,300	16,053,000	15,790,900	15,981,100
Federal	800,000	800,000	800,000	1,200,000	1,200,000
Total:	16,701,400	15,423,300	16,853,000	16,990,900	17,181,100
Percent Change:		(7.7%)	9.3%	0.8%	1.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,807,700	9,434,700	9,875,400	9,735,000	9,922,200
Operating Expenditures	2,490,200	2,053,700	2,577,600	2,591,500	2,594,500
Capital Outlay	262,300	251,900	258,800	123,200	123,200
Trustee/Benefit	4,141,200	3,683,000	4,141,200	4,541,200	4,541,200
Total:	16,701,400	15,423,300	16,853,000	16,990,900	17,181,100
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-litigated 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: Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	138.25	0	16,853,000	138.25	0	16,853,000
1. Forensic Interviews	0.00	0	400,000	0.00	0	400,000
2. Retirement Vacation Payout	0.00	0	0	0.00	0	0
FY 2018 Total Appropriation	138.25	0	17,253,000	138.25	0	17,253,000
Removal of Onetime Expenditures	0.00	0	(258,800)	0.00	0	(258,800)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	138.25	0	16,994,200	138.25	0	16,994,200
Benefit Costs	0.00	0	(217,900)	0.00	0	(195,300)
Replacement Items	0.00	0	123,200	0.00	0	123,200
Statewide Cost Allocation	0.00	0	13,900	0.00	0	16,900
Change in Employee Compensation	0.00	0	77,500	0.00	0	231,000
FY 2019 Program Maintenance	138.25	0	16,990,900	138.25	0	17,170,000
1. CEC for Commissioners	0.00	0	0	0.00	0	11,100
FY 2019 Total	138.25	0	16,990,900	138.25	0	17,181,100
Change from Original Appropriation	0.00	0	137,900	0.00	0	328,100
% Change from Original Appropriation			0.8%			1.9%

Industrial Commission

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	138.25	0	16,053,000	800,000	16,853,000

1. Forensic Interviews

Crime Victims Compensation

This FY 2018 supplemental request is for \$400,000 in ongoing trustee and benefit payments from the Federal Grant Fund to pay for increased costs of forensic interviews for crime victims. Forensic interviews are a standard procedure for child victims of sexual abuse. The interviews are conducted in addition to a medical examination. A forensic interview is a question and answer session between a child and a certified individual for the purpose of gathering information about an abusive event. Previously, Medicaid covered both the interview and the examination. However, as of September 2015, Medicaid no longer covers the cost of forensic interviews for sexual abuse because they are no longer deemed medical procedures, but instead are considered an evidence gathering process for law enforcement. Idaho Code requires that the Crime Victims Compensation Program pay for these activities if they are not paid by another source. In April 2017, Children at Risk Evaluation Services (CARES), the largest provider of forensic interview services in the state, changed its billing process to comply with Medicaid's policy and bill for the interview and examination separately. Since CARES implemented this billing change at the beginning of FY 2018, the Crime Victims Compensation Program is expecting to see an increase in costs for forensic interviews this fiscal year and is requesting a supplemental appropriation to meet these costs.

There are four child advocacy organizations in Idaho that provide forensic interview services. CARES, operated by St. Luke's in Boise and Twin Falls, serves the largest population. CARES estimates it will see 1,125 children for sexual abuse examinations and interviews in 2017. It is estimated that nearly 70% of its patients either have no insurance or utilize Medicaid, resulting in the Crime Victims Compensation Program being statutorily responsible for their forensic interview costs. If private insurance does not bear the costs of the remaining 30%, the obligation will be shifted to the Crime Victims Compensation Program as the payer of last resort. The interviews are \$244 per evaluation, meaning the annual amount that will be billed to the Crime Victims Compensation Program is estimated to range from \$192,200 to \$274,500. Additionally, part of the forensic interview process that was previously billed as a medical cost is now billed as an interview cost and thus not covered by Medicaid. The annual cost of this part of the procedure is estimated to range from \$154,400 to \$220,500.

In total, estimates show there may be an annual impact ranging from \$346,500 (for Medicaid or uninsured patients only) to \$495,000 (for 100% of the interview costs). Therefore, the commission requests a FY 2018 supplemental appropriation of \$400,000 from its federal grant for ongoing trustee and benefit payments.

Agency Request	0.00	0	0	400,000	400,000
Governor's Recommendation	0.00	0	0	400,000	400,000

2. Retirement Vacation Payout

Adjudication

The Industrial Commission requests approval to transfer \$16,900 from operating expenditures to personnel costs from the Industrial Administration Fund to pay accrued, unused vacation benefits for a commissioner who has announced his intention to retire in FY 2018. The vacation payout cost will be \$14,000 in salary and \$2,900 in variable benefits for a total cost of \$16,900.

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 Appropriation					
Agency Request	138.25	0	16,053,000	1,200,000	17,253,000
Governor's Recommendation	138.25	0	16,053,000	1,200,000	17,253,000

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items.

Agency Request	0.00	0	(258,800)	0	(258,800)
Governor's Recommendation	0.00	0	(258,800)	0	(258,800)

Industrial Commission

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Base Adjustments					Adjudication

This adjustment restores the onetime transfer of funds in FY 2018 from personnel costs to operating expenditures for the supplemental request for retirement vacation payout on the Industrial Administration Fund.

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 2019 Base

Agency Request	138.25	0	15,794,200	1,200,000	16,994,200
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Governor's Recommendation	138.25	0	15,794,200	1,200,000	16,994,200
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Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(217,900)	0	(217,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(195,300)	0	(195,300)
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Replacement Items

The Compensation Program requests three laptops (\$5,400), one laptop with dual monitors and dock (\$2,400), ten desktops with dual monitors (\$13,600), one laser printer (\$1,500), two projectors (\$2,200), one router (\$1,100), two network switches (\$6,000), nine uninterruptible power supply (UPS) battery replacements (\$4,500), and one mid-sized sport utility vehicle for an employer compliance investigator (\$31,000), for a total of \$67,700 from the Industrial Administration Fund.

The Rehabilitation Program requests four laptops (\$7,200), one laser printer (\$500), two routers (\$2,200), two desktops with dual monitors (\$2,600), seven network switches (\$16,100), five credenzas (\$4,500), two desks (\$2,600), one file cabinet (\$500), one task chair (\$600), and one bookcase (\$400), for a total of \$37,200 from the Industrial Administration Fund.

The Crime Victims Compensation Program requests two workgroup laser printers (\$4,400), two guest chairs (\$800), and one file cabinet (\$500), for a total of \$5,700 from the Crime Victims Compensation Fund.

The Adjudication Program requests eight standard desktops with dual monitors (\$10,400) and one workgroup laser printer (\$2,200) for a total of \$12,600 from the Industrial Administration Fund.

Agency Request	0.00	0	123,200	0	123,200
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Governor's Recommendation	0.00	0	123,200	0	123,200
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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. Attorney General fees will increase by \$14,700, risk management costs will decrease by \$2,700, and State Controller fees will increase by \$1,900, for a net increase of \$13,900.

Agency Request	0.00	0	13,900	0	13,900
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The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$3,000.

Governor's Recommendation	0.00	0	16,900	0	16,900
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Industrial Commission

Analyst: Smith

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	0	77,500	0	77,500
<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	0	231,000	0	231,000
FY 2019 Program Maintenance					
Agency Request	138.25	0	15,790,900	1,200,000	16,990,900
Governor's Recommendation	138.25	0	15,970,000	1,200,000	17,170,000
1. CEC for Commissioners					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a 3% salary increase for commissioners. This increases the annual salary to \$104,020. Legislation is required to make this change.</i>					
Governor's Recommendation	0.00	0	11,100	0	11,100
FY 2019 Total					
Agency Request	138.25	0	15,790,900	1,200,000	16,990,900
Governor's Recommendation	138.25	0	15,981,100	1,200,000	17,181,100
Agency Request					
Change from Original App	0.00	0	(262,100)	400,000	137,900
% Change from Original App	0.0%		(1.6%)	50.0%	0.8%
Governor's Recommendation					
Change from Original App	0.00	0	(71,900)	400,000	328,100
% Change from Original App	0.0%		(0.4%)	50.0%	1.9%

Department of Insurance

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Insurance Regulation	8,419,600	7,562,700	8,492,800	8,889,000	8,984,500
State Fire Marshal	1,137,300	955,800	1,197,800	1,210,300	1,224,900
Total:	9,556,900	8,518,500	9,690,600	10,099,300	10,209,400
BY FUND CATEGORY					
Dedicated	8,860,300	8,024,100	9,013,200	9,425,800	9,531,200
Federal	696,600	494,400	677,400	673,500	678,200
Total:	9,556,900	8,518,500	9,690,600	10,099,300	10,209,400
Percent Change:		(10.9%)	13.8%	4.2%	5.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	5,693,200	5,226,500	6,001,200	5,932,700	6,041,300
Operating Expenditures	3,555,800	2,972,200	3,504,600	3,631,300	3,632,800
Capital Outlay	307,900	319,800	184,800	535,300	535,300
Total:	9,556,900	8,518,500	9,690,600	10,099,300	10,209,400
Full-Time Positions (FTP)	73.50	73.50	76.50	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, which also has the responsibility of collecting and auditing insurance premium tax returns. 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; regulates title agencies; and performs market analyses and 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. This bureau investigates criminal and civil violations of insurance laws, and refers cases involving criminal or administrative violations to the Attorney General or appropriate county prosecutor. Also within this bureau is Idaho's Senior Health Insurance Benefits Advisors (SHIBA) program which provides free, unbiased information, counseling and assistance on Medicare coverage issues to Idaho's senior citizens, through a network of over 150 volunteers/partners and a call center staffed to service a toll-free telephone 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 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 (Section 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: Section 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.

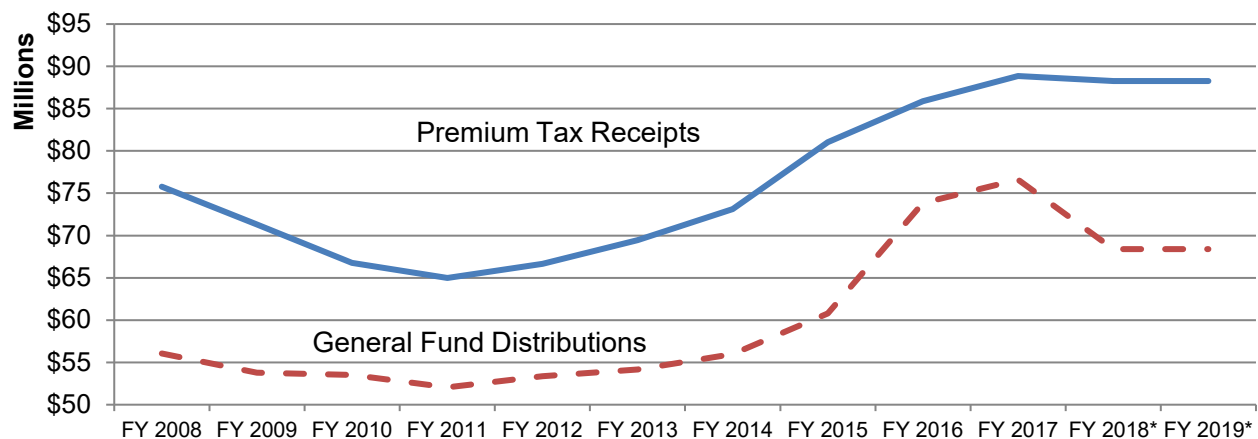
Idaho Health Insurance Access Card: If premium tax revenue exceeds \$55 million, 25% of the excess goes to the Idaho Health Insurance Access Card Fund, with 80% going to CHIP Plan B and the children's access card program, and 20% (not to exceed \$1.2 million) to the small business health insurance pilot 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 took 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 2016 - FY 2019

	FY 2016	FY 2017	FY 2018*	FY 2019*
General Fund	\$73,834,268	\$76,610,678	\$68,405,200	\$68,405,200
Insurance Refund	\$8,240,400	\$8,443,800	\$8,443,800	\$8,443,800
Fireman's PERSI	\$3,779,982	\$3,802,500	\$3,802,500	\$3,802,500
Insurance Insolvency Fund	\$0	\$0	\$0	\$0
High Risk Reinsurance Pool	\$5,626	\$0	\$7,605,800	\$7,605,800
CHIP B and Access Card	\$5,626	\$0	\$0	\$0
Total (Premium Tax Receipts)	\$85,865,902	\$88,856,978	\$88,257,300	\$88,257,300



*Estimate based on projected revenues and expenses.

NOTE: Distributions can exceed actual revenues slightly, depending on the amount of fees collected by the agency. Section 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 2018 Original Appropriation	76.50	0	9,690,600	76.50	0	9,690,600
Removal of Onetime Expenditures	0.00	0	(184,800)	0.00	0	(184,800)
FY 2019 Base	76.50	0	9,505,800	76.50	0	9,505,800
Benefit Costs	0.00	0	(118,600)	0.00	0	(108,200)
Replacement Items	0.00	0	535,300	0.00	0	535,300
Statewide Cost Allocation	0.00	0	126,700	0.00	0	128,200
Change in Employee Compensation	0.00	0	50,100	0.00	0	148,300
FY 2019 Total	76.50	0	10,099,300	76.50	0	10,209,400
Change from Original Appropriation	0.00	0	408,700	0.00	0	518,800
% Change from Original Appropriation			4.2%			5.4%

Department of Insurance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	76.50	0	9,013,200	677,400	9,690,600

Removal of Onetime Expenditures

Removes onetime funding for replacement items and new equipment for three new positions authorized for FY 2018.

Agency Request	0.00	0	(184,800)	0	(184,800)
<i>Governor's Recommendation</i>	0.00	0	(184,800)	0	(184,800)

FY 2019 Base	76.50	0	8,828,400	677,400	9,505,800
<i>Governor's Recommendation</i>	76.50	0	8,828,400	677,400	9,505,800

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(112,400)	(6,200)	(118,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	0.00	0	(102,700)	(5,500)	(108,200)
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Replacement Items

Replacement items include \$500 for computers; \$462,400 for cubicles; \$40,800 for a light truck; \$7,800 for printers and equipment; \$4,800 for task chairs; \$15,000 for server blades; and \$4,000 for personal protective equipment by program as follows:

INSURANCE REGULATION: Three server blades, 63 cubicles, one multi-functional printer solution, two chromebooks, four label printers, and seven task chairs for a total of \$450,700.

STATE FIRE MARSHAL: Personal protective equipment, a Ford F-150, five cubicles, one DesignJet printer, one label printer, and one task chair for a total of \$84,600.

Agency Request	0.00	0	535,300	0	535,300
<i>Governor's Recommendation</i>	0.00	0	535,300	0	535,300

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 increase by \$125,700, risk management costs will increase by \$500, State Controller fees will increase by \$600, and State Treasurer fees will decrease by \$100, for a net increase of \$126,700.

Agency Request	0.00	0	126,700	0	126,700
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The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$1,500 for a net increase of \$128,200.

<i>Governor's Recommendation</i>	0.00	0	128,200	0	128,200
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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	47,800	2,300	50,100
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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>	0.00	0	142,000	6,300	148,300
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Department of Insurance

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	76.50	0	9,425,800	673,500	10,099,300
<i>Governor's Recommendation</i>	<i>76.50</i>	<i>0</i>	<i>9,531,200</i>	<i>678,200</i>	<i>10,209,400</i>
Agency Request					
Change from Original App	0.00	0	412,600	(3,900)	408,700
% Change from Original App	0.0%		4.6%	(0.6%)	4.2%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>518,000</i>	<i>800</i>	<i>518,800</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>5.7%</i>	<i>0.1%</i>	<i>5.4%</i>

Department of Labor

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Unemployment Insurance Admin	38,205,300	21,123,300	33,072,800	32,967,600	33,401,400
Employment Services	61,384,200	40,516,000	59,346,800	59,180,600	50,411,200
Wage and Hour	591,800	524,400	644,300	637,900	647,200
Career Information Services	884,000	709,000	886,900	801,600	0
Human Rights Commission	1,193,300	1,043,300	1,191,500	1,156,800	1,171,900
Serve Idaho	2,640,600	1,157,800	2,643,400	2,640,100	2,644,600
Total:	104,899,200	65,073,800	97,785,700	97,384,600	88,276,300
BY FUND CATEGORY					
General	389,600	351,700	341,200	337,000	342,200
Dedicated	35,011,000	13,164,800	27,557,800	27,529,300	17,601,500
Federal	69,498,600	51,557,300	69,886,700	69,518,300	70,332,600
Total:	104,899,200	65,073,800	97,785,700	97,384,600	88,276,300
Percent Change:		(38.0%)	50.3%	(0.4%)	(9.7%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	53,505,500	39,489,000	54,039,800	53,547,800	53,025,000
Operating Expenditures	29,308,700	12,702,100	21,134,400	21,207,800	20,506,800
Capital Outlay	1,238,500	501,100	1,315,000	1,394,500	1,194,500
Trustee/Benefit	20,846,500	12,381,600	21,296,500	21,234,500	13,550,000
Total:	104,899,200	65,073,800	97,785,700	97,384,600	88,276,300
Full-Time Positions (FTP)	700.00	700.00	700.00	700.00	681.58

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 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. H603 of 2010 transferred administrative support from the Executive Office of the Governor to the Department of Labor.

Department of Labor

Agency Profile

Analyst: Bybee

	FY 2016	FY 2017	Percent	FY 2018	FY 2019
Appropriated Funds	Expenditures	Expenditures	of Total	Appropriation	Request
General Fund (0001-00)	\$320,200	\$351,600	0.2%	\$341,200	\$337,000
The General Fund sources are the individual income tax, corporate income tax, sales tax, cigarette tax, beer tax, wine tax, liquor profits, kilowatt-hour tax, mine license tax, State Treasurer's interest on investments of certain idle funds, court fees and fines, insurance premium tax, and agency receipts.					
Unemployment Penalty & Interest (0302-00)	4,956,100	3,404,600	2.1%	14,848,500	7,688,000
Receipts to this fund include penalties and all interest on judgments or funds secured by liens, collected under the provisions of Section 72-1347A, Idaho Code. This fund is referred to as the Employment Security Administrative and Reimbursement Fund in Section 72-1354, Idaho Code.					
Employment Security Special Admin (0303-00)	2,318,300	2,004,500	1.2%	3,555,000	3,542,600
This fund consists of interest earned from investment of the Employment Security Reserve Fund, under Section 72-1347-1347A, Idaho Code. This fund is used for costs related to department programs administered under the employment security law as approved by the Workforce Development Council.					
Miscellaneous Revenue (0349-00)	1,353,400	3,123,000	1.9%	7,443,000	7,241,600
Sources of funds include miscellaneous receipts, grants, contributions or donations, Workforce Development Training Fund moneys, and Idaho Career Information System fees.					
Federal Grant (0348-00)	52,878,400	51,557,200	31.2%	69,886,700	69,518,300
Historically, only Reed Act funds received from U.S. Department of Labor made up expenditures in the appropriated federal fund source. However, beginning in FY 2011, this fund includes federal grants received through the Human Rights Commission. Beginning in FY 2016, the major federal grant for administration of the Unemployment Insurance Program as authorized under the Social Security Act was brought on budget and appropriated. This grant and others for the Employment Service and Workforce Investment Act (WIA) / Workforce Innovation and Opportunity Act (WIOA) are administered at the federal level by the U.S. Department of Labor. No state matching funds are required. Funds made available to the state through discretionary grants awarded by the U.S. Department of Labor are also credited to this account. The moneys deposited in this fund are used to pay administrative expenses and contract costs arising out of the administration of the Employment Security Law, pursuant to Section 72-1301, Idaho Code. Funds are also used to pay for employment and training programs, services to veterans and other specialized employment-related services.					
Workforce Development Training (0305-00)	3,925,000	4,632,600	2.8%	9,059,800	9,057,100
This fund is derived from the diversion of Unemployment Insurance taxes equal to 3% of the taxable wage rate authorized and payable under Section 72-1350, Idaho Code. This fund is maintained separately and authorized under Section 72-1347B, Idaho Code. This fund is used to provide or expand training and retraining opportunities for Idaho's workforce. The fund has a statutory sunset of January 1, 2018.					
TOTAL Appropriated Funds	\$65,751,400	\$65,073,500	39.3%	\$105,134,200	\$97,384,600

Continuously Appropriated Funds

Unemployment Compensation (0514-00)	146,537,437	100,405,356	60.7%
This fund is for receipting unemployment taxes and interest collected, and for disbursing unemployment benefits. Additionally, in 2011, the Legislature authorized in Section 72-1346B, Idaho Code, the Department of Labor, to pay the principle and interest on bonds sold for the repayment of federal advances.			
Grand Total Appropriated and Continuous	212,288,837	165,478,856	100%

Department of Labor

Comparative Summary

Analyst: Bybee

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	700.00	341,200	97,785,700	700.00	341,200	97,785,700
Removal of Onetime Expenditures	0.00	0	(1,020,500)	0.00	0	(1,020,500)
Base Adjustments	0.00	0	(80,000)	0.00	0	(80,000)
FY 2019 Base	700.00	341,200	96,685,200	700.00	341,200	96,685,200
Benefit Costs	0.00	(6,400)	(821,600)	0.00	(5,700)	(743,500)
Replacement Items	0.00	0	705,900	0.00	0	505,900
Statewide Cost Allocation	0.00	0	55,600	0.00	0	60,400
Change in Employee Compensation	0.00	2,200	446,100	0.00	6,700	1,339,300
FY 2019 Program Maintenance	700.00	337,000	97,071,200	700.00	342,200	97,847,300
1. Additional IT Infrastructure	0.00	0	201,600	0.00	0	201,600
2. Building Maintenance/Repairs	0.00	0	111,800	0.00	0	111,800
3. Gov's Initiative - CIS to OSBE	0.00	0	0	(6.00)	0	(810,000)
4. Gov's Initiative - Workforce Development	0.00	0	0	(12.42)	0	(9,074,400)
FY 2019 Total	700.00	337,000	97,384,600	681.58	342,200	88,276,300
Change from Original Appropriation	0.00	(4,200)	(401,100)	(18.42)	1,000	(9,509,400)
% Change from Original Appropriation		(1.2%)	(0.4%)		0.3%	(9.7%)

Department of Labor

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	700.00	341,200	27,557,800	69,886,700	97,785,700

Removal of Onetime Expenditures

Removes onetime funding authorized for FY 2018 for critical network storage equipment and hardware (\$100,000), facility security equipment (\$79,000), building repairs and maintenance (\$67,500), services for other state agencies (\$125,000), replacement vehicles, and IT equipment (\$649,000).

Agency Request	0.00	0	(941,500)	(79,000)	(1,020,500)
Governor's Recommendation	0.00	0	(941,500)	(79,000)	(1,020,500)

Base Adjustments

Career Information Services

This FY 2019 base reduction is related to the AmeriCorps grant approved with a supplemental appropriation provided during the 2017 legislative session with S1129.

Agency Request	0.00	0	(80,000)	0	(80,000)
Governor's Recommendation	0.00	0	(80,000)	0	(80,000)

FY 2019 Base

Agency Request	700.00	341,200	26,536,300	69,807,700	96,685,200
Governor's Recommendation	700.00	341,200	26,536,300	69,807,700	96,685,200

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(6,400)	(99,600)	(715,600)	(821,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(5,700)	(93,900)	(643,900)	(743,500)
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Replacement Items

Replacement items include \$80,900 for three vehicles, \$100,000 for a primary storage drive, \$50,000 for a transfer switch, \$5,000 for a physical access controller, \$10,000 for a camera server, \$15,000 for a hardware security module, \$20,000 for a SIEM server, \$125,000 for two back-up solutions, \$175,000 for a firewall, and \$125,000 for network packet diagnostics from the Penalty and Interest Fund.

Agency Request	0.00	0	705,900	0	705,900
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The Governor's recommendation does not include \$100,000 for a primary storage drive, \$50,000 for a transfer switch, \$5,000 for a physical access controller, \$10,000 for a camera server, \$15,000 for a hardware security module, and \$20,000 for a SIEM server.

Governor's Recommendation	0.00	0	505,900	0	505,900
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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 increase by \$57,300, risk management costs will decrease by \$2,500, State Controller fees will increase by \$2,700, and State Treasurer fees will decrease by \$1,900, for a net increase of \$55,600.

Agency Request	0.00	0	100	55,500	55,600
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The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$4,800 for a net increase of \$60,400.

Governor's Recommendation	0.00	0	4,900	55,500	60,400
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Department of Labor

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	2,200	73,200	370,700	446,100
<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. Additionally, the Governor recommends the pay structure for state employees be moved by 3% and includes \$21,600 for that purpose.</i>					
Governor's Recommendation	0.00	6,700	219,300	1,113,300	1,339,300
FY 2019 Program Maintenance					
Agency Request	700.00	337,000	27,215,900	69,518,300	97,071,200
Governor's Recommendation	700.00	342,200	27,172,500	70,332,600	97,847,300
1. Additional IT Infrastructure			Employment Services		
This request for additional IT infrastructure for iUS includes \$100,800 for SAN (storage area network) storage, and \$100,800 for DR-SAN storage from the Penalty and Interest Fund. SAN is a network which provides access to consolidated block level data storage and is used to enhance storage devices, such as disk arrays, and allows each server to access shared storage as if it were a drive directly attached to the server. DR-SAN ensures data continuity reducing down times in the event of catastrophes (or every day back-up) for mission critical applications. [Onetime]					
Agency Request	0.00	0	201,600	0	201,600
Governor's Recommendation	0.00	0	201,600	0	201,600
2. Building Maintenance/Repairs			Employment Services		
This request includes \$111,800 from the Penalty and Interest Fund for repair and maintenance of owned buildings. The request includes resurfacing parking lots in Burley, Industrial Administration Building (IAB) (Idaho Labor headquarters), the IAB annex, and Idaho Falls; exchanging the fire sprinkler heads in Pocatello; flushing sewer pipe lines, landscaping, and handrail repair in Lewiston; refurbishing terminal units, replace water heaters, exterior lighting upgrades to LED, and refurbishing the floors in the IAB and IAB annex. [Onetime]					
Agency Request	0.00	0	111,800	0	111,800
Governor's Recommendation	0.00	0	111,800	0	111,800
3. Gov's Initiative - CIS to OSBE			Career Information Services		
Agency Request	0.00	0	0	0	0
<i>The Governor proposes to consolidate college and career counseling efforts within the Office of the State Board of Education (OSBE) in accordance with findings of the Workforce Development Task Force and Higher Education Task Force. To accomplish this, the Governor recommends removing Career Information System (CIS) employees and resources from the Idaho Department of Labor budget and moving them to OSBE. The recommendation includes reducing 6.00 FTP, \$483,900 in personnel costs, and \$326,100 in operating expenditures. The Governor's recommendation for OSBE does not include any of the dedicated fund appropriation, rather a General Fund appropriation for CIS functions is recommended. For further details see OSBE's budget.</i>					
Governor's Recommendation	(6.00)	0	(810,000)	0	(810,000)

Department of Labor

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Gov's Initiative - Workforce Development				Employment Services	
Agency Request	0.00	0	0	0	0
<p><i>The Governor proposes to create in statute a Workforce Development Council organized in the Office of the Governor. To accomplish this, the Governor recommends reducing 12.42 FTP, \$1,010,200 in personnel costs, \$379,700 in operating expenditures, and \$7,684,500 in trustee and benefit payments in the Department of Labor's budget, and addin 5.00 FTP, \$471,700 in personnel costs, \$396,900 in operating expenditures, and \$7,684,500 in trustee and benefit payments to this newly reorganized program following Executive Order 2017-13. The Department of Labor will continue to support the work of the council by providing research and continuing to administer and collect the tax that supports this program (3% of the taxable wage rate). If the creation of the Workforce Development Council is authorized by the Legislature, the Department of Labor will require a trailer appropriation to reduce the Department of Labor's budget in the Workforce Development Training Fund as listed. As seen above, the Workforce Development Council would receive an appropriation that is less than currently authorized. The executive order organized a new program in the Office of the Governor, and states the council will be responsible for increasing public awareness and access to career education and training opportunities, improve the effectiveness, quality and coordination of programs and services to maintain a highly skilled workforce, fulfill requirements of Workforce Investment and Opportunity Act, and develop performance measures for the Workforce Development Training Fund. From Executive Order 2017-13, the Governor's Office is currently paying an executive director from Workforce Development Training Funds.</i></p>					
Governor's Recommendation	(12.42)	0	(9,074,400)	0	(9,074,400)
FY 2019 Total					
Agency Request	700.00	337,000	27,529,300	69,518,300	97,384,600
Governor's Recommendation	681.58	342,200	17,601,500	70,332,600	88,276,300
Agency Request					
Change from Original App	0.00	(4,200)	(28,500)	(368,400)	(401,100)
% Change from Original App	0.0%	(1.2%)	(0.1%)	(0.5%)	(0.4%)
Governor's Recommendation					
Change from Original App	(18.42)	1,000	(9,956,300)	445,900	(9,509,400)
% Change from Original App	(2.6%)	0.3%	(36.1%)	0.6%	(9.7%)

Public Utilities Commission

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	6,102,700	5,401,100	6,248,800	6,269,500	6,356,700
Federal	324,300	131,200	324,000	321,600	325,900
Total:	6,427,000	5,532,300	6,572,800	6,591,100	6,682,600
Percent Change:		(13.9%)	18.8%	0.3%	1.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,586,800	4,170,000	4,616,100	4,576,500	4,666,000
Operating Expenditures	1,786,200	1,264,600	1,880,600	1,940,800	1,942,800
Capital Outlay	54,000	97,700	76,100	73,800	73,800
Total:	6,427,000	5,532,300	6,572,800	6,591,100	6,682,600
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. 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. Internally, the PUC is divided into two divisions: Administration and Utilities.

The Administration Division has management, fiscal, personnel, public affairs, pipeline safety, and railroad safety responsibilities. It provides support services for the agency (Sections 61-301 through 337, Idaho Code). The pipeline safety section oversees the safe operation of interstate oil and natural gas pipelines in Idaho. 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 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 has audit, engineering, telecommunications, technical analysis, and consumer assistance responsibilities. 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 (telecommunications, power, natural gas, and water corporations) in an amount 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 PUC Fund. However, beginning in FY 2001, the law was changed and commissioners' salaries are now paid from the PUC Fund.

Public Utilities Commission

Analyst: Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	52.00	0	6,572,800	52.00	0	6,572,800
Removal of Onetime Expenditures	0.00	0	(91,500)	0.00	0	(91,500)
FY 2019 Base	52.00	0	6,481,300	52.00	0	6,481,300
Benefit Costs	0.00	0	(75,100)	0.00	0	(70,800)
Inflationary Adjustments	0.00	0	9,800	0.00	0	9,800
Replacement Items	0.00	0	91,900	0.00	0	91,900
Statewide Cost Allocation	0.00	0	47,700	0.00	0	49,700
Change in Employee Compensation	0.00	0	35,500	0.00	0	109,300
FY 2019 Program Maintenance	52.00	0	6,591,100	52.00	0	6,671,200
1. CEC for Commissioners	0.00	0	0	0.00	0	11,400
FY 2019 Total	52.00	0	6,591,100	52.00	0	6,682,600
Change from Original Appropriation	0.00	0	18,300	0.00	0	109,800
% Change from Original Appropriation			0.3%			1.7%

Public Utilities Commission

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	52.00	0	6,248,800	324,000	6,572,800

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items including: \$44,400 for computer equipment, \$14,600 for software updates, \$5,600 for furniture, and \$26,900 for an SUV.

Agency Request	0.00	0	(91,500)	0	(91,500)
Governor's Recommendation	0.00	0	(91,500)	0	(91,500)

FY 2019 Base					
Agency Request	52.00	0	6,157,300	324,000	6,481,300
Governor's Recommendation	52.00	0	6,157,300	324,000	6,481,300

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(70,600)	(4,500)	(75,100)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(66,400)	(4,400)	(70,800)
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Inflationary Adjustments

This decision unit includes \$9,800 from the Indirect Cost Recovery Fund for the 3% annual increase in the commission's building lease agreement with the Idaho Department of Lands.

Agency Request	0.00	0	9,800	0	9,800
Governor's Recommendation	0.00	0	9,800	0	9,800

Replacement Items

Replacement items include \$7,400 for laptops and printers, \$10,400 for furniture, \$56,000 for a blade server, and \$18,100 for IT maintenance and software renewals, for a total of \$91,900 from the Public Utilities Commission Fund.

Agency Request	0.00	0	91,900	0	91,900
Governor's Recommendation	0.00	0	91,900	0	91,900

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. Attorney General fees will increase by \$48,000, risk management costs will decrease by \$900, and State Controller fees will increase by \$600, for a net increase of \$47,700.

Agency Request	0.00	0	47,700	0	47,700
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The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$2,000.

Governor's Recommendation	0.00	0	49,700	0	49,700
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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	0	33,400	2,100	35,500
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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. The Governor recommends the pay structure for state employees be moved by 3% and includes \$3,500 for that purpose.

Governor's Recommendation	0.00	0	103,000	6,300	109,300
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Public Utilities Commission

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Program Maintenance					
Agency Request	52.00	0	6,269,500	321,600	6,591,100
Governor's Recommendation	52.00	0	6,345,300	325,900	6,671,200
1. CEC for Commissioners					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a 3% salary increase for commissioners. This increases the annual salary to \$106,868. Legislation is required to make this change.</i>					
Governor's Recommendation	0.00	0	11,400	0	11,400
FY 2019 Total					
Agency Request	52.00	0	6,269,500	321,600	6,591,100
Governor's Recommendation	52.00	0	6,356,700	325,900	6,682,600
Agency Request					
Change from Original App	0.00	0	20,700	(2,400)	18,300
% Change from Original App	0.0%		0.3%	(0.7%)	0.3%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	107,900	1,900	109,800
% Change from Original App	0.0%		1.7%	0.6%	1.7%

Idaho Legislative Budget Book

Self-Governing Agencies

2018 Legislative Session

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Self-Governing Agencies

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Building Safety, Division of	13,027,600	12,357,200	13,989,900	15,190,000	14,524,000
Hispanic Affairs, Commission on	283,400	261,100	311,600	335,900	294,400
Historical Society	15,253,000	6,948,300	8,056,600	8,812,400	7,407,200
Libraries, Commission for	5,705,300	5,305,400	5,752,900	5,787,000	5,700,700
Lottery, State	5,902,600	5,650,300	6,189,300	6,002,300	6,057,700
Medical Boards	6,369,900	5,733,300	6,744,500	6,439,000	6,466,800
Public Defense Commission	5,796,900	4,834,500	5,827,700	6,008,900	5,814,800
Regulatory Boards	7,662,100	6,746,600	8,103,900	8,911,100	9,001,900
State Appellate Public Defender	2,661,600	2,475,100	2,889,200	2,883,000	2,948,400
Veterans Services, Division of	35,500,200	33,568,500	44,609,800	33,837,000	34,239,400
Total:	98,162,600	83,880,300	102,475,400	94,206,600	92,455,300
BY FUND CATEGORY					
General	17,673,300	15,342,800	18,208,600	20,640,000	18,317,800
Dedicated	60,369,000	50,173,300	55,065,700	54,937,800	55,066,300
Federal	20,120,300	18,364,200	29,201,100	18,628,800	19,071,200
Total:	98,162,600	83,880,300	102,475,400	94,206,600	92,455,300
Percent Change:		(14.5%)	22.2%	(8.1%)	(9.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	52,734,800	50,104,100	55,209,700	55,952,900	56,070,000
Operating Expenditures	35,102,100	24,537,600	39,172,300	30,703,200	29,435,300
Capital Outlay	4,299,200	4,201,000	2,222,600	1,426,100	1,056,700
Trustee/Benefit	6,026,500	5,037,600	5,870,800	6,124,400	5,893,300
Total:	98,162,600	83,880,300	102,475,400	94,206,600	92,455,300
Full-Time Positions (FTP)	744.70	744.70	773.70	789.70	782.70

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: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	270,000	256,800	234,500	598,600	239,600
Dedicated	12,670,000	12,027,200	13,666,800	14,502,400	14,194,800
Federal	87,600	73,200	88,600	89,000	89,600
Total:	13,027,600	12,357,200	13,989,900	15,190,000	14,524,000
Percent Change:		(5.1%)	13.2%	8.6%	3.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	10,189,200	9,439,600	11,041,900	11,554,700	11,118,000
Operating Expenditures	2,104,800	2,101,300	2,195,300	2,746,700	2,741,300
Capital Outlay	733,600	816,300	752,700	888,600	664,700
Total:	13,027,600	12,357,200	13,989,900	15,190,000	14,524,000
Full-Time Positions (FTP)	131.00	131.00	141.00	151.00	147.00

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 and 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 and 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 as well as building safety inspections. 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: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	141.00	234,500	13,989,900	141.00	234,500	13,989,900
1. Dig Line - Damage Prevention	0.00	0	83,600	0.00	0	83,600
2. Donated Funds for Advertising	0.00	0	0	0.00	0	40,000
FY 2018 Total Appropriation	141.00	234,500	14,073,500	141.00	234,500	14,113,500
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	90,000
FY 2018 Estimated Expenditures	141.00	234,500	14,073,500	141.00	234,500	14,203,500
Removal of Onetime Expenditures	0.00	0	(858,900)	0.00	0	(948,900)
FY 2019 Base	141.00	234,500	13,214,600	141.00	234,500	13,254,600
Benefit Costs	0.00	(3,200)	(212,600)	0.00	(3,000)	(191,300)
Inflationary Adjustments	0.00	0	377,600	0.00	0	377,600
Replacement Items	0.00	0	664,700	0.00	0	664,700
Statewide Cost Allocation	0.00	0	16,900	0.00	0	14,600
Change in Employee Compensation	0.00	3,700	91,600	0.00	8,100	267,400
FY 2019 Program Maintenance	141.00	235,000	14,152,800	141.00	239,600	14,387,600
1. Safety Inspector FTPs	6.00	0	537,200	6.00	0	0
2. Damage Prevention FTPs	4.00	363,600	363,600	0.00	0	0
4. Website for Idaho Residential Codes	0.00	0	1,500	0.00	0	1,500
5. Educational Curriculum	0.00	0	82,000	0.00	0	82,000
6. IT/Telecommunications	0.00	0	30,800	0.00	0	30,800
7. SQL Server Software Update	0.00	0	10,000	0.00	0	10,000
8. Upgrade Remote Desktop Server	0.00	0	12,100	0.00	0	12,100
FY 2019 Total	151.00	598,600	15,190,000	147.00	239,600	14,524,000
Change from Original Appropriation	10.00	364,100	1,200,100	6.00	5,100	534,100
% Change from Original Appropriation		155.3%	8.6%		2.2%	3.8%

Division of Building Safety

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	141.00	234,500	13,666,800	88,600	13,989,900

1. Dig Line - Damage Prevention

The Division of Building Safety requests a onetime supplemental appropriation of \$83,600 for the Damage Prevention Board. A federal grant was awarded to help create education and enforcement in the prevention of damage to underground facilities. This grant was awarded for the time period of September 1, 2016, through August 31, 2017. During the grant period the agency spent \$60,200 on personnel costs, travel costs, software, damage prevention booklets, and a dig line advertising campaign. This was spent from the U.S. Department of Housing and Urban Development (HUD) grant and, if approved, the \$60,200 will be reimbursed to that fund. The division is requesting appropriation for the entire grant amount as it is still waiting for direction from the federal grantor on the unspent portion of the grant.

Agency Request	0.00	0	0	83,600	83,600
Governor's Recommendation	0.00	0	0	83,600	83,600

2. Donated Funds for Advertising

Agency Request	0.00	0	0	0	0
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The Governor recommends \$40,000 ongoing from the State Regulatory Fund to allow the Damage Prevention Board to utilize donated funds as well as funds from a memorandum of understanding with the Public Utilities Commission for marketing and educational materials in relation to the 811 number notification services. This recommendation is for \$20,000 from donations and \$20,000 from the memorandum with the Public Utilities Commission.

Governor's Recommendation	0.00	0	40,000	0	40,000
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FY 2018 Total Appropriation					
Agency Request	141.00	234,500	13,666,800	172,200	14,073,500
Governor's Recommendation	141.00	234,500	13,706,800	172,200	14,113,500

Noncognizable Funds and Transfers

The agency requests a transfer of 2.80 FTP from the General Fund to the Miscellaneous Revenue School Security Fund.

Agency Request	0.00	0	0	0	0
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The Governor recommends the FTP adjustment and \$90,000 in noncognizable funds for a federal grant from the U.S. Department of Transportation. The division submitted their application and project plan for the grant on January 20, 2017. This grant is for employee training and public education in relation to the Damage Prevention Board.

Governor's Recommendation	0.00	0	0	90,000	90,000
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FY 2018 Estimated Expenditures					
Agency Request	141.00	234,500	13,666,800	172,200	14,073,500
Governor's Recommendation	141.00	234,500	13,706,800	262,200	14,203,500

Removal of Onetime Expenditures

This decision unit removes amounts for replacement items and line items funded on a onetime basis in FY 2018.

Agency Request	0.00	0	(775,300)	(83,600)	(858,900)
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The Governor's recommendation also includes the removal of expenditures for the noncognizable funds that were recommended on a onetime basis.

Governor's Recommendation	0.00	0	(775,300)	(173,600)	(948,900)
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FY 2019 Base					
Agency Request	141.00	234,500	12,891,500	88,600	13,214,600
Governor's Recommendation	141.00	234,500	12,931,500	88,600	13,254,600

Division of Building Safety

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(3,200)	(209,100)	(300)	(212,600)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(3,000)	(188,000)	(300)	(191,300)
Inflationary Adjustments					
The agency requests \$358,900 in operating expenditures for general inflation from the State Regulatory Fund, of which, \$100,000 is being requested for a Trackit9 software update, funded on a onetime basis in FY 2018. The vendor has not yet committed to an implementation date and the agency does not believe it will be accomplished in FY 2018. Additionally, the agency requests \$18,700 in contract inflation due to the watertower lease increasing from \$623,900 to \$642,600 per year.					
Agency Request	0.00	0	377,400	200	377,600
Governor's Recommendation	0.00	0	377,400	200	377,600
Replacement Items					
The agency requests to replace 22 vehicles, 18 desktop computers, 20 iPads, 20 laptop computers, 22 computer monitors, and four large screen monitors for a total of \$664,700.					
Agency Request	0.00	0	664,700	0	664,700
Governor's Recommendation	0.00	0	664,700	0	664,700
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 decrease by \$2,800, State Controller fees will increase by \$5,300, Attorney General fees will increase by \$14,500, and State Treasurer fees will decrease by \$100, for a net increase of \$16,900.					
Agency Request	0.00	0	16,800	100	16,900
<i>The Governor's recommendation also includes funding for Legislative Audit fees, which will decrease by \$2,300.</i>					
Governor's Recommendation	0.00	0	14,500	100	14,600
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees. In addition, the agency is requesting a onetime fund shift from the Public School Income Fund to the General Fund in the amount of \$2,000 to cover an increase in requested CEC that the Public School Income Fund would not be able to cover due to a statutory limit of \$300,000.					
Analyst comment: The agency requested that the fund shift be onetime as they expect the amount to be different each year. For purposes of this publication the request was made ongoing.					
Agency Request	0.00	3,700	87,500	400	91,600
<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 also recommends a fund shift of \$3,100 from the Miscellaneous School Revenue Fund to the General Fund due to employee compensation increases that cannot be covered by the Office of School Safety.</i>					
Governor's Recommendation	0.00	8,100	258,300	1,000	267,400
FY 2019 Program Maintenance					
Agency Request	141.00	235,000	13,828,800	89,000	14,152,800
Governor's Recommendation	141.00	239,600	14,058,400	89,600	14,387,600

Division of Building Safety

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Safety Inspector FTPs					
The division requests 6.00 FTP and \$537,200 for building safety inspectors due to increased demand for inspections. This includes \$388,600 in ongoing personnel costs and \$148,600 in onetime capital outlay from the State Regulatory Fund. The inspectors being requested include three plumbing/HVAC inspectors and three electrical inspectors. The division states that these positions are necessary as there has been an increase in demand for inspections as the economy improves. This includes both residential and commercial construction activity, and the amount of work is exceeding the current inspectors ability to complete quality inspections on time. In addition to the six inspectors, the agency is requesting six vehicles and six laptops.					
Agency Request	6.00	0	537,200	0	537,200
<i>The Governor recommends 6.00 FTP and no funds as the agency has adequate appropriation levels within its existing budget.</i>					
Governor's Recommendation	6.00	0	0	0	0
2. Damage Prevention FTPs					
The division requests 4.00 FTP and \$363,600 from the General Fund to implement the compliance measures of the Underground Damage Prevention Board. Of this amount, \$288,300 is ongoing personnel costs and \$75,300 is onetime capital outlay. The four positions include a lead investigator, two investigators, and one administrative assistant. In addition to the new positions, this request includes three vehicles, three laptops, one desktop computer, and one desktop monitor. The division is requesting an appropriation from the General Fund, but plans to shift the appropriation back to the Damage Prevention Fund once revenue is sustainable.					
Agency Request	4.00	363,600	0	0	363,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Website for Idaho Residential Codes					
The division requests a onetime appropriation of \$1,500 from the State Regulatory Fund to compensate the International Code Council for an agreement to PDF residential and energy conservation codes on its website. These codes can be accessed in two ways: a PDF download for purchase or general viewing in a PDF format. This is request one of two; next year the agency plans to request an additional \$1,500.					
Agency Request	0.00	0	1,500	0	1,500
Governor's Recommendation	0.00	0	1,500	0	1,500
5. Educational Curriculum					
The division is requesting a onetime appropriation of \$82,000 to pay Career Technical Education (CTE) to update industry standards and develop end-of-the-year assessments for high school students in the plumbing and HVAC programs: \$41,000 for each. The development of these assessments will provide Idaho students the opportunity to complete the first year of these programs prior to graduation from high school. This request is also reflected in the budget for CTE, which has requested \$82,000 to spend on developing and updating the industry standards.					
Agency Request	0.00	0	82,000	0	82,000
Governor's Recommendation	0.00	0	82,000	0	82,000
6. IT/Telecommunications					
The Office of the Chief Information Officer (OCIO) has identified cost increases for Microsoft Office 365, telephone, internet services, and software needed for improved functionality, cybersecurity, and general replacement. The agency requests \$30,800 to cover the price increase for Microsoft Office 365. [Ongoing]					
Agency Request	0.00	0	30,800	0	30,800
Governor's Recommendation	0.00	0	30,800	0	30,800

Division of Building Safety

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. SQL Server Software Update					
The division requests \$10,000 onetime from the State Regulatory Fund to upgrade to the latest version of a SQL server. This is a relational database management system that is designed to store and receive data as requested by software applications that are maintained on the division's network server.					
Agency Request	0.00	0	10,000	0	10,000
Governor's Recommendation	0.00	0	10,000	0	10,000
8. Upgrade Remote Desktop Server					
The division requests \$12,100 onetime from the State Regulatory Fund to upgrade to Windows Server 2016 for its remote desktop service (RDS) devices. This request would fund the Client Access License and would allow 150 computers the ability to be accessed remotely.					
Agency Request	0.00	0	12,100	0	12,100
Governor's Recommendation	0.00	0	12,100	0	12,100
FY 2019 Total					
Agency Request	151.00	598,600	14,502,400	89,000	15,190,000
Governor's Recommendation	147.00	239,600	14,194,800	89,600	14,524,000
Agency Request					
Change from Original App	10.00	364,100	835,600	400	1,200,100
% Change from Original App	7.1%	155.3%	6.1%	0.5%	8.6%
Governor's Recommendation					
Change from Original App	6.00	5,100	528,000	1,000	534,100
% Change from Original App	4.3%	2.2%	3.9%	1.1%	3.8%

Commission on Hispanic Affairs

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	134,300	134,200	161,400	195,000	152,100
Dedicated	106,100	100,400	107,200	105,900	107,400
Federal	43,000	26,500	43,000	35,000	34,900
Total:	283,400	261,100	311,600	335,900	294,400
Percent Change:		(7.9%)	19.3%	7.8%	(5.5%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	184,800	179,900	186,500	187,200	180,200
Operating Expenditures	98,600	81,200	125,100	148,700	114,200
Total:	283,400	261,100	311,600	335,900	294,400
Full-Time Positions (FTP)	3.00	3.00	3.00	3.00	3.00

Division Description

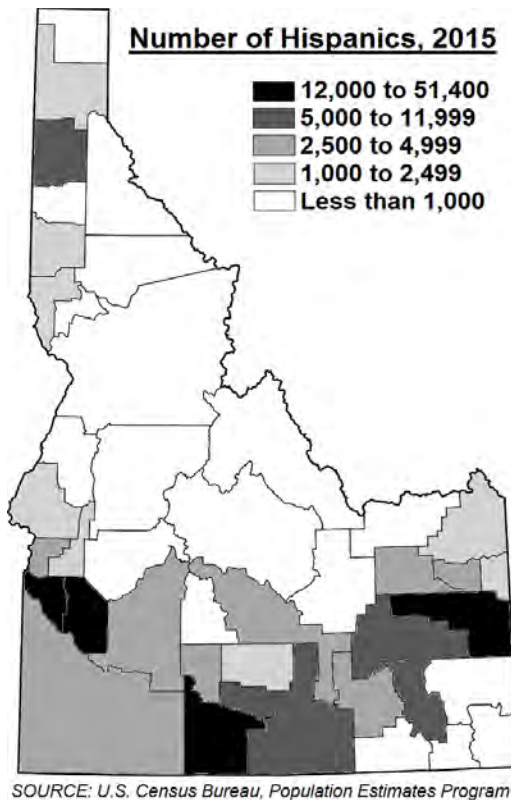
The Idaho Commission on Hispanic Affairs (ICHA) was established by the Legislature in 1987. The commission provides various services to the Hispanic community and serves as a liaison between the community and government entities. Working toward economic, educational, and social equality, the commission 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

Agency Profile

Analyst: Randolph



Number of Hispanics, top 15 counties in Idaho, 2015

Hispanic (#)	
IDAHO STATE	202,430
Canyon	51,369
Ada	34,729
Bonneville	14,133
Twin Falls	12,833
Bingham	8,017
Jerome	7,910
Minidoka	6,971
Bannock	6,923
Kootenai	6,558
Cassia	6,376
Blaine	4,535
Gooding	4,415
Elmore	4,210
Payette	3,958
Owyhee	2,997

SOURCE: U.S. CENSUS BUREAU,
POPULATION ESTIMATES PROGRAM

Fund Source and Description

1. General Fund (0001)

The General Fund supports personnel costs and operating expenditures.

2. Federal Grant (0348)

Money in this fund comes from a cooperative agreement with the Bureau of Community and Environmental Health within the Idaho Department of Health and Welfare, and the Centers for Disease Control Office on Smoking and Health.

3. Miscellaneous Revenue (0349)

This fund consists of donations, miscellaneous receipts, non-federal grants, and cigarette tax money transferred from the Department of Education. Receipts are designated for the development and implementation of a program to enhance awareness and appreciation of the Hispanic heritage and culture in Idaho. Tobacco tax money is used in partnership with the educational school systems to provide substance abuse prevention programs to Hispanic students.

Annual Budget by Fund: Dollar Amount and Percent of Total

FUND	FY 2016 Actual		FY 2017 Actual		FY 2018 Ori. Approp.		FY 2019 Request	
	Dollar Amount	% of Total	Dollar Amount	% of Total	Dollar Amount	% of Total	Dollar Amount	% of Total
0001	122,600	49%	134,200	51%	161,400	52%	195,000	58%
0348	29,100	12%	26,500	10%	43,000	14%	35,000	10%
0349	97,700	39%	100,400	38%	107,200	34%	105,900	32%
TOTAL	\$ 249,400	100%	\$ 261,100	100%	\$ 311,600	100%	\$ 335,900	100%

Commission on Hispanic Affairs

Analyst: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	3.00	161,400	311,600	3.00	161,400	311,600
1. Personnel Fund Shift	0.00	26,000	26,000	0.00	15,300	15,300
FY 2018 Total Appropriation	3.00	187,400	337,600	3.00	176,700	326,900
Removal of Onetime Expenditures	0.00	(25,000)	(25,000)	0.00	(25,000)	(25,000)
FY 2019 Base	3.00	162,400	312,600	3.00	151,700	301,900
Benefit Costs	0.00	(3,200)	(4,900)	0.00	(2,800)	(4,300)
Statewide Cost Allocation	0.00	(300)	(400)	0.00	(300)	100
Change in Employee Compensation	0.00	1,100	1,700	0.00	3,500	4,800
FY 2019 Program Maintenance	3.00	160,000	309,000	3.00	152,100	302,500
1. Statewide Outreach Efforts	0.00	25,000	25,000	0.00	0	0
2. Overhead Costs	0.00	10,000	10,000	0.00	0	0
3. Fund Shift and Reduction	0.00	0	(8,100)	0.00	0	(8,100)
FY 2019 Total	3.00	195,000	335,900	3.00	152,100	294,400
Change from Original Appropriation	0.00	33,600	24,300	0.00	(9,300)	(17,200)
% Change from Original Appropriation		20.8%	7.8%		(5.8%)	(5.5%)

Commission on Hispanic Affairs

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	3.00	161,400	107,200	43,000	311,600

1. Personnel Fund Shift

The commission requests \$26,000 ongoing from the General Fund for personnel costs and to move 0.30 FTP from the Federal Grant Fund to the General Fund. This request would fully fund two of the three appropriated FTP from the General Fund; currently the \$26,000 in personnel costs for this 0.30 FTP are split between federal and dedicated funds. The commission asserts this shift of FTP will allow it to better utilize its federal funds for their intended purpose.

This supplemental appropriation will shift personnel dollars from the Federal Grant Fund to the General Fund. The request will allow the commission to bring all employee work hours up to 2,080 per year, allow employees to receive the full amount of approved merit increases, and direct grant funds to statewide educational programs for Hispanic youth and young adults.

Agency Request	0.00	26,000	0	0	26,000
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The Governor recommends shifting 0.16 FTP from the Federal Grant Fund to the General Fund, and adding \$15,300 for personnel costs from the General Fund due to revised grant requirements and capped federal fund personnel costs.

Governor's Recommendation	0.00	15,300	0	0	15,300
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FY 2018 Total Appropriation					
Agency Request	3.00	187,400	107,200	43,000	337,600
Governor's Recommendation	3.00	176,700	107,200	43,000	326,900

Removal of Onetime Expenditures

This decision unit removes a onetime General Fund appropriation of \$25,000 for operating expenditures for the commission to enhance and expand its travel within the state.

Agency Request	0.00	(25,000)	0	0	(25,000)
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Governor's Recommendation	0.00	(25,000)	0	0	(25,000)
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FY 2019 Base					
Agency Request	3.00	162,400	107,200	43,000	312,600
Governor's Recommendation	3.00	151,700	107,200	43,000	301,900

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(3,200)	(1,700)	0	(4,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(2,800)	(1,500)	0	(4,300)
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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 \$300 and risk management costs will decrease by \$100, for a net reduction of \$400.

Agency Request	0.00	(300)	(100)	0	(400)
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The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$500.

Governor's Recommendation	0.00	(300)	400	0	100
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Commission on Hispanic Affairs

Analyst: Randolph

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	1,100	500	100	1,700
<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. The Governor recommends a fund shift of \$500 from the Federal Grant Fund to the General Fund for change in employee compensation increases that cannot be covered by the agency's federal funds due to revised grant requirements and capped personnel costs.</i>					
Governor's Recommendation	0.00	3,500	1,300	0	4,800
FY 2019 Program Maintenance					
Agency Request	3.00	160,000	105,900	43,100	309,000
Governor's Recommendation	3.00	152,100	107,400	43,000	302,500
1. Statewide Outreach Efforts					
The commission requests \$25,000 ongoing from the General Fund for statewide outreach efforts. The funds would enable the commission to fulfill its statutory responsibilities to "meet and exercise its powers at any place within the state" (Section 67-7205(10), Idaho Code). If not funded, the commission asserts it will have insufficient resources to gather and disseminate information across the state, to advise elected leaders and other state agencies on issues related to the Hispanic population, and to connect Idaho's Hispanic population with law enforcement and other community agencies. In FY 2018, the Legislature appropriated \$25,000 onetime from the General Fund to further the commission's outreach efforts. With these additional operating expenditures, the commission was able to reach communities never before reached and have more face-to-face meetings with various Hispanic communities across the state, including those in eastern Idaho and northern Idaho.					
Agency Request	0.00	25,000	0	0	25,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Overhead Costs					
The commission requests \$10,000 ongoing from the General Fund to cover overhead operating expenditures for services provided by the Department of Administration. The request would cover fees for fiscal and human resources services provided by the Department of Administration. Currently, the commission pays the Department of Administration \$700 per month, or \$8,400 per year, for financial services. Additionally, the commission pays the Office of the Chief Information Officer for IT assistance; these fees have increased, and the commission asserts it needs additional funds to pay these fees and to continue to meet its statewide objectives.					
Agency Request	0.00	10,000	0	0	10,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Fund Shift and Reduction					
The commission requests an object transfer of \$14,000 in the Federal Grant Fund, and to reduce the Federal Grant Fund appropriation by \$8,100. The commission's FY 2018 Base is \$43,000 from the Federal Grant Fund. The request to transfer appropriation from personnel costs to operating expenditures and to reduce the federal appropriation would allow the commission to better leverage two grants which provide educational programs on a statewide basis, as well as better align the appropriation with available grant funds.					
Agency Request	0.00	0	0	(8,100)	(8,100)
Governor's Recommendation	0.00	0	0	(8,100)	(8,100)
FY 2019 Total					
Agency Request	3.00	195,000	105,900	35,000	335,900
Governor's Recommendation	3.00	152,100	107,400	34,900	294,400

Commission on Hispanic Affairs

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	33,600	(1,300)	(8,000)	24,300
% Change from Original App	0.0%	20.8%	(1.2%)	(18.6%)	7.8%
Governor's Recommendation					
Change from Original App	0.00	(9,300)	200	(8,100)	(17,200)
% Change from Original App	0.0%	(5.8%)	0.2%	(18.8%)	(5.5%)

Idaho State Historical Society

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	3,776,800	2,676,800	3,952,800	5,487,000	4,042,400
Dedicated	9,912,000	3,189,000	1,730,300	1,760,900	1,783,900
Federal	1,564,200	1,082,500	2,373,500	1,564,500	1,580,900
Total:	15,253,000	6,948,300	8,056,600	8,812,400	7,407,200
Percent Change:		(54.4%)	16.0%	9.4%	(8.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,573,000	3,119,300	3,900,300	4,212,100	4,064,000
Operating Expenditures	11,302,200	3,489,700	3,729,500	4,172,200	3,057,700
Capital Outlay	216,200	259,700	265,200	266,500	123,900
Trustee/Benefit	161,600	79,600	161,600	161,600	161,600
Total:	15,253,000	6,948,300	8,056,600	8,812,400	7,407,200
Full-Time Positions (FTP)	49.00	49.00	55.00	59.00	55.00

Division Description

The Idaho State Historical Society is a system of cultural and historic resources composed of the Idaho State 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 Chapter 41, Title 67, 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 (Section 67-4114, Idaho Code).
- 2) Protect archaeological and vertebrate paleontological sites and resources on public land (Section 67-4119, Idaho Code).
- 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 (Section 67-4123, Idaho Code).
- 4) Encourage and promote interest in the state of Idaho and collect, preserve, and exhibit artifacts/information illustrative of Idaho history, culture, and society (Section 67-4126, Idaho Code).
- 5) Facilitate the use of records for official reference and historical research (Section 67-4126(6), Idaho Code).
- 6) Be responsible for records management services for state government and accept archival material from local governments (Section 67-4126(7), Idaho Code).
- 7) Serve as the Geographic Names Board of the state (Section 67-4126(14), Idaho Code).
- 8) Carry out the preservation and protection of the state's historic, archeological, architectural, and cultural heritage resources (Chapter 46, Title 67, Idaho Code).
- 9) Provide for the creation of an Idaho Archeological Survey (Section 33-3902, Idaho Code).
- 10) Be responsible for consolation, determination of appropriate actions, and providing for reinternment of human remains that have been disturbed (Chapter 5, Title 27, Idaho Code).
- 11) 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 (54 U.S.C. 300101).

Idaho State Historical Society

Analyst: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	55.00	3,952,800	8,056,600	55.00	3,952,800	8,056,600
Reappropriation	0.00	1,000,000	7,154,300	0.00	1,000,000	7,154,300
FY 2018 Total Appropriation	55.00	4,952,800	15,210,900	55.00	4,952,800	15,210,900
Removal of Onetime Expenditures	0.00	(1,420,200)	(8,374,500)	0.00	(1,420,200)	(8,374,500)
FY 2019 Base	55.00	3,532,600	6,836,400	55.00	3,532,600	6,836,400
Benefit Costs	0.00	(48,500)	(87,500)	0.00	(42,600)	(76,400)
Inflationary Adjustments	0.00	8,700	14,000	0.00	8,700	14,000
Replacement Items	0.00	321,600	321,600	0.00	153,000	153,000
Statewide Cost Allocation	0.00	11,000	11,000	0.00	11,000	11,000
Annualizations	0.00	312,300	352,900	0.00	313,500	354,100
Change in Employee Compensation	0.00	17,000	31,700	0.00	48,100	97,000
FY 2019 Program Maintenance	55.00	4,154,700	7,480,100	55.00	4,024,300	7,389,100
1. State Mus. Expansion & Renov., Phase II	3.00	184,300	184,300	0.00	0	0
2. Cultural Resource Info. Sys. (ICRIS)	0.00	640,000	640,000	0.00	0	0
3. Dedicated Buyer	1.00	59,900	59,900	0.00	0	0
4. Security/Fire Vulnerability Assessment	0.00	40,000	40,000	0.00	0	0
5. Credit Card Industry Compliance	0.00	40,000	40,000	0.00	0	0
6. IT/Telecommunications	0.00	18,100	18,100	0.00	18,100	18,100
7. Electronic Records Assessment	0.00	350,000	350,000	0.00	0	0
FY 2019 Total	59.00	5,487,000	8,812,400	55.00	4,042,400	7,407,200
Change from Original Appropriation	4.00	1,534,200	755,800	0.00	89,600	(649,400)
% Change from Original Appropriation		38.8%	9.4%		2.3%	(8.1%)

Idaho State Historical Society

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	55.00	3,952,800	1,730,300	2,373,500	8,056,600

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation of \$1,000,000 from the General Fund from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base. Additionally, S1407 of 2016 appropriated \$4,000,000 onetime from the Economic Recovery Reserve Fund and \$4,000,000 onetime from the Miscellaneous Revenue Fund for the historical museum renovation and expansion project. Intent language limited the appropriation through FY 2018, and these funds are removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	1,000,000	6,154,300	0	7,154,300
Governor's Recommendation	0.00	1,000,000	6,154,300	0	7,154,300

FY 2018 Total Appropriation					
Agency Request	55.00	4,952,800	7,884,600	2,373,500	15,210,900
Governor's Recommendation	55.00	4,952,800	7,884,600	2,373,500	15,210,900

Removal of Onetime Expenditures

This decision unit removes onetime amounts including: \$3,980,000 in the Miscellaneous Revenue Fund, \$2,174,300 in the Economic Recovery Reserve Fund, and \$1,000,000 in the General Fund which were appropriated for the Idaho State Museum renovation for FY 2017 and FY 2018.

Agency Request	0.00	(1,420,200)	(6,154,300)	(800,000)	(8,374,500)
Governor's Recommendation	0.00	(1,420,200)	(6,154,300)	(800,000)	(8,374,500)

FY 2019 Base					
Agency Request	55.00	3,532,600	1,730,300	1,573,500	6,836,400
Governor's Recommendation	55.00	3,532,600	1,730,300	1,573,500	6,836,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(48,500)	(22,100)	(16,900)	(87,500)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(42,600)	(18,800)	(15,000)	(76,400)
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Inflationary Adjustments

The agency requests \$8,700 ongoing from the General Fund and \$5,300 ongoing from the Records Management Service Fund for contract inflation in rent at the Records Center and with a security contract.

Agency Request	0.00	8,700	5,300	0	14,000
Governor's Recommendation	0.00	8,700	5,300	0	14,000

Idaho State Historical Society

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
The agency requests \$321,600 onetime from the General Fund for replacement items. Of this amount, \$50,900 is for building maintenance including replacing lightbulbs, cleaning and maintaining existing gutters, and sealing and repainting three existing parking lots; \$44,700 would replace various computer equipment; \$10,100 is for fireproof file cabinets; \$16,000 is to replace a microfilm scanner; \$5,900 would be used to replace office phones; \$8,400 would replace tables and chairs at programming spaces; \$127,000 would be used to replace three roofs; and \$58,600 would replace two trucks. Of the total amount, \$70,700 is for operating expenditures, and \$250,900 is for capital outlay.					
Agency Request	0.00	321,600	0	0	321,600
<i>The Governor does not recommend the replacement of three roofs (Women's Ward, Trustee Dorm, and Horse Barn), one-third of lights in agency buildings with LED, or three parking lots (Idaho History Center, Old Penitentiary, and Assay Office), for a difference of \$168,600; \$41,600 in operating expenditures; and \$127,000 in capital outlay.</i>					
Governor's Recommendation	0.00	153,000	0	0	153,000
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. Attorney General fees will increase by \$1,000, risk management costs will increase by \$7,300, State Controller fees will increase by \$2,600, and State Treasurer fees will increase by \$100, for a net increase of \$11,000.					
Agency Request	0.00	11,000	0	0	11,000
Governor's Recommendation	0.00	11,000	0	0	11,000
Annualizations					
Annualization requests all relate to the reopening of the renovated state museum. The annualizations include \$141,900 from the General Fund for personnel costs for 5.00 FTP and 4.00 group positions, all of which started work after the beginning of FY 2018. Specifically, 2.00 FTP started in October 2017, 2.00 FTP started in November 2017, and 1.00 FTP and four group positions started in January 2018. Also included is \$211,000 for occupancy and related operating expenditures for the state museum from December 2017 to June 2018 while exhibits are being installed, of which \$170,400 is from the General Fund and \$40,600 is from the Miscellaneous Revenue Fund.					
Agency Request	0.00	312,300	40,600	0	352,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	0.00	313,500	40,600	0	354,100
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	17,000	6,800	7,900	31,700
<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. The Governor recommends the pay structure for state employees be moved by 3% and includes \$9,600 for that purpose.</i>					
Governor's Recommendation	0.00	48,100	26,500	22,400	97,000
FY 2019 Program Maintenance					
Agency Request	55.00	4,154,700	1,760,900	1,564,500	7,480,100
Governor's Recommendation	55.00	4,024,300	1,783,900	1,580,900	7,389,100

Idaho State Historical Society

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. State Mus. Expansion & Renov., Phase II					
The agency requests 3.00 FTP, \$172,600 ongoing for personnel costs, and \$11,700 onetime for capital outlay, all from the General Fund, to complete the Idaho State Museum renovation. In 2016, Lord Cultural Resources conducted an analysis of the museum and made recommendations to increase efficiencies and performance when the renovated museum opens; this request is drawn directly from that business plan report. The three positions would include an education specialist, a maintenance craftsman senior, and a curator. The agency asserts all three positions would help existing staff better serve the public and ensure the state museum is providing numerous educational opportunities, remains in peak working order for safety and visual appeal, and is filled with interesting and constantly rotating exhibits.					
Agency Request	3.00	184,300	0	0	184,300
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Cultural Resource Info. Sys. (ICRIS)					
The agency requests \$615,000 onetime from the General Fund and \$25,000 ongoing from the General Fund, for a total of \$640,000, to develop an online Idaho Cultural Resource Information System (ICRIS), built by an outside contractor. ICRIS will provide real time access to State Historic Preservation Office (SHPO) records. The agency asserts this level of access will cut down on staff response time due to significant cross-checking required during a records request, will create a digital submission for requests, make the tracking and communication process involved both internally and with the external requestor more efficient, and significantly streamline the entire request process.					
Development and implementation of ICRIS will entail a full requirements analysis; data analysis; database design; GIS design; application design; system configuration design; security and application programming; testing and migration of existing data; user and administration training; installation and deployment; and documentation. Although the primary focus is on the review and compliance program area, systems will be developed and deployed for other programs as well, including: survey and inventory, the National Register, tax incentives, and certified local governments. The final product will integrate all SHPO databases and make them accessible to external customers through a single web portal.					
Agency Request	0.00	640,000	0	0	640,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Dedicated Buyer					
The agency requests 1.00 FTP and \$59,900 from the General Fund to establish a full-time, benefit eligible, permanent, classified position as a buyer. Of the request, \$56,000 is ongoing and \$3,900 is onetime. The agency has grown in the last decade in terms of breadth of services and programs. With this growth and complexity of services, it is necessary for a single staff contact to maintain the appropriate technical experience to perform market research, develop specifications and scopes of work, monitor existing contracts, and respond to complex agency wide needs with an eye toward efficiencies and legal requirements.					
Agency Request	1.00	59,900	0	0	59,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Idaho State Historical Society

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Security/Fire Vulnerability Assessment					
The agency requests \$40,000 onetime from the General Fund to conduct a security and fire systems survey and vulnerability assessment of the combined infrastructure needs of its sites in Boise. This systems survey and vulnerability assessment is needed to evaluate disparate systems in 12 buildings and sites that evolved separately over time. This assessment will be used to prioritize upgrades and enhancements to align systems and increase future cost savings through efficiencies. Anticipated efficiencies include: systemwide code complaint technology, i.e., fire panels, sprinklers systems, and security panels; alignment of multiple monitoring contracts; and enhanced communications between agency sites and emergency services (police and fire). The needs assessment will provide a comprehensive future work plan, detailed scope of work for improvements, and an estimate of future costs.					
Agency Request	0.00	40,000	0	0	40,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Credit Card Industry Compliance					
The agency requests \$40,000 ongoing from the General Fund for the cost of doing business through the customary and expected practice of accepting credit cards. The State Treasurer's Office (STO) is administrating the Payment Card Industry (PCI) Compliance Project for state agencies. The request will cover the quarterly network scans and will be an annual, ongoing expense in order for the agency to continue accepting credit cards. ISHS accepts credit cards for agency revenue generating programs based on agency fee schedules and specific services. Examples of credit card sales within ISHS include the State Museum and Old Penitentiary admission and merchandise sales, ISHS memberships, and State Historic Preservation Office (SHPO) program income.					
Agency Request	0.00	40,000	0	0	40,000
<i>Not recommended by the Governor as the request is no longer necessary.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. IT/Telecommunications					
The agency requests \$18,100 ongoing from the General Fund to upgrade software to ensure compliance and information protection required for cybersecurity. In accordance with the Office of the Chief Information Officer (OCIO) within the Department of Administration recommendations, email services on systems owned by OCIO will end in FY 2019. OCIO will continue to manage the email systems, but the state will no longer own the equipment. This request covers the cost of 82 Microsoft Office 365 suite annual subscriptions for a total annual cost of \$18,100. This subscription includes access to programs such as Outlook, Word, and Excel as well as integrated Skype video/instant messaging, OneDrive (user cloud storage), and Online Office Apps. Additionally, this subscription includes archiving and legal hold/discovery.					
Agency Request	0.00	18,100	0	0	18,100
Governor's Recommendation	0.00	18,100	0	0	18,100
7. Electronic Records Assessment					
The agency requests \$350,000 onetime from the General Fund to complete a comprehensive statewide electronic records needs assessment. Of the request, \$200,000 will be used to assess the system of records, and \$150,000 will be used to assess digital records at 80 state agencies. In 2012, the agency was authorized to manage the record functions of the State Record Center under the direction of the Idaho State Archives. In response, the agency was authorized to proceed with a records study to enhance state government records management. The study, which was released in 2016, identified a key challenge for the state of Idaho: there was "no unified electronic imaging or digital born records program." The next step in the study's roadmap is to hire an expert consultant to conduct a statewide electronic records needs assessment. According to the agency, a consultant assessment of the system of records and an assessment of the digital records currently created by state agencies is an important milestone for determining a feasible and responsible approach to a statewide records program.					
Agency Request	0.00	350,000	0	0	350,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Idaho State Historical Society

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	59.00	5,487,000	1,760,900	1,564,500	8,812,400
<i>Governor's Recommendation</i>	<i>55.00</i>	<i>4,042,400</i>	<i>1,783,900</i>	<i>1,580,900</i>	<i>7,407,200</i>
Agency Request					
Change from Original App	4.00	1,534,200	30,600	(809,000)	755,800
% Change from Original App	7.3%	38.8%	1.8%	(34.1%)	9.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>89,600</i>	<i>53,600</i>	<i>(792,600)</i>	<i>(649,400)</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>2.3%</i>	<i>3.1%</i>	<i>(33.4%)</i>	<i>(8.1%)</i>

Idaho Commission for Libraries

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	4,002,300	3,964,000	4,025,300	4,358,700	3,993,000
Dedicated	70,000	47,900	70,000	70,000	70,000
Federal	1,633,000	1,293,500	1,657,600	1,358,300	1,637,700
Total:	5,705,300	5,305,400	5,752,900	5,787,000	5,700,700
Percent Change:		(7.0%)	8.4%	0.6%	(0.9%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,616,300	2,505,900	2,631,000	2,592,400	2,641,500
Operating Expenditures	2,495,800	2,311,300	2,560,900	2,669,600	2,579,200
Capital Outlay	143,200	112,900	111,000	30,000	30,000
Trustee/Benefit	450,000	375,300	450,000	495,000	450,000
Total:	5,705,300	5,305,400	5,752,900	5,787,000	5,700,700
Full-Time Positions (FTP)	37.50	37.50	37.50	37.50	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 147 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. ICfL's statutory authority is found in Chapter 25, Title 33, Idaho Code.

The ICfL is governed by the Board of Library Commissioners and organized within the Department of Self-Governing Agencies. Prior to July 1, 2009, ICfL was organized within the State Board of Education. The state librarian is appointed by the Board of Library Commissioners and serves as ICfL'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.

Idaho Commission for Libraries

Agency Profile

Analyst: Randolph

Selected Performance Measures				
	FY 2014	FY 2015	FY 2016	FY 2017
Education Opportunity Resource Act Broadband Program (Chapter 56, Title 33, Idaho Code)				
Public Libraries Participating	-	-	-	57
E-rate Amount Reimbursed	-	-	-	\$142,100
LiLI Databases Full Text Access	2,282,974	2,307,486	2,473,942	2,529,588
Talking Book Service				
Patrons	3,445	3,556	3,679	3,423
Circulations	206,584	220,086	186,960	184,826
Program Attendance at Public Libraries**	706,818	767,031	792,062	857,988
Continuing Library Education				
Events Sponsored	35	31	33	61
Participants	700	573	948	1,313
E-Course Completions	6,012	7,520	9,187	10,336

** Most libraries operate on the federal fiscal year of October 1 - September 30. The latest data from public libraries therefore lags by one year.

Fund Source & Description

1. General Fund (0001)

Generally used to maintain basic operations at the agency, such as personnel costs, library online services and databases, supplies, office space, telephone, postal, insurance, and educational materials.

2. Federal Grant (0348)

Federal grant moneys include the Library Services and Technology Act (LSTA) (20 USC 9121 et seq.) 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 (NEH) General Programs, as well as other federal grant sources.

3. Miscellaneous Revenue (0349)

Miscellaneous revenue includes patron donations, as well as grant and foundation funds. Revenues received may be matched with federal grants.

4. 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 the agency's total appropriation for budgeting purposes.* The fund balance as of December 2017 is approximately \$203,000.

Annual Budget by Fund: Dollar Amount and Percent of Total								
FUND	FY 2016 Actual		FY 2017 Actual		FY 2018 Ori. Approp.		FY 2019 Request	
	Dollar Amount	Percent of Total	Dollar Amount	Percent of Total	Dollar Amount	Percent of Total	Dollar Amount	Percent of Total
0001	3,580,500	74%	3,964,000	75%	4,025,300	70%	4,358,700	75%
0348	1,234,300	25%	1,293,500	24%	1,657,600	29%	1,358,300	23%
0349	32,600	1%	47,900	1%	70,000	1%	70,000	1%
TOTAL	\$ 4,847,400	100%	\$ 5,305,400	100%	\$ 5,752,900	100%	\$ 5,787,000	100%
0304	\$2,000		\$29,300		-		-	

Idaho Commission for Libraries

Analyst: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	37.50	4,025,300	5,752,900	37.50	4,025,300	5,752,900
Removal of Onetime Expenditures	0.00	(73,000)	(92,000)	0.00	(73,000)	(92,000)
FY 2019 Base	37.50	3,952,300	5,660,900	37.50	3,952,300	5,660,900
Benefit Costs	0.00	(41,900)	(60,100)	0.00	(37,900)	(53,600)
Replacement Items	0.00	19,200	19,200	0.00	19,200	19,200
Statewide Cost Allocation	0.00	600	600	0.00	600	600
Change in Employee Compensation	0.00	16,500	21,500	0.00	49,300	64,100
FY 2019 Program Maintenance	37.50	3,946,700	5,642,100	37.50	3,983,500	5,691,200
1. Talking Book Service - Fund Shift	0.00	357,500	90,400	0.00	0	0
2. Education Opportunity Resource Act	0.00	45,000	45,000	0.00	0	0
3. IT/Telecommunications	0.00	9,500	9,500	0.00	9,500	9,500
FY 2019 Total	37.50	4,358,700	5,787,000	37.50	3,993,000	5,700,700
Change from Original Appropriation	0.00	333,400	34,100	0.00	(32,300)	(52,200)
% Change from Original Appropriation		8.3%	0.6%		(0.8%)	(0.9%)

Idaho Commission for Libraries

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	37.50	4,025,300	70,000	1,657,600	5,752,900

Removal of Onetime Expenditures

This decision unit removes \$26,000 from the General Fund for a replacement vehicle, \$36,000 from the General Fund and \$19,000 from the Federal Grant Fund for a onetime server replacement, and \$11,000 onetime from the General Fund for replacement of computer hardware.

Agency Request	0.00	(73,000)	0	(19,000)	(92,000)
Governor's Recommendation	0.00	(73,000)	0	(19,000)	(92,000)

FY 2019 Base					
Agency Request	37.50	3,952,300	70,000	1,638,600	5,660,900
Governor's Recommendation	37.50	3,952,300	70,000	1,638,600	5,660,900

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(41,900)	0	(18,200)	(60,100)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(37,900)	0	(15,700)	(53,600)
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Replacement Items

The commission requests \$19,200 from the General Fund to replace four desktop computer systems for \$4,400, ten laptops for \$12,000, and two networked printers for \$2,800. The commission replaces computer hardware based on a recurring schedule which is supported by the commission's annual IT plan. The desktop computers are eight to nine years old; the laptops are each more than five years old; and the networked printers are each ten years old.

Agency Request	0.00	19,200	0	0	19,200
Governor's Recommendation	0.00	19,200	0	0	19,200

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 increase by \$1,200, risk management costs will decrease by \$1,200, and State Controller fees will increase by \$600, for a net increase of \$600.

Agency Request	0.00	600	0	0	600
Governor's Recommendation	0.00	600	0	0	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	16,500	0	5,000	21,500
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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.

Governor's Recommendation	0.00	49,300	0	14,800	64,100
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FY 2019 Program Maintenance					
Agency Request	37.50	3,946,700	70,000	1,625,400	5,642,100
Governor's Recommendation	37.50	3,983,500	70,000	1,637,700	5,691,200

Idaho Commission for Libraries

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Talking Book Service - Fund Shift

The commission requests a fund shift of 6.00 FTP and \$357,500 from the Federal Grant Fund to the General Fund to support the Talking Book Service (TBS). Currently, the General Fund supports 0.75 FTP and \$55,200 in personnel costs for TBS while federal funds support 6.25 FTP, \$288,400 in personnel costs, and \$90,400 in operating expenditures. This request would move two shipping and receiving positions and four customer service representatives from the Federal Grant Fund to the General Fund. If not funded, the commission will use 49% of its Library Services and Technology Act (LSTA) grant funds to pay for 11 staff members, six of whom work on TBS. The commission is not at risk of losing funding if personnel costs remain on federal funds; however grants available from the commission to libraries in Idaho are non-existent due to the amount personnel costs take from the overall federal funds. Faced with an 18% reduction from the General Fund in FY 2010, the commission moved TBS staff and operating expenditures from the General Fund to the Federal Grant Fund, where it has remained.

Agency Request	0.00	357,500	0	(267,100)	90,400
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Education Opportunity Resource Act

The commission requests \$45,000 ongoing from the General Fund to increase the broadband reimbursement (E-rate) funding for Idaho public libraries through the Education Opportunity Resource (EOR) Act, Section 33-5601, Idaho Code. The FY 2019 Base contains \$180,000 from the General Fund available for broadband reimbursement; this request represents a 25% increase. In FY 2017, the first year that E-rate funding was available, \$142,200 was dispersed to 57 Idaho public libraries. Estimates for FY 2018 project reimbursement to 67 requesting public libraries at a total of \$170,000, a 20% increase from FY 2017. The coordinator of the State Department of Education (SDE) Broadband Program has advised the commission that demand will exceed the FY 2018 Base of \$180,000 in FY 2019, based on SDE's experience administrating the E-rate funds for Idaho's public schools. The EOR Act states that the Education Opportunity Recourse Committee must "establish reimbursement methodology that includes ... distribution of appropriated moneys to E-rate eligible entities that have received E-rate funding. Distribution of such moneys must be in an amount equal to the non-E-rate reimbursed cost of internet services" (Section 33-5604, Idaho Code).

Agency Request	0.00	45,000	0	0	45,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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3. IT/Telecommunications

The commission requests \$9,500 ongoing from the General Fund for 43 Microsoft Office 365 software annual subscriptions. The commission does not have an ongoing appropriation for this purpose. On recommendation by the Office of the Chief Information Officer within the Department of Administration, state agencies are moving from physical servers to cloud-based servers for email services. In FY 2017, the commission conducted an object transfer, moving \$34,000 from personnel costs to operating expenditures, to help fund the upgrade of email to Microsoft Office 365. This funding was available due to onetime salary savings from retirements within the commission, but is not available for FY 2019.

Agency Request	0.00	9,500	0	0	9,500
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Governor's Recommendation	0.00	9,500	0	0	9,500
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FY 2019 Total

Agency Request	37.50	4,358,700	70,000	1,358,300	5,787,000
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Governor's Recommendation	37.50	3,993,000	70,000	1,637,700	5,700,700
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Agency Request

Change from Original App	0.00	333,400	0	(299,300)	34,100
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% Change from Original App	0.0%	8.3%	0.0%	(18.1%)	0.6%
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Governor's Recommendation

Change from Original App	0.00	(32,300)	0	(19,900)	(52,200)
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% Change from Original App	0.0%	(0.8%)	0.0%	(1.2%)	(0.9%)
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State Lottery

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	5,902,600	5,650,300	6,189,300	6,002,300	6,057,700
Percent Change:		(4.3%)	9.5%	(3.0%)	(2.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,180,600	3,059,200	3,340,400	3,305,800	3,361,200
Operating Expenditures	2,635,400	2,505,200	2,728,800	2,602,500	2,602,500
Capital Outlay	86,600	85,900	120,100	94,000	94,000
Total:	5,902,600	5,650,300	6,189,300	6,002,300	6,057,700
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 Idaho 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), and S1206 of 2017 made the distribution permanent.

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

Comparative Summary

Analyst: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	45.00	0	6,189,300	45.00	0	6,189,300
Removal of Onetime Expenditures	0.00	0	(144,200)	0.00	0	(144,200)
Base Adjustments	0.00	0	(42,500)	0.00	0	(42,500)
FY 2019 Base	45.00	0	6,002,600	45.00	0	6,002,600
Benefit Costs	0.00	0	(69,900)	0.00	0	(62,300)
Replacement Items	0.00	0	40,600	0.00	0	40,600
Statewide Cost Allocation	0.00	0	(6,300)	0.00	0	(6,300)
Change in Employee Compensation	0.00	0	27,700	0.00	0	83,100
FY 2019 Program Maintenance	45.00	0	5,994,700	45.00	0	6,057,700
1. Detective Salary Increase	0.00	0	7,600	0.00	0	0
FY 2019 Total	45.00	0	6,002,300	45.00	0	6,057,700
Change from Original Appropriation	0.00	0	(187,000)	0.00	0	(131,600)
% Change from Original Appropriation			(3.0%)			(2.1%)

State Lottery

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	45.00	0	6,189,300	0	6,189,300

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items (\$66,700 for office computer equipment) and onetime line items (\$30,000 for new gaming system training and \$47,500 to extend office internet connectivity).

Agency Request	0.00	0	(144,200)	0	(144,200)
Governor's Recommendation	0.00	0	(144,200)	0	(144,200)

Base Adjustments

The agency requests a base reduction in operating expenditures from the State Lottery Fund due to savings from a newly negotiated contract with its gaming system vendor.

Agency Request	0.00	0	(42,500)	0	(42,500)
Governor's Recommendation	0.00	0	(42,500)	0	(42,500)

FY 2019 Base

Agency Request	45.00	0	6,002,600	0	6,002,600
Governor's Recommendation	45.00	0	6,002,600	0	6,002,600

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(69,900)	0	(69,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(62,300)	0	(62,300)
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Replacement Items

Replacement items include \$40,600 for computer workstations and network hardware from the State Lottery Fund.

Agency Request	0.00	0	40,600	0	40,600
Governor's Recommendation	0.00	0	40,600	0	40,600

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 decrease by \$4,900, risk management costs will decrease by \$1,100, State Controller fees will increase by \$500, and State Treasurer fees will decrease by \$800, for a net reduction of \$6,300.

Agency Request	0.00	0	(6,300)	0	(6,300)
Governor's Recommendation	0.00	0	(6,300)	0	(6,300)

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	0	27,700	0	27,700
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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. The Governor recommends the pay structure for state employees be moved by 3% and includes \$1,400 for that purpose.

Governor's Recommendation	0.00	0	83,100	0	83,100
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FY 2019 Program Maintenance

Agency Request	45.00	0	5,994,700	0	5,994,700
Governor's Recommendation	45.00	0	6,057,700	0	6,057,700

State Lottery

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Detective Salary Increase					
The agency requests \$7,600 in ongoing personnel costs from the State Lottery Fund to provide a salary increase for a recently hired detective. In FY 2018, the agency requested an ongoing appropriation of \$98,600 to hire a new detective at an annual salary rate of \$70,000 plus benefits. The agency was appropriated \$78,800 to hire for this position at an annual salary rate of \$53,900 plus benefits, which is 80% of policy for the position's pay grade. The position was filled in July 2017 at an annual salary rate of \$62,400 in order to attract and retain a candidate with the desired qualifications. The agency requests funding to raise the detective's salary to \$68,600 in FY 2019.					
According to the agency, specialized skills are required for this position to manage an increasing caseload and for succession planning for the director of security, who is expected to retire in the next two years. The State Lottery has documented a 250% increase in criminal cases over the past four years, including an increase in fraudulent activities by retailers. The newly hired employee is a Peace Officer Standards and Training (POST)-certified detective, a certified fraud examiner, has investigated financial crimes for seven years, and is completing her Master of Science in Criminal Justice and Law Enforcement Administration. The director of security position, which the agency will be filling upon retirement of the current director, is required by Section 67-7410, Idaho Code, to oversee the Lottery Law Enforcement Division. The agency aims to retain a suitable replacement with appropriate compensation.					
Agency Request	0.00	0	7,600	0	7,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	45.00	0	6,002,300	0	6,002,300
Governor's Recommendation	45.00	0	6,057,700	0	6,057,700
Agency Request					
Change from Original App	0.00	0	(187,000)	0	(187,000)
% Change from Original App	0.0%		(3.0%)		(3.0%)
Governor's Recommendation					
Change from Original App	0.00	0	(131,600)	0	(131,600)
% Change from Original App	0.0%		(2.1%)		(2.1%)

Medical Boards

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Board of Dentistry	611,400	505,100	573,400	561,700	567,200
Board of Medicine	1,856,500	1,812,600	2,275,200	1,952,200	1,931,800
Board of Nursing	1,521,100	1,398,700	1,544,300	1,523,100	1,540,500
Board of Pharmacy	2,080,300	1,779,400	2,049,200	2,007,700	2,028,700
Board of Veterinary Medicine	300,600	237,500	302,400	394,300	398,600
Total:	6,369,900	5,733,300	6,744,500	6,439,000	6,466,800
BY FUND CATEGORY					
Dedicated	6,369,900	5,733,300	6,744,500	6,439,000	6,466,800
Percent Change:		(10.0%)	17.6%	(4.5%)	(4.1%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,577,800	3,396,900	3,608,700	3,681,700	3,708,500
Operating Expenditures	2,475,200	2,251,600	3,081,200	2,743,000	2,744,000
Capital Outlay	316,900	84,800	54,600	14,300	14,300
Total:	6,369,900	5,733,300	6,744,500	6,439,000	6,466,800
Full-Time Positions (FTP)	48.20	48.20	48.20	49.20	49.20

Division Description

The Division of Medical Boards includes five boards that regulate various medically-related professions in Idaho. 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: Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	48.20	0	6,744,500	48.20	0	6,744,500
Reappropriation	0.00	0	250,000	0.00	0	250,000
1. DHW Contract Supplemental	0.00	0	37,300	0.00	0	37,300
FY 2018 Total Appropriation	48.20	0	7,031,800	48.20	0	7,031,800
Removal of Onetime Expenditures	0.00	0	(962,500)	0.00	0	(962,500)
FY 2019 Base	48.20	0	6,069,300	48.20	0	6,069,300
Benefit Costs	0.00	0	(76,800)	0.00	0	(67,600)
Inflationary Adjustments	0.00	0	4,800	0.00	0	4,800
Replacement Items	0.00	0	1,700	0.00	0	1,700
Statewide Cost Allocation	0.00	0	13,400	0.00	0	14,400
Change in Employee Compensation	0.00	0	29,700	0.00	0	88,100
FY 2019 Program Maintenance	48.20	0	6,042,100	48.20	0	6,110,700
1. Cyber Insurance for Contractor	0.00	0	10,000	0.00	0	10,000
2. Pre-Litigation Manager Salary Increase	0.00	0	2,700	0.00	0	0
3. Associate Director Salary Increase	0.00	0	17,100	0.00	0	0
4. Walls for Front Desk Area	0.00	0	2,000	0.00	0	2,000
5. Executive Director Salary Increase	0.00	0	21,400	0.00	0	0
6. Licensing Manager Position	1.00	0	83,900	1.00	0	84,300
7. IT/Telecommunications	0.00	0	14,800	0.00	0	14,800
8. Prescriber Report Cards	0.00	0	20,000	0.00	0	20,000
9. DHW Contract	0.00	0	120,000	0.00	0	120,000
10. Online Licensing Software	0.00	0	105,000	0.00	0	105,000
FY 2019 Total	49.20	0	6,439,000	49.20	0	6,466,800
Change from Original Appropriation	1.00	0	(305,500)	1.00	0	(277,700)
% Change from Original Appropriation			(4.5%)			(4.1%)

Medical Boards

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	48.20	0	6,744,500	0	6,744,500
Reappropriation					
Board of Pharmacy					
The Board of Pharmacy was authorized to reappropriate or carryover its unencumbered and unspent appropriation of \$250,000 from the State Regulatory Fund for the upgrade to its licensure system from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.					
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>
1. DHW Contract Supplemental					
Board of Pharmacy					
The Board of Pharmacy is requesting a onetime supplemental appropriation of \$37,300 in operating expenditures from the State Regulatory Fund to complete the requirements of its Prescription Drug Overdose Prevention contract with the Department of Health and Welfare (DHW) for the FY 2018 contract period. The Board of Pharmacy is working in collaboration with DHW to help curb rising opioid abuse in Idaho. DHW has a federal grant from which it contracts \$120,000 per year to the Board of Pharmacy to implement the Prescription Drug Overdose Prevention Program. Under this contract, the agency performs outreach to pharmacies throughout the state to facilitate adoption of two tools, Prescription Monitoring Program (PMP) Gateway and NarxCare, which provide streamlined access to PMP data to prescribers and dispensers of pharmaceuticals. According to the agency, these tools enhance the Board of Pharmacy's existing Prescription Monitoring Program, and improve decision-making for providers around controlled substance use.					
DHW's federal grant and \$120,000 contract to the Board of Pharmacy for this program began in FY 2017. The grant is awarded according to the federal fiscal year cycle, so the contract to Board of Pharmacy extends from September through August annually and thus crosses over state fiscal years. In FY 2017, the Board of Pharmacy received a supplemental appropriation of \$60,000 in order to begin implementation of the program under the contract, while planning to complete the year one contract objectives with an additional \$60,000 appropriation at the beginning of FY 2018 during the months of July and August, for a total of \$120,000. In accordance with this plan, the agency received a onetime appropriation of \$180,000 for FY 2018: \$60,000 of which would be for completing the year one contract with DHW from FY 2017, and \$120,000 of which would be for year two of the contract in FY 2018.					
However, the \$60,000 supplemental appropriation was not expended in FY 2017 and was reverted due to the length of time it took for participating health systems to execute a contract with Appriss Health, the third-party vendor that implements the software for pharmacies that participate in the Prescription Drug Overdose Prevention Program. In July and August of FY 2018, the vendor contract with Appriss Health was executed and the agency spent \$97,300 for software implementation from its FY 2018 budget. According to the agency, the funds allowed for implementation of the PMP Gateway service to 290 prescribers and two pharmacies, and the NarxCare service to 300 prescribers. Since last year's \$60,000 supplemental appropriation was reverted at the end of FY 2017, and only \$60,000 was included in the FY 2018 appropriation to cover costs from year one of the contract, the agency is requesting a supplemental appropriation of \$37,300 to make up the difference for the \$97,300 that was actually expended. The FY 2018 contract between DHW and the Board of Pharmacy spans from September 1, 2017 – August 31, 2018 and will fully expend the \$120,000 appropriated for year two of the program. Since the full \$120,000 has been committed for year two costs, none can be reallocated to cover the \$37,300 expended for year one of the contract that exceeded the FY 2018 appropriation.					
Agency Request	0.00	0	37,300	0	37,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>37,300</i>	<i>0</i>	<i>37,300</i>
FY 2018 Total Appropriation					
Agency Request	48.20	0	7,031,800	0	7,031,800
<i>Governor's Recommendation</i>	<i>48.20</i>	<i>0</i>	<i>7,031,800</i>	<i>0</i>	<i>7,031,800</i>

Medical Boards

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of Onetime Expenditures					
This decision unit removes amounts appropriated in FY 2018 for replacement items and onetime portions of line items. It also removes the Board of Pharmacy's FY 2018 reappropriation (\$250,000) and requested supplemental appropriation (\$37,300).					
Agency Request	0.00	0	(962,500)	0	(962,500)
Governor's Recommendation	0.00	0	(962,500)	0	(962,500)
FY 2019 Base					
Agency Request	48.20	0	6,069,300	0	6,069,300
Governor's Recommendation	48.20	0	6,069,300	0	6,069,300
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	0	(76,800)	0	(76,800)
The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.					
Governor's Recommendation	0.00	0	(67,600)	0	(67,600)
Inflationary Adjustments				Board of Medicine	
The Board of Medicine requests \$2,800 for a 3.2% contractual increase for its office lease; and the Board of Pharmacy requests \$2,000 for a 2% contractual increase for its office lease.					
Agency Request	0.00	0	4,800	0	4,800
Governor's Recommendation	0.00	0	4,800	0	4,800
Replacement Items				Board of Veterinary Medicine	
The Board of Veterinary Medicine requests \$1,700 to replace a desk (\$500) and a high volume printer (\$1,200).					
Agency Request	0.00	0	1,700	0	1,700
Governor's Recommendation	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. The net total increase for the Medical Boards is \$13,400.					
Board of Dentistry: Attorney General fees will increase by \$1,100 and risk management costs will decrease by \$100, for a net increase of \$1,000.					
Board of Medicine: Risk management costs will decrease by \$100 and State Controller fees will increase by \$1,200, for a net increase of \$1,100.					
Board of Nursing: Attorney General fees will increase by \$600, State Controller fees will increase by \$500, and State Treasurer fees will decrease by \$100, for a net increase of \$1,000.					
Board of Pharmacy: Attorney General fees will increase by \$18,000, risk management costs will decrease by \$200, and State Controller fees will increase by \$100, for a net increase of \$17,900.					
Board of Veterinary Medicine: Attorney General fees will decrease by \$6,100 and risk management costs will decrease by \$1,500, for a net reduction of \$7,600.					
Agency Request	0.00	0	13,400	0	13,400
The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$1,000.					
Governor's Recommendation	0.00	0	14,400	0	14,400

Medical Boards

Analyst: 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	0	29,700	0	29,700
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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	0	88,100	0	88,100
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FY 2019 Program Maintenance

Agency Request	48.20	0	6,042,100	0	6,042,100
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Governor's Recommendation	48.20	0	6,110,700	0	6,110,700
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1. Cyber Insurance for Contractor

Board of Medicine

The Board of Medicine requests \$10,000 in ongoing operating expenditures from the State Regulatory Fund for increased contractual costs for new cyber liability insurance requirements for contractors with the state.

In response to a memorandum from the Department of Administration from May 2017, "Cyber Insurance Requirements in State Contracts," the Board of Medicine must incorporate additional requirements for cyber liability insurance in its contract with the third-party vendor that maintains the agency's database. After researching potential insurance providers and rates with the Office of Risk Management, as well as responses from its third-party vendor, the agency anticipates that obtaining the additional insurance will be a financial burden for the vendor, and that this cost will be passed through to the agency in increased contractual costs. Quotes gathered by the agency for cyber liability insurance with sufficient coverage average \$10,000 annually.

Agency Request	0.00	0	10,000	0	10,000
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Governor's Recommendation	0.00	0	10,000	0	10,000
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2. Pre-Litigation Manager Salary Increase

Board of Medicine

The Board of Medicine requests \$2,700 in ongoing personnel costs from the State Regulatory Fund for a salary increase for its pre-litigation manager. The request represents a 5.9% pay increase for this position. The incumbent manages the medical malpractice pre-litigation department for the agency and has been serving in this position since 2011. Due to the increasing complexity of this role, the agency requests funding for this salary increase to be commensurate with the employee's workload and skill level. There are increasing changes to federal regulatory requirements with which the pre-litigation manager must stay current and compliant. The agency reports that telehealth practices have increased, requiring additional review and an adept knowledge of the applicable laws and rules. Malpractice claims require oversight and daily coordination with attorneys, physicians, and other licensed health care professionals. According to the agency, an increase in specialties within the medical field have resulted in the need for specialized analysis in conducting pre-litigation panels. The agency will be working with the Division of Human Resources to evaluate the employee's current job classification.

Agency Request	0.00	0	2,700	0	2,700
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Medical Boards

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Associate Director Salary Increase					Board of Medicine
The Board of Medicine requests \$17,100 in ongoing personnel costs for a salary increase for its associate director. At its September 2017 meeting, the Board of Medicine requested that the associate director's salary be raised to be commensurate with her duties and responsibilities. This request represents a 20% pay increase for this position. The request is to compensate the associate director for increased workload, new job duties assumed from the executive director, and to better align her salary with that of comparable state agency associate and deputy directors. Specific areas of increased workload include: policy and legislative analysis and development; research and board support; implementation of legacy database upgrades and increased cybersecurity requirements; and representation of the Idaho State Board of Medicine in regional and national forums. According to the agency, the associate director has taken on duties previously performed by the executive director in order to allow the executive director to interface more with licensees and facilities (hospitals, practice sites, residency programs, etc.) throughout the state, as well as manage new issues for the agency such as license portability through the Interstate Medical Licensure Compact, barriers to employment, regulatory strategies, and the opioid crisis.					
Agency Request	0.00	0	17,100	0	17,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Walls for Front Desk Area					Board of Medicine
The Board of Medicine requests \$2,000 in onetime capital outlay from the State Regulatory Fund to install wall panels in its reception area. Currently, the Board of Medicine's front desk reception area is exposed and open to the public. The addition of walls will create a more efficient work space for the front desk receptionist and provide a physical security barrier.					
Agency Request	0.00	0	2,000	0	2,000
Governor's Recommendation	0.00	0	2,000	0	2,000
5. Executive Director Salary Increase					Board of Medicine
The Board of Medicine requests \$21,400 in ongoing personnel costs for a salary increase for its executive director. At its September 2017 board meeting, the Board of Medicine requested that the executive director's salary be raised to be commensurate with her increased duties and responsibilities, to be more competitive within the state as well as with nearby states, and to better attract the most qualified candidates for future succession planning. The request represents an 18% pay increase for this position. This increase is to compensate the executive director for an increased workload and to better align her salary with that of comparable state agency executive directors. The agency reports that the executive director's duties have expanded over the last few years to include an increased volume of: policy and legislative analysis for regulatory issues; policy development and implementation; rulemaking; board support; and research of changing consumer attitudes facing licensed health care professions. In addition, the agency reports that disciplinary enforcement issues have increased, including monitoring complaint investigations, administrative hearings, and state and federal litigation matters. Medical licensure has increased 96% since 2009, and additional oversight is needed to manage license portability through the Interstate Medical Licensure Compact.					
Agency Request	0.00	0	21,400	0	21,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Medical Boards

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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6. Licensing Manager Position

Board of Medicine

The Board of Medicine requests 1.00 FTP and \$78,900 in ongoing personnel costs from the State Regulatory Fund to hire a licensing manager. This position is requested at 80% of policy for pay grade M (\$53,900 in salary and \$25,000 in benefits). This position will manage the increase in medical licensure applications that has occurred in recent years. According to the agency, licensure of physicians, medical residents, and students has increased 97% since 2009, and licensure of physician assistants has increased 60% in this same time frame. The Board of Medicine licenses and regulates medical physicians, osteopathic physicians, physician assistants, athletic trainers, dietitians, and respiratory therapists for over 10,000 licensees. According to the agency, the increased volume of applications and the conversion to online applications for all licenses has created more data to process and more information to review and assess. In addition, with the establishment of the Interstate Medical Licensure Compact in 2015 and the beginning of licensing under the compact in April 2017, there are now increasing changes to federal regulatory requirements with which licensure staff must stay current and compliant. The agency reports that telehealth practices are increasing, requiring additional review and knowledge of applicable laws and rules. Additionally, the agency processes supervising and directing licenses for overseeing physician assistants, resident physicians, cosmetic providers, and athletic trainers. Physician assistants are required to have "Delegation of Services Agreements" outlining the scope of medical services they are allowed to provide for each supervising physician they work under and each site at which they work, and these must also be reviewed and approved by the Board of Medicine. As a result of increasing mergers of smaller clinics into larger health systems and an increase in telehealth services being provided, the volume of agreements has increased as these documents must be continuously updated with the Board of Medicine whenever there is a change to their primary or alternate supervising physician, scope of services they provide, addition of new work locations, or the organization for which they work. Currently, the associate and executive director oversee all licensing functions and provide the final approval of all license applications. At its September 2017 meeting, the Board of Medicine directed the executive director to seek additional staff resources to assist with the workload of the leadership staff.

Additionally, the agency requests \$5,000 in onetime capital outlay for a computer and work station for the new employee, for a total request of \$83,900.

Agency Request	1.00	0	83,900	0	83,900
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	1.00	0	84,300	0	84,300
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7. IT/Telecommunications

Board of Nursing

The Board of Nursing requests \$14,800 from the State Regulatory Fund to upgrade existing IT/Telecommunications office equipment based on the Department of Administration's recommendations, as well as to replace office equipment and software at the end of its service life. This request includes: onetime operating expenditures for a phone system upgrade (\$2,800), replacement router (\$2,000), six software licenses (\$1,800), and one projector (\$600); onetime capital outlay to replace a network switch (\$1,500), wireless access point (\$1,000), and ten desktop scanners (\$3,100); ongoing operating expenditures for internet/Security and State Network services from the Department of Administration (\$1,300), and a Microsoft 365 Email Only Subscription (\$700).

Agency Request	0.00	0	14,800	0	14,800
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Governor's Recommendation	0.00	0	14,800	0	14,800
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Medical Boards

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Prescriber Report Cards

Board of Pharmacy

The Board of Pharmacy requests \$20,000 in ongoing operating expenditures from the State Regulatory Fund for the annual maintenance of Prescriber Report Cards, a component of the state Prescription Monitoring Program (PMP). Prescriber Report Cards provide a summary of a healthcare provider's own prescribing history, including the provider's ranking compared to the "average" prescriber of the same specialty, and a summary or graphical representation of the provider's prescribing history. The use of report cards provides an opportunity for self-examination of a prescriber's practice as it pertains to his or her prescribing of controlled substances, and allows for the ability to track any changes in these metrics over time. Typically, individualized reports are sent quarterly to all prescribers of controlled substances. According to the agency, other states who have implemented the tool have seen a decrease in opioid prescriptions.

The Board of Pharmacy operates the state's PMP through its vendor, Appriss Health. Appriss has the technical capability to operationalize Prescriber Report Cards within the state's current PMP system, and the Board of Pharmacy launched this functionality with federal grant money through a contract with the Department of Health and Welfare (DHW) in fall 2017. DHW will cover the cost of implementing the report cards and pay the first year maintenance fee through its federal grant. This request is to continue the use of Prescriber Report Cards beyond the time period covered by the federal grant. The Board of Pharmacy will start paying the annual maintenance cost in FY 2019. The agency currently has an ongoing appropriation of \$82,000 designated for PMP system maintenance: \$62,000 for the annual maintenance contract, and \$20,000 for annual upgrades and reporting. If approved, this request will bring the ongoing appropriation amount and annual cost of the PMP system to \$102,000.

Agency Request	0.00	0	20,000	0	20,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>20,000</i>	<i>0</i>	<i>20,000</i>

9. DHW Contract

Board of Pharmacy

The Board of Pharmacy requests \$120,000 in ongoing operating expenditures from the State Regulatory Fund to complete the requirements of the Prescription Drug Overdose Prevention contract with the Department of Health and Welfare (DHW) for the FY 2019 and FY 2020 contract periods. The request is ongoing because the federal grant is likely to be extended and the current end date is unknown.

The Board of Pharmacy is working in collaboration with DHW to help curb rising opioid abuse in Idaho. DHW has a federal grant from which it contracts \$120,000 per year to the Board of Pharmacy to implement the Prescription Drug Overdose Prevention Program. Under this contract, the agency performs outreach to pharmacies throughout the state to facilitate adoption of two tools, Prescription Monitoring Program (PMP) Gateway and NarxCare, which provide streamlined access to PMP data to prescribers and dispensers of pharmaceuticals. According to the agency, these tools enhance the Board of Pharmacy's existing PMP and improve decision-making for providers around controlled substance use.

The agency does not currently have an ongoing appropriation for the program, but instead received onetime funding for years one and two of the contract. The annual costs for the program are \$70,000 for reporting and \$50,000 for software licensing fees, for a total of \$120,000. The ongoing appropriation requested here would give the agency the funding for future contract renewals with DHW under its federal grant. When the contract is no longer renewable or the grant funds are no longer available to DHW, the agency will request a base reduction.

Agency Request	0.00	0	120,000	0	120,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>120,000</i>	<i>0</i>	<i>120,000</i>

Medical Boards

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. Online Licensing Software	Board of Veterinary Medicine				
The Board of Veterinary Medicine requests \$105,000 for onetime operating expenditures from the State Regulatory Fund to purchase software to facilitate online licensing. The upgrade will be funded by revenues from FY 2017 that resulted from a one-year increase in license renewal fees authorized by Section 54-2112A, Idaho Code. The agency currently processes paper licensing applications which are time consuming for staff and prone to data entry errors. The agency currently licenses or certifies approximately 1,550 individuals and requires numerous pages per applicant. Online applications would increase the efficiency and accuracy of processing and reduce staff workload. The software would also be integrated into the agency's data management and fiscal systems, facilitating greater efficiency by decreasing redundant data entry into multiple systems. According to the agency, quality controls in a completely integrated system would create a more useful and effective tool for the public, the agency, and state auditors overseeing its processes.					
Agency Request	0.00	0	105,000	0	105,000
Governor's Recommendation	0.00	0	105,000	0	105,000
FY 2019 Total					
Agency Request	49.20	0	6,439,000	0	6,439,000
Governor's Recommendation	49.20	0	6,466,800	0	6,466,800
Agency Request					
Change from Original App	1.00	0	(305,500)	0	(305,500)
% Change from Original App	2.1%		(4.5%)		(4.5%)
Governor's Recommendation					
Change from Original App	1.00	0	(277,700)	0	(277,700)
% Change from Original App	2.1%		(4.1%)		(4.1%)

Public Defense Commission

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	5,796,900	4,834,500	5,827,700	6,008,900	5,814,800
Percent Change:		(16.6%)	20.5%	3.1%	(0.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	501,400	294,700	555,700	551,700	561,600
Operating Expenditures	315,600	353,000	246,300	242,500	227,500
Capital Outlay	13,400	11,200	0	2,900	0
Trustee/Benefit	4,966,500	4,175,600	5,025,700	5,211,800	5,025,700
Total:	5,796,900	4,834,500	5,827,700	6,008,900	5,814,800
Full-Time Positions (FTP)	6.00	6.00	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 with 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 2018 Original Appropriation	6.00	5,827,700	5,827,700	6.00	5,827,700	5,827,700
FY 2019 Base	6.00	5,827,700	5,827,700	6.00	5,827,700	5,827,700
Benefit Costs	0.00	(8,600)	(8,600)	0.00	(8,100)	(8,100)
Statewide Cost Allocation	0.00	(29,800)	(29,800)	0.00	(29,800)	(29,800)
Change in Employee Compensation	0.00	4,600	4,600	0.00	14,000	14,000
FY 2019 Program Maintenance	6.00	5,793,900	5,793,900	6.00	5,803,800	5,803,800
1. County Indigent Defense Funds	0.00	186,100	186,100	0.00	0	0
2. Public Defender Training	0.00	15,000	15,000	0.00	0	0
3. Commissioner Travel Costs	0.00	10,000	10,000	0.00	10,000	10,000
4. IT/Telecommunications	0.00	3,900	3,900	0.00	1,000	1,000
FY 2019 Total	6.00	6,008,900	6,008,900	6.00	5,814,800	5,814,800
Change from Original Appropriation	0.00	181,200	181,200	0.00	(12,900)	(12,900)
% Change from Original Appropriation		3.1%	3.1%		(0.2%)	(0.2%)

Public Defense Commission

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	6.00	5,827,700	0	0	5,827,700
FY 2019 Base					
Agency Request	6.00	5,827,700	0	0	5,827,700
Governor's Recommendation	6.00	5,827,700	0	0	5,827,700

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(8,600)	0	0	(8,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(8,100)	0	0	(8,100)
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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 \$30,300, risk management costs will decrease by \$200, and State Controller fees will increase by \$700, for a net reduction of \$29,800.

Agency Request	0.00	(29,800)	0	0	(29,800)
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Governor's Recommendation	0.00	(29,800)	0	0	(29,800)
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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	4,600	0	0	4,600
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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.

Governor's Recommendation	0.00	14,000	0	0	14,000
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FY 2019 Program Maintenance

Agency Request	6.00	5,793,900	0	0	5,793,900
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Governor's Recommendation	6.00	5,803,800	0	0	5,803,800
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1. County Indigent Defense Funds

The agency requests \$186,100 in ongoing trustee and benefit payments from the General Fund to provide to counties for indigent defense. Counties are eligible for three types of indigent defense funding from the state: formula-based distributions pursuant to Sections 19-862A(3) and 19-851(8), Idaho Code; distributions to incentivize counties to merge their public defender offices pursuant to Section 19-862A(3), Idaho Code; and discretionary distributions for extraordinary litigation costs (ELC) pursuant to Section 19-850(2)(e), Idaho Code. For FY 2019, the commission expects to have a maximum statutory obligation to counties of \$4,552,560 for formula grants and merger incentives. The agency currently has an appropriation of \$4,775,700 for these purposes, \$223,140 in excess of its maximum statutory obligation. Thus, to the extent any funding is appropriated as requested here, such funding could only be expended in FY 2019 as discretionary distributions for ELC, for which the agency currently has an appropriation of \$250,000.

Agency Request	0.00	186,100	0	0	186,100
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Public Defense Commission

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Public Defender Training					
<p>The commission requests \$15,000 in ongoing operating expenditures from the General Fund to provide training to Idaho public defenders. H634 of 2014 originally appropriated \$110,000 in trustee and benefit payments to the commission to be provided directly to counties for public defender training. However, after H504 of 2016 amended Section 19-850(2)(d), Idaho Code, to permit the commission to provide training to public defenders on behalf of the counties, H578 of 2016 transferred the \$110,000 appropriation from trustee and benefit payments to operating expenditures. The commission has since used its training funds to pay membership dues, host seminars for public defenders, and provide scholarships to attend out-of-state training opportunities. For example, in FY 2017 the commission spent a total of \$123,700 for these purposes as follows: \$3,940 to pay annual dues to the National Association of Public Defenders on behalf of 197 individuals; \$110,305 for five seminars that were attended by 351 individuals; and \$9,455 in scholarships to eight individuals. As the commission exceeded its training appropriation in FY 2017, the commission requests additional funding for these purposes. Further, public defenders are now required to annually complete seven hours of continuing legal education courses relevant to the representation of indigent defendants pursuant to the commission's Standards for Defending Attorneys, as incorporated by reference in IDAPA 61.01.07.004.02.</p>					
Agency Request	0.00	15,000	0	0	15,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Commissioner Travel Costs					
<p>The agency requests \$10,000 in ongoing operating expenditures from the General Fund to pay travel costs associated with the addition of two new commission members. The commission is proposing legislation that would amend Section 19-849(1), Idaho Code, to add two additional commission members, one additional representative from the Idaho Association of Counties and one additional defending attorney. According to the agency, the addition of these members would increase stakeholder representation by allowing for county and attorney representation from both urban and rural areas. The commission is required to meet quarterly, though it regularly meets monthly. In FY 2017, the commission expended \$356 for commission travel costs, which covered one member for one meeting. For purposes of this request, the commission estimates the travel costs for one member to total approximately \$415 per meeting. Assuming that the two new commission members will be non-local members, the commission plans to account for 12 meetings for each of the two new members at a total estimated cost of \$10,000. Separate legislation will be required.</p>					
Agency Request	0.00	10,000	0	0	10,000
Governor's Recommendation	0.00	10,000	0	0	10,000
4. IT/Telecommunications					
<p>The commission requests \$3,900 from the General Fund to make IT and telecommunications upgrades as recommended by the Office of the Chief Information Officer (OCIO) in the Department of Administration. Of the total amount requested, \$1,000 is in ongoing operating expenditures and \$2,900 is in onetime capital outlay. Pursuant to a June 21, 2017 letter, the OCIO recommends telephone upgrades at a onetime cost of \$900, and the purchase of a new router at a onetime cost of \$2,000. Also recommended was a Microsoft Office 365 upgrade at a total ongoing cost of \$700, and internet/security and state network support at a total ongoing cost of \$300.</p>					
Agency Request	0.00	3,900	0	0	3,900
<i>The Governor recommends a Microsoft Office 365 upgrade at a total ongoing cost of \$700, and internet/security and state network support at a total ongoing cost of \$300.</i>					
Governor's Recommendation	0.00	1,000	0	0	1,000
FY 2019 Total					
Agency Request	6.00	6,008,900	0	0	6,008,900
Governor's Recommendation	6.00	5,814,800	0	0	5,814,800

Public Defense Commission

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	181,200	0	0	181,200
% Change from Original App	0.0%	3.1%			3.1%
Governor's Recommendation					
Change from Original App	0.00	(12,900)	0	0	(12,900)
% Change from Original App	0.0%	(0.2%)			(0.2%)

Regulatory Boards

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Board of Accountancy	554,200	437,000	550,900	547,200	552,500
Board of Engineers & Surveyors	710,300	696,200	731,000	796,600	805,300
Bureau of Occupational Licenses	4,080,700	3,777,200	4,615,200	5,354,800	5,405,800
Outfitters & Guides Licensing Bd	626,000	468,100	610,000	605,000	610,900
Real Estate Commission	1,690,900	1,368,100	1,596,800	1,607,500	1,627,400
Total:	7,662,100	6,746,600	8,103,900	8,911,100	9,001,900
BY FUND CATEGORY					
Dedicated	7,662,100	6,746,600	8,103,900	8,911,100	9,001,900
Percent Change:		(11.9%)	20.1%	10.0%	11.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,806,500	4,371,400	4,855,600	4,884,100	4,974,000
Operating Expenditures	2,785,200	2,303,900	3,152,200	3,951,700	3,952,600
Capital Outlay	17,900	36,000	41,000	20,200	20,200
Trustee/Benefit	52,500	35,300	55,100	55,100	55,100
Total:	7,662,100	6,746,600	8,103,900	8,911,100	9,001,900
Full-Time Positions (FTP)	69.00	69.00	69.00	70.00	70.00

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 (IPELS) 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 (IBOL) 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 and 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 and 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 to safeguard 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

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	69.00	0	8,103,900	69.00	0	8,103,900
1. Case Hearing and Litigation Costs	0.00	0	0	0.00	0	30,000
FY 2018 Total Appropriation	69.00	0	8,103,900	69.00	0	8,133,900
Removal of Onetime Expenditures	0.00	0	(361,300)	0.00	0	(391,300)
FY 2019 Base	69.00	0	7,742,600	69.00	0	7,742,600
Benefit Costs	0.00	0	(108,800)	0.00	0	(96,200)
Inflationary Adjustments	0.00	0	14,000	0.00	0	14,000
Replacement Items	0.00	0	44,900	0.00	0	44,900
Statewide Cost Allocation	0.00	0	3,700	0.00	0	4,600
Change in Employee Compensation	0.00	0	39,500	0.00	0	113,700
FY 2019 Program Maintenance	69.00	0	7,735,900	69.00	0	7,823,600
1. Attorney Fee Increase - IPELS	0.00	0	40,000	0.00	0	40,000
2. Deputy Director Land Surveying - IPELS	1.00	0	99,500	1.00	0	102,600
3. IT/Telecommunications	0.00	0	14,700	0.00	0	14,700
4. Database Upgrade - IBOL	0.00	0	1,021,000	0.00	0	1,021,000
FY 2019 Total	70.00	0	8,911,100	70.00	0	9,001,900
Change from Original Appropriation	1.00	0	807,200	1.00	0	898,000
% Change from Original Appropriation			10.0%			11.1%

Regulatory Boards

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	69.00	0	8,103,900	0	8,103,900

1. Case Hearing and Litigation Costs

Board of Prof Engineers & Land Surveyors

Agency Request	0.00	0	0	0	0
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The Governor recommends a onetime appropriation of \$30,000 in operating expenditures from the State Regulatory Fund for case hearing and litigation costs for the Board of Professional Engineers and Land Surveyors. The Board had a contested case appealed to the Idaho Supreme Court and a contested disciplinary hearing last October that was more expensive than anticipated.

Governor's Recommendation	0.00	0	30,000	0	30,000
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FY 2018 Total Appropriation					
Agency Request	69.00	0	8,103,900	0	8,103,900
Governor's Recommendation	69.00	0	8,133,900	0	8,133,900

Removal of Onetime Expenditures

Prof Engineers & Land Surveyors, Occupational Licenses

This decision unit removes expenditures for replacement items and line items funded on a onetime basis in FY 2018.

Agency Request	0.00	0	(361,300)	0	(361,300)
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The Governor's recommendation also includes the removal of expenditures for the supplemental that was recommended on a onetime basis.

Governor's Recommendation	0.00	0	(391,300)	0	(391,300)
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FY 2019 Base					
Agency Request	69.00	0	7,742,600	0	7,742,600
Governor's Recommendation	69.00	0	7,742,600	0	7,742,600

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(108,800)	0	(108,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(96,200)	0	(96,200)
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Inflationary Adjustments

The Board of Professional Engineers and Land Surveyors (IPELS) requests \$1,100 in contract inflation due to an increase in its annual lease. The lease will increase from \$37,200 in FY 2018 to \$38,300 in FY 2019.

The Bureau of Occupational Licenses (IBOL) requests \$12,900 in general inflation. This request includes an increase of \$8,900 for repair and maintenance and \$4,000 for employee travel costs.

Agency Request	0.00	0	14,000	0	14,000
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Governor's Recommendation	0.00	0	14,000	0	14,000
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Regulatory Boards

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Replacement Items					
The Board of Professional Engineers and Land Surveyors (IPELS) requests \$6,900 to replace a laptop, five phones, one router, and two wireless access points.					
The Bureau of Occupational Licenses (IBOL) requests \$12,100 to replace 38 phones, two network switches, and ten telephone headsets.					
The Real Estate Commission requests \$25,900 to replace a 2011 Chevy Equinox. The current mileage as of September 1, 2017, on this vehicle is 87,000. The commission expects that the mileage will be over 100,000 by June of 2018.					
Agency Request	0.00	0	44,900	0	44,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>44,900</i>	<i>0</i>	<i>44,900</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.					
The Board of Accountancy's risk management fees will decrease by \$100 and State Controller fees will increase by \$400, for a net increase of \$300.					
The Board of Professional Engineers and Land Surveyors' risk management fees will decrease by \$200 and the State Controller fees will increase by \$200, for a net change of zero.					
The Bureau of Occupational Licenses' State Controller fees will increase by \$4,000 and Attorney General fees will decrease by \$700, for a net increase of \$3,300.					
The Outfitters and Guides Licensing Board's risk management fees will decrease by \$100 and State Controller fees will increase by \$100, for a net change of zero.					
The Real Estate Commission's risk management fees will decrease by \$100 and State Controller fees will increase by \$200, for a net increase of \$100.					
Agency Request	0.00	0	3,700	0	3,700
<i>The Governor's recommendation also includes funding for Legislative Audit fees which will decrease \$600 for the Board of Professional Engineers and Land Surveyor's, increase \$1,000 for the Bureau Occupation Licensing, and increase \$500 for the Real Estate Commission, for a total increase of \$900.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>4,600</i>	<i>0</i>	<i>4,600</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	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.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>113,700</i>	<i>0</i>	<i>113,700</i>
FY 2019 Program Maintenance					
Agency Request	69.00	0	7,735,900	0	7,735,900
<i>Governor's Recommendation</i>	<i>69.00</i>	<i>0</i>	<i>7,823,600</i>	<i>0</i>	<i>7,823,600</i>

Regulatory Boards

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Attorney Fee Increase - IPELS		Board of Prof Engineers & Land Surveyors			
The Idaho Board of Professional Engineers and Land Surveyors (IPELS) requests a onetime appropriation of \$40,000 from the State Regulatory Fund for additional compensation to board members, and for legal fees due to investigations and disciplinary hearings expected during FY 2019. This request includes \$10,000 in personnel costs and \$30,000 in operating expenditures. The salary for the board and the attorney fees are expected to be higher due to an increase in contested case disciplinary hearings and litigation. One case has been appealed to the Idaho Supreme Court and is expected to be heard in 2019.					
Agency Request	0.00	0	40,000	0	40,000
Governor's Recommendation	0.00	0	40,000	0	40,000
2. Deputy Director Land Surveying - IPELS		Board of Prof Engineers & Land Surveyors			
The Idaho Board of Professional Engineers and Land Surveyors (IPELS) is requesting a new position for a deputy director for land surveying. This would be a full-time position and the agency is requesting \$98,300 ongoing and \$1,200 onetime. In the last year the amount of complaints about land surveyors have more than doubled. In FY 2016 IPELS received five complaints about land surveyors and in FY 2017 it received 12 complaints. Currently, there are four staff that process applications and manage the office, which includes handling finances, investigating, and prosecuting complaints. The agency does not have a land surveyor that works in the office, therefore, when complaints are received against land surveyors the agency has to contract out the investigation and prosecution. If approved, IPELS would like to hire a land surveyor to fill this position to avoid contracting out services as well as having someone in the office that can help to educate land surveyors in hopes of reducing complaints.					
Agency Request	1.00	0	99,500	0	99,500
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	1.00	0	102,600	0	102,600
3. IT/Telecommunications		Prof Engineers & Land Surveyors, Occupational Licenses			
The Office of the Chief Information Officer (OCIO) has identified cost increases for Microsoft Office 365, telephone, internet services, and software needed for improved functionality, cybersecurity, and general replacement.					
Idaho Board of Professional Engineers and Land surveyors requests \$1,200 to upgrade to Microsoft Office 365 and to implement security upgrades.					
Bureau of Occupational Licensing requests \$13,500 to upgrade to Microsoft Office 365 and to implement security upgrades.					
Agency Request	0.00	0	14,700	0	14,700
Governor's Recommendation	0.00	0	14,700	0	14,700
4. Database Upgrade - IBOL		Bureau of Occupational Licenses			
The Bureau of Occupational Licenses (IBOL) is requesting \$1,021,000 in onetime operating expenditures to upgrade its database system from an outdated access platform to a web-based platform. IBOL anticipates that with the new system it will be able to utilize existing web programs and add necessary functionality to meet increased needs, and have better accessibility and quality. The Legislature funded the first of a five-year request for \$255,300 for the upgrade in the FY 2018 budget. The total estimated cost is \$1,276,300. The agency is unsure if the vendor will be ready to implement in FY 2018. If the money is not spent in FY 2018, IBOL plans to revert that appropriation and request that amount at a later date, if needed.					
Further, IBOL will be requesting carryover authority for the next five years as they would need \$255,300 per year.					
Agency Request	0.00	0	1,021,000	0	1,021,000
In addition to the recommended line item, the Governor recommends that the agency request reappropriation for FY 2020.					
Governor's Recommendation	0.00	0	1,021,000	0	1,021,000

Regulatory Boards

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	70.00	0	8,911,100	0	8,911,100
<i>Governor's Recommendation</i>	<i>70.00</i>	<i>0</i>	<i>9,001,900</i>	<i>0</i>	<i>9,001,900</i>
Agency Request					
Change from Original App	1.00	0	807,200	0	807,200
% Change from Original App	1.4%		10.0%		10.0%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>0</i>	<i>898,000</i>	<i>0</i>	<i>898,000</i>
<i>% Change from Original App</i>	<i>1.4%</i>		<i>11.1%</i>		<i>11.1%</i>

Office of State Appellate Public Defender

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
State Appellate Public Defender	2,359,200	2,282,400	2,538,500	2,580,600	2,646,000
Capital and Conflict Representation	302,400	192,700	350,700	302,400	302,400
Total:	2,661,600	2,475,100	2,889,200	2,883,000	2,948,400
BY FUND CATEGORY					
General	2,636,600	2,474,400	2,889,200	2,883,000	2,948,400
Dedicated	25,000	700	0	0	0
Total:	2,661,600	2,475,100	2,889,200	2,883,000	2,948,400
Percent Change:		(7.0%)	16.7%	(0.2%)	2.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,111,500	1,981,900	2,314,000	2,322,300	2,390,700
Operating Expenditures	550,100	467,300	575,200	549,700	546,700
Capital Outlay	0	25,900	0	11,000	11,000
Total:	2,661,600	2,475,100	2,889,200	2,883,000	2,948,400
Full-Time Positions (FTP)	23.00	23.00	23.00	24.00	24.00

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, all 44 counties 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 2018 Original Appropriation	23.00	2,889,200	2,889,200	23.00	2,889,200	2,889,200
Removal of Onetime Expenditures	0.00	(48,300)	(48,300)	0.00	(48,300)	(48,300)
FY 2019 Base	23.00	2,840,900	2,840,900	23.00	2,840,900	2,840,900
Benefit Costs	0.00	(33,600)	(33,600)	0.00	(32,800)	(32,800)
Inflationary Adjustments	0.00	12,500	12,500	0.00	12,500	12,500
Replacement Items	0.00	10,800	10,800	0.00	10,800	10,800
Statewide Cost Allocation	0.00	0	0	0.00	0	0
Change in Employee Compensation	0.00	20,200	20,200	0.00	60,000	60,000
FY 2019 Program Maintenance	23.00	2,850,800	2,850,800	23.00	2,891,400	2,891,400
1. Legal Assistant	1.00	23,900	23,900	1.00	51,700	51,700
2. Hearing Travel Costs	0.00	5,000	5,000	0.00	5,000	5,000
3. Attorney Training	0.00	3,000	3,000	0.00	0	0
4. IT/Telecommunications	0.00	300	300	0.00	300	300
FY 2019 Total	24.00	2,883,000	2,883,000	24.00	2,948,400	2,948,400
Change from Original Appropriation	1.00	(6,200)	(6,200)	1.00	59,200	59,200
% Change from Original Appropriation		(0.2%)	(0.2%)		2.0%	2.0%

Office of State Appellate Public Defender

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	23.00	2,889,200	0	0	2,889,200

Removal of Onetime Expenditures

This decision unit removes onetime amounts appropriated for FY 2018 to pay costs associated with the agency's unusually high capital caseload.

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>

FY 2019 Base					
Agency Request	23.00	2,840,900	0	0	2,840,900
<i>Governor's Recommendation</i>	<i>23.00</i>	<i>2,840,900</i>	<i>0</i>	<i>0</i>	<i>2,840,900</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(33,600)	0	0	(33,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(32,800)</i>	<i>0</i>	<i>0</i>	<i>(32,800)</i>
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Inflationary Adjustments

Inflationary adjustment include \$2,600 for communication costs; \$1,000 for professional services; \$5,500 for computer services; \$1,600 for rentals and operating leases; and \$1,800 for miscellaneous expenditures. Communication costs consist of \$2,000 for internet service from the Department of Administration and \$600 for cellular service. Professional services consist of \$1,000 for Idaho State Bar dues. The Idaho State Bar is no longer providing a discount to the SAPD's attorneys or waiving the Client Assistance Fund fee. Computer services consist of \$3,000 for the agency's IT service contract, \$600 for its case management software, \$1,500 for its legal research access, and \$400 for its office equipment lease. Rentals and operating leases consist of \$1,600 for the annual increase associated with the agency's office space lease. Lastly, miscellaneous expenditures consist of \$1,700 for box storage fees from the Idaho State Historical Society's Record Center and \$100 for legal publications.

Agency Request	0.00	12,500	0	0	12,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>12,500</i>	<i>0</i>	<i>0</i>	<i>12,500</i>

Replacement Items

Replacement items include \$10,800 for eight computers and related software and hardware.

Agency Request	0.00	10,800	0	0	10,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>10,800</i>	<i>0</i>	<i>0</i>	<i>10,800</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 costs will decrease by \$200 and State Controller fees will increase by \$200, for a net change of zero.

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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Office of State Appellate Public Defender

Analyst: Hoskins

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	20,200	0	0	20,200
<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>					
Governor's Recommendation	0.00	60,000	0	0	60,000
FY 2019 Program Maintenance					
Agency Request	23.00	2,850,800	0	0	2,850,800
Governor's Recommendation	23.00	2,891,400	0	0	2,891,400

1. Legal Assistant

Office of State Appellate Public Defender

The agency requests 1.00 FTP and \$23,900 from the General Fund to hire a legal assistant to support its Appellate Unit. Of the total amount requested, \$21,700 is in ongoing personnel costs for salary and benefits, and \$2,200 is in onetime capital outlay for computer equipment, a telephone, and office furniture. The agency currently has two support staff members assisting the 12 attorneys in the Appellate Unit, a six-to-one ratio. Though there currently is no national standard, the Indiana Standards for Indigent Defense Services recommend a ratio of no more than four-to-one, in terms of attorneys-to-support staff. According to the agency, the current ratio puts additional stress on attorneys and requires them to perform additional clerical duties that would typically be handled by a legal assistant. The addition of a new, full-time legal assistant would bring the ratio down to four-to-one. The agency intends to use approximately \$29,700 in existing personnel cost appropriation, which has previously been used for temporary support staff (file clerk/runner/capital unit support), to supplement the amount requested here.

Agency Request	1.00	23,900	0	0	23,900
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The Governor recommends fully funding the requested FTP.

Governor's Recommendation	1.00	51,700	0	0	51,700
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2. Hearing Travel Costs

Office of State Appellate Public Defender

The agency requests \$5,000 in ongoing operating expenditures from the General Fund to pay costs associated with traveling for oral arguments in front of the Idaho Court of Appeals. During the last economic downturn and its associated budget holdbacks, the SAPD eliminated its travel and training budget. With the cooperation of the Idaho Supreme Court, the Court of Appeals temporarily agreed not to schedule oral arguments for cases handled by the SAPD outside of Boise. Now, however, the SAPD is required to travel for oral arguments before the Court of Appeals.

Agency Request	0.00	5,000	0	0	5,000
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Governor's Recommendation	0.00	5,000	0	0	5,000
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3. Attorney Training

Office of State Appellate Public Defender

The agency requests \$3,000 in ongoing operating expenditures from the General Fund to supplement out-of-state, specialized training costs for appellate and capital attorneys. According to the agency, there is very little local training applicable to capital post-conviction practice and criminal appellate work. As a result, attorneys are often required to travel out-of-state to gain specialized training. While the Public Defense Commission has provided some funding for scholarships available to SAPD attorneys, oftentimes the SAPD is only able to obtain partial scholarship and is required to supplement the scholarships to get SAPD attorneys necessary training. The agency expended a total of \$4,700 for training in FY 2017 and \$200 in FY 2016.

Agency Request	0.00	3,000	0	0	3,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Office of State Appellate Public Defender

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. IT/Telecommunications					
Office of State Appellate Public Defender					
The agency requests \$300 in ongoing operating expenditures from the General Fund for internet/security and state network costs as billed by the Office of the Chief Information Officer (OCIO) in the Department of Administration.					
Agency Request	0.00	300	0	0	300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>300</i>	<i>0</i>	<i>0</i>	<i>300</i>
FY 2019 Total					
Agency Request	24.00	2,883,000	0	0	2,883,000
<i>Governor's Recommendation</i>	<i>24.00</i>	<i>2,948,400</i>	<i>0</i>	<i>0</i>	<i>2,948,400</i>
Agency Request					
Change from Original App	1.00	(6,200)	0	0	(6,200)
% Change from Original App	4.3%	(0.2%)			(0.2%)
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>59,200</i>	<i>0</i>	<i>0</i>	<i>59,200</i>
<i>% Change from Original App</i>	<i>4.3%</i>	<i>2.0%</i>			<i>2.0%</i>

Division of Veterans Services

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	1,056,400	1,002,100	1,117,700	1,108,800	1,127,500
Dedicated	17,651,300	16,677,900	18,453,700	17,146,200	17,383,800
Federal	16,792,500	15,888,500	25,038,400	15,582,000	15,728,100
Total:	35,500,200	33,568,500	44,609,800	33,837,000	34,239,400
Percent Change:		(5.4%)	32.9%	(24.1%)	(23.2%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	21,993,700	21,755,300	22,775,600	22,660,900	23,070,300
Operating Expenditures	10,339,200	8,673,100	20,777,800	10,876,600	10,869,600
Capital Outlay	2,771,400	2,768,300	878,000	98,600	98,600
Trustee/Benefit	395,900	371,800	178,400	200,900	200,900
Total:	35,500,200	33,568,500	44,609,800	33,837,000	34,239,400
Full-Time Positions (FTP)	333.00	333.00	346.00	345.00	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 provide respectful interment services for eligible veterans and their families, 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 2018 Original Appropriation	346.00	1,117,700	44,609,800	346.00	1,117,700	44,609,800
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	346.00	1,117,700	44,609,800	346.00	1,117,700	44,609,800
Removal of Onetime Expenditures	0.00	0	(11,462,600)	0.00	0	(11,462,600)
Base Adjustments	(1.00)	0	0	0.00	0	0
FY 2019 Base	345.00	1,117,700	33,147,200	346.00	1,117,700	33,147,200
Benefit Costs	0.00	(17,900)	(517,100)	0.00	(16,500)	(450,000)
Replacement Items	0.00	0	487,000	0.00	0	487,000
Statewide Cost Allocation	0.00	0	13,700	0.00	0	6,700
Change in Employee Compensation	0.00	9,000	181,300	0.00	26,300	517,400
FY 2019 Program Maintenance	345.00	1,108,800	33,312,100	346.00	1,127,500	33,708,300
1. Market Equity Salary Increases	0.00	0	221,100	0.00	0	227,300
2. New Capital Outlay	0.00	0	133,800	0.00	0	133,800
3. Veterans Recognition Income Fund	0.00	0	150,000	0.00	0	150,000
4. IDAPA Rules Chg - Personal Property	0.00	0	20,000	0.00	0	20,000
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	345.00	1,108,800	33,837,000	346.00	1,127,500	34,239,400
Change from Original Appropriation	(1.00)	(8,900)	(10,772,800)	0.00	9,800	(10,370,400)
% Change from Original Appropriation		(0.8%)	(24.1%)		0.9%	(23.2%)

Division of Veterans Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	346.00	1,117,700	18,453,700	25,038,400	44,609,800

Noncognizable Funds and Transfers

This decision unit transfers 0.30 FTP from the General Fund to the Veterans Home Endowment Fund.

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 Estimated Expenditures					
Agency Request	346.00	1,117,700	18,453,700	25,038,400	44,609,800
Governor's Recommendation	346.00	1,117,700	18,453,700	25,038,400	44,609,800

Removal of Onetime Expenditures

This decision unit removes onetime amounts appropriated in FY 2018 for replacement items and line items.

Agency Request	0.00	0	(1,820,500)	(9,642,100)	(11,462,600)
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Governor's Recommendation	0.00	0	(1,820,500)	(9,642,100)	(11,462,600)
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Base Adjustments

This decision unit reduces the FTP by 1.00 from the Miscellaneous Revenue Fund. The FTP is vacant and unfunded.

Agency Request	(1.00)	0	0	0	0
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2019 Base					
Agency Request	345.00	1,117,700	16,633,200	15,396,300	33,147,200
Governor's Recommendation	346.00	1,117,700	16,633,200	15,396,300	33,147,200

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(17,900)	(315,200)	(184,000)	(517,100)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(16,500)	(272,900)	(160,600)	(450,000)
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Replacement Items

The division requests \$487,000 in onetime appropriation from dedicated and federal funds for various replacement items and alterations and repair projects. This includes funding to replace flooring, storage cabinets, shower curtains, computers, laptops, and wireless access points. Of the request, \$194,000 is from the Veterans Endowment Fund, \$193,000 is from federal funds, and \$100,000 is from the Miscellaneous Revenue Fund.

Agency Request	0.00	0	294,000	193,000	487,000
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Governor's Recommendation	0.00	0	294,000	193,000	487,000
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Division of Veterans Services

Analyst: Tatro

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 increase by \$18,000, risk management costs will decrease by \$10,700, State Controller fees will increase by \$6,500, and State Treasurer fees will decrease by \$100, for a net increase of \$13,700.

Agency Request	0.00	0	3,600	10,100	13,700
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The Governor's recommendation also includes funding for Legislative Audit fees, which will decrease by \$7,000.

Governor's Recommendation	0.00	0	(3,400)	10,100	6,700
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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	9,000	109,500	62,800	181,300
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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	26,300	305,600	185,500	517,400
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FY 2019 Program Maintenance

Agency Request	345.00	1,108,800	16,725,100	15,478,200	33,312,100
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Governor's Recommendation	346.00	1,127,500	16,956,500	15,624,300	33,708,300
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1. Market Equity Salary Increases

The division requests \$221,100 of ongoing personnel costs to provide market-related salary increases at the Lewiston Veterans Home. The goal of the division is to increase the starting pay rate to \$13.50 an hour by 2020. This requested increase will bring the starting wage in line with the recent minimum wage increase that was approved in Washington. This line item includes an additional \$1.50 per hour for the lower paid staff to bring wages up closer to the goal of \$13.50 and to mitigate the salary compression issues that will arise with a higher starting wage. The request also includes an additional \$0.75 per hour for all other staff to address salary compression and morale issues. Further, the division has asked the Division of Human Resources for several pay line exceptions and to move specified job classifications up a pay grade.

Agency Request	0.00	0	187,400	33,700	221,100
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The recommendation includes additional funding for a cook position that has been reclassified to a senior cook.

Governor's Recommendation	0.00	0	193,600	33,700	227,300
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2. New Capital Outlay

The division requests \$120,800 from dedicated and federal funds to purchase new capital outlay items. The request would purchase security cameras, IV pumps, a mobile refrigerator, a robot coupe food processor, a beverage cart, various software packages, a portable scale, and a bobcat skid-steer loader. Of the request, \$35,200 is ongoing and \$98,600 is onetime.

Agency Request	0.00	0	83,700	50,100	133,800
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Governor's Recommendation	0.00	0	83,700	50,100	133,800
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Division of Veterans Services

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Veterans Recognition Income Fund

The division requests \$150,000 to award several onetime grants from the Veterans Recognition Income Fund as allowed for in Chapter 7, Title 65, Idaho Code. The recognition fund is statutorily designed to benefit veterans in Idaho, with priority given to activities that serve disabled veterans (Section 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 12 months of the preceding 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 2019 will be the fourth year that money is available for appropriation.

The division agrees with the committee's recommendations and requests that funds be awarded as follows: (1) \$25,000 for Valley Regional Transit; (2) \$5,000 for Phoenix Multisport; (3) \$10,000 for the Wyakin Warrior Program; (4) \$40,000 for Jannus and the Legacy Corps Caregiver Support; (5) \$25,000 for Bravehearts; (6) \$10,000 for the University of Idaho's Operation Education; (7) \$15,000 for Idaho State University's Veteran Student Services Center; (8) \$5,000 for North Idaho College's expansion of veterans resources; and (9) \$15,000 for the Veterans Support Fund.

Agency Request	0.00	0	150,000	0	150,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>150,000</i>	<i>0</i>	<i>150,000</i>

4. IDAPA Rules Chg - Personal Property

The division requests \$20,000 in ongoing federal fund operating expenditures to meet the needs of new nursing home regulations as required by the federal Centers for Medicare and Medicaid Services (CMS); see 42 CFR 483.15(a)(2)(iii), effective November 28, 2016. The division states that it is currently in compliance with the federal rules and regulations, but to be in full compliance, the division needs to revise its IDAPA administrative rules by removing Section 203 of IDAPA 21.01.01. Federal requirements state that the veterans homes cannot waive their liability for loss of residential personal property; or request or require that residents or potential residents waive this liability. Section 203 of Idaho IDAPA rules states that "a home will not be responsible for loss or damage to residents' clothing, personal property, sensory aids, dentures, or prosthetic devices." The temporary rule change to remove Section 203 was made effective July 1, 2017. After the rules have been revised and become permanent, the ongoing appropriation would be used to assist the veterans homes in replacing lost personal property for residents.

Agency Request	0.00	0	0	20,000	20,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>20,000</i>	<i>20,000</i>

Budget Law Exemptions

CARRYOVER: The agency requests authority to carry over its unencumbered and unspent appropriation for a second veterans cemetery to be located in Blackfoot, Idaho. Carryover is requested from FY 2018 into FY 2019 in the amount of \$7,496,100 from the Federal Grant Fund. Carryover 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 2019 Total

Agency Request	345.00	1,108,800	17,146,200	15,582,000	33,837,000
<i>Governor's Recommendation</i>	<i>346.00</i>	<i>1,127,500</i>	<i>17,383,800</i>	<i>15,728,100</i>	<i>34,239,400</i>

Agency Request

Change from Original App	(1.00)	(8,900)	(1,307,500)	(9,456,400)	(10,772,800)
% Change from Original App	(0.3%)	(0.8%)	(7.1%)	(37.8%)	(24.1%)

Governor's Recommendation

Change from Original App	0.00	9,800	(1,069,900)	(9,310,300)	(10,370,400)
% Change from Original App	0.0%	0.9%	(5.8%)	(37.2%)	(23.2%)

Idaho Legislative Budget Book

Idaho Transportation Department

2018 Legislative Session

Transportation Services	5 - 127
Motor Vehicles	5 - 135
Highway Operations	5 - 141
Contract Construction & Right-of-Way Acq.	5 - 147

Idaho Transportation Department

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Transportation Services	35,176,100	30,624,500	37,375,000	40,286,600	40,370,000
Motor Vehicles	35,315,500	32,358,000	37,444,000	37,353,000	37,600,500
Highway Operations	194,886,900	185,996,400	199,562,000	193,867,700	195,641,500
Contract Const & Right-of-Way	645,820,300	292,622,100	390,825,400	431,000,300	432,691,900
Total:	911,198,800	541,601,000	665,206,400	702,507,600	706,303,900
BY FUND CATEGORY					
Dedicated	553,846,500	346,894,700	353,659,400	384,898,800	388,439,700
Federal	357,352,300	194,706,300	311,547,000	317,608,800	317,864,200
Total:	911,198,800	541,601,000	665,206,400	702,507,600	706,303,900
Percent Change:		(40.6%)	22.8%	5.6%	6.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	130,956,700	112,220,800	131,778,500	130,579,000	132,963,700
Operating Expenditures	113,244,200	97,501,700	98,397,200	102,341,700	102,311,700
Capital Outlay	641,532,400	313,355,300	409,343,800	446,906,800	448,598,400
Trustee/Benefit	25,465,500	18,523,200	25,686,900	22,680,100	22,430,100
Total:	911,198,800	541,601,000	665,206,400	702,507,600	706,303,900
Full-Time Positions (FTP)	1,678.00	1,678.00	1,648.00	1,648.00	1,648.00

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 and 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 and 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 federal 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 also created a new highway freight program and required states to establish a state freight plan. 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 allowed more state control in safety programs.

Idaho Transportation Department

Comparative Summary

Decision Unit	Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	1,648.00	0	665,206,400	1,648.00	0	665,206,400
Reappropriation	0.00	0	361,092,300	0.00	0	361,092,300
Supplementals						
Transportation Services						
1. Replace District 3 Shop	0.00	0	4,500,000	0.00	0	1,381,300
Motor Vehicles						
1. IRP Software Replacement	0.00	0	1,000,000	0.00	0	1,000,000
Contract Construction & Right-of-Way Acqui						
1. TECM Fund	0.00	0	18,161,700	0.00	0	18,161,700
2. Strategic Initiatives Program Fund	0.00	0	27,669,500	0.00	0	27,669,500
3. Emergency Relief Funds	0.00	0	7,506,400	0.00	0	7,506,400
4. Northgate Interchange	0.00	0	3,400,000	0.00	0	3,400,000
FY 2018 Total Appropriation	1,648.00	0	1,088,536,300	1,648.00	0	1,085,417,600
Removal of Onetime Expenditures	0.00	0	(462,834,900)	0.00	0	(459,716,200)
Base Adjustments	0.00	0	0	0.00	0	(40,000)
FY 2019 Base	1,648.00	0	625,701,400	1,648.00	0	625,661,400
Benefit Costs	0.00	0	(2,306,100)	0.00	0	(2,084,000)
Replacement Items	0.00	0	21,073,700	0.00	0	21,073,700
Statewide Cost Allocation	0.00	0	(175,000)	0.00	0	(165,000)
Change in Employee Compensation	0.00	0	1,106,600	0.00	0	3,269,200
FY 2019 Program Maintenance	1,648.00	0	645,400,600	1,648.00	0	647,755,300
Line Items						
Transportation Services						
7. Increase to Idaho Airport Aid Program	0.00	0	450,000	0.00	0	200,000
8. Statewide Capital Facilities Needs	0.00	0	3,130,000	0.00	0	3,130,000
10. Target Operating Model for Technology	0.00	0	1,225,000	0.00	0	1,225,000
11. Configuration Management Database	0.00	0	310,000	0.00	0	310,000
12. Increase to Federal Funding	0.00	0	350,000	0.00	0	350,000
14. New Aircraft	0.00	0	2,000,000	0.00	1,475,000	3,475,000
Motor Vehicles						
4. DMV VOIP System Upgrade	0.00	0	250,000	0.00	0	250,000
5. DMV County Equipment	0.00	0	203,500	0.00	0	203,500
6. Software for the DMV Computers	0.00	0	28,300	0.00	0	28,300
Highway Operations						
2. Behavioral Safety Funding	0.00	0	500,000	0.00	0	500,000
3. Highway Operation Equipment	0.00	0	744,200	0.00	0	744,200
9. Purchase New TAMS System	0.00	0	2,350,000	0.00	0	2,350,000
13. FAST Act Increase	0.00	0	526,100	0.00	0	526,100
Contract Construction & Right-of-Way Acqui						
1. Excess Revenue and Receipts	0.00	0	45,039,900	0.00	0	46,731,500
Cash Transfers	0.00	0	0	0.00	(1,475,000)	(1,475,000)
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	1,648.00	0	702,507,600	1,648.00	0	706,303,900
Chg from FY 2018 Orig Approp.	0.00	0	37,301,200	0.00	0	41,097,500
% Chg from FY 2018 Orig Approp.	0.0%		5.6%	0.0%		6.2%

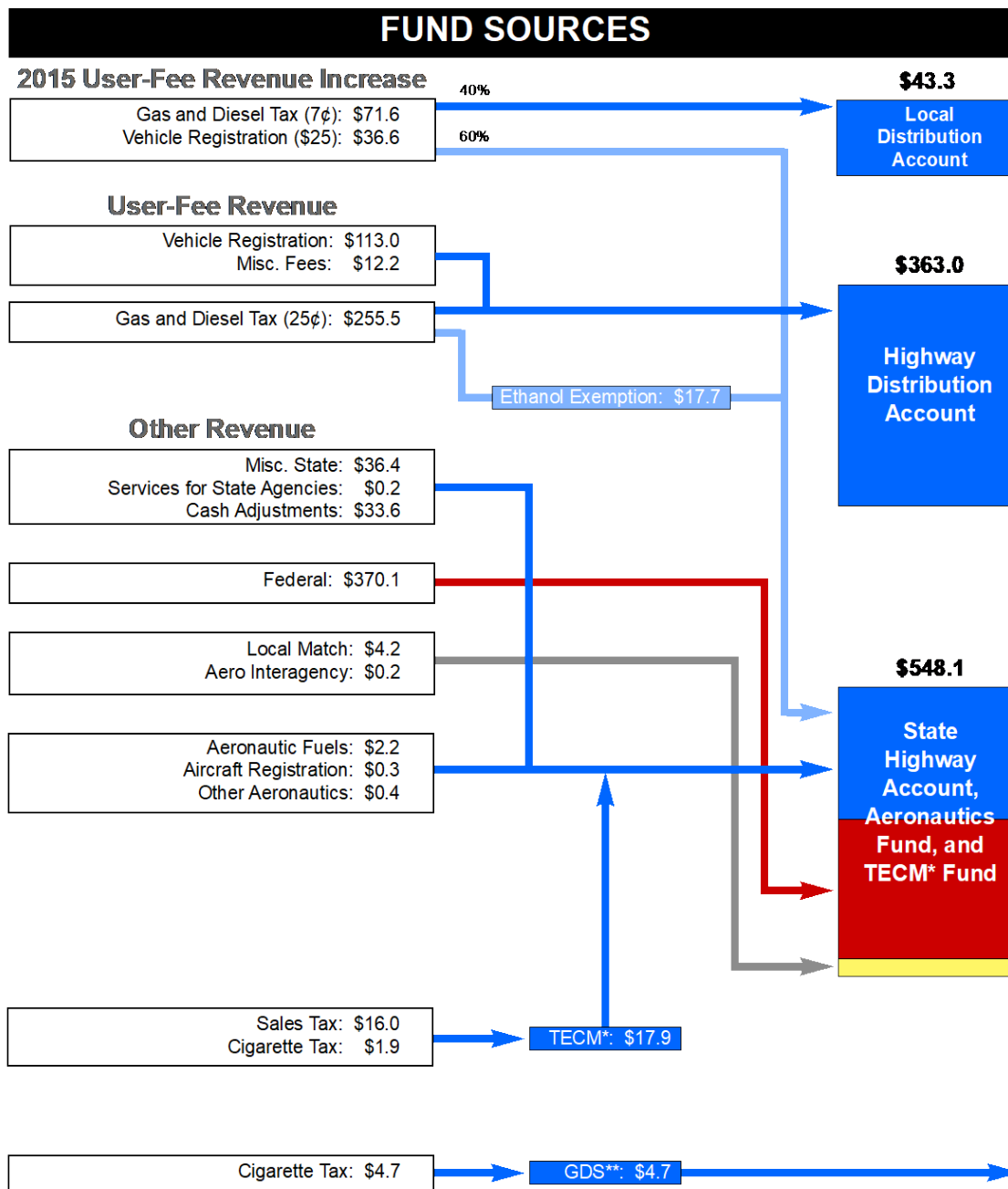
Idaho Transportation Department

Agency Profile

Analyst: Otto

Idaho Transportation Department — FY2019 Agency Request

(Dollars in millions — Totals may not add due to rounding)



*Transportation Expansion and Congestion Mitigation

**GARVEE Debt Service

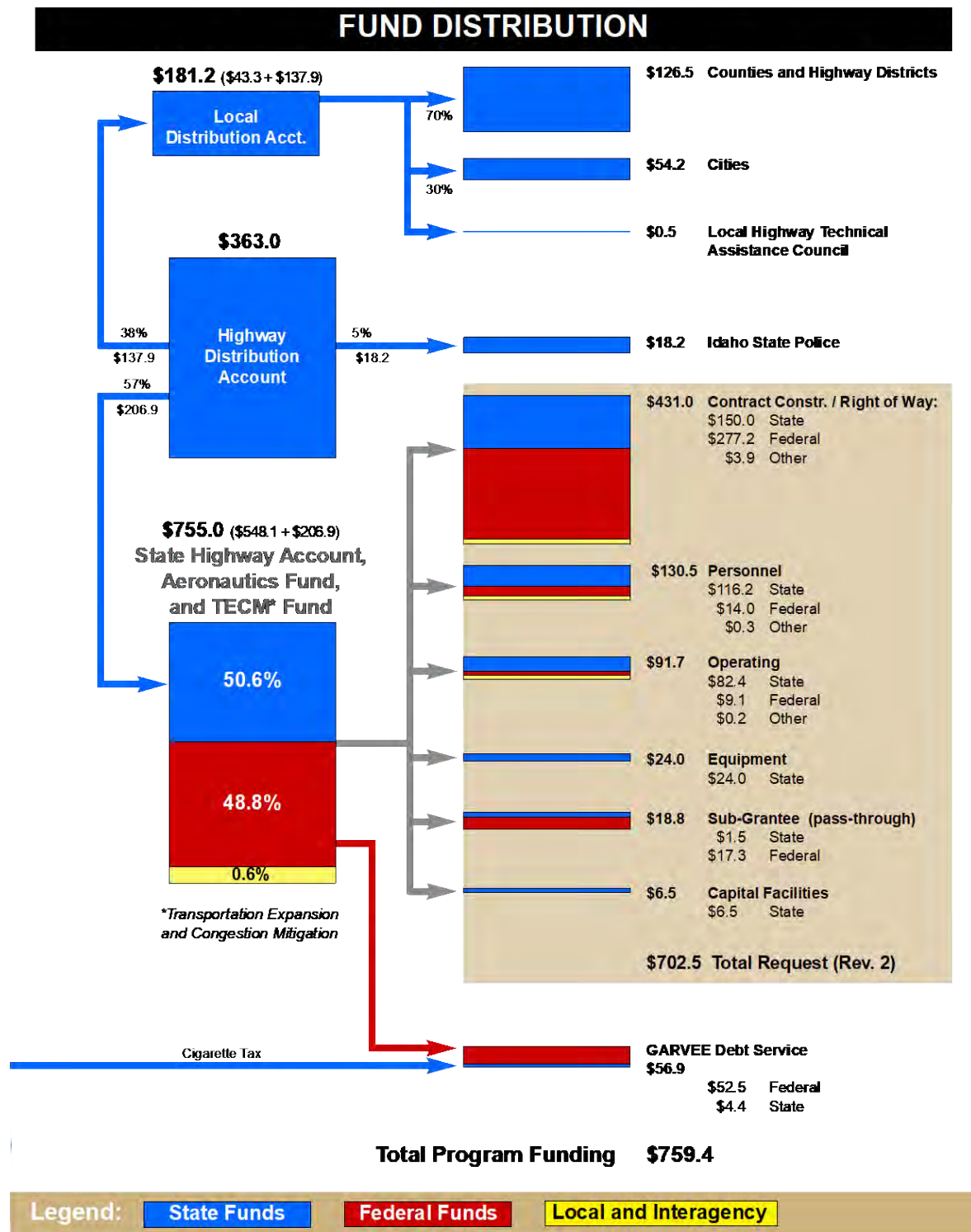
Legend: State Funds Federal Funds Local and Interagency

Idaho Transportation Department Agency Profile

Analyst: Otto

Idaho Transportation Department — FY2019 Agency Request

(Dollars in millions — Totals may not add due to rounding)



Transportation Services

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	27,997,800	24,668,300	28,172,000	28,179,200	28,493,200
Capital Facilities	3,345,000	3,457,100	5,863,000	6,475,000	6,475,000
Aeronautics	3,833,300	2,499,100	3,340,000	5,632,400	5,401,800
Total:	35,176,100	30,624,500	37,375,000	40,286,600	40,370,000
BY FUND CATEGORY					
Dedicated	33,991,600	29,902,600	35,869,800	38,559,700	38,634,300
Federal	1,184,500	721,900	1,505,200	1,726,900	1,735,700
Total:	35,176,100	30,624,500	37,375,000	40,286,600	40,370,000
Percent Change:		(12.9%)	22.0%	7.8%	8.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,709,900	15,830,200	17,716,600	18,037,900	18,361,300
Operating Expenditures	10,334,700	9,416,000	10,325,400	11,056,700	11,066,700
Capital Outlay	5,261,500	4,820,700	7,893,000	9,752,000	9,752,000
Trustee/Benefit	1,870,000	557,600	1,440,000	1,440,000	1,190,000
Total:	35,176,100	30,624,500	37,375,000	40,286,600	40,370,000
Full-Time Positions (FTP)	203.70	203.70	203.00	209.00	209.00

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: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	203.00	0	37,375,000	203.00	0	37,375,000
Reappropriation	0.00	0	994,100	0.00	0	994,100
1. Replace District 3 Shop	0.00	0	4,500,000	0.00	0	1,381,300
FY 2018 Total Appropriation	203.00	0	42,869,100	203.00	0	39,750,400
Removal of Onetime Expenditures	0.00	0	(11,837,100)	0.00	0	(8,718,400)
Base Adjustments	6.00	0	439,700	6.00	0	439,700
FY 2019 Base	209.00	0	31,471,700	209.00	0	31,471,700
Benefit Costs	0.00	0	(274,100)	0.00	0	(256,000)
Replacement Items	0.00	0	1,417,200	0.00	0	1,417,200
Statewide Cost Allocation	0.00	0	51,100	0.00	0	61,100
Change in Employee Compensation	0.00	0	155,700	0.00	0	461,000
FY 2019 Program Maintenance	209.00	0	32,821,600	209.00	0	33,155,000
7. Increase to Idaho Airport Aid Program	0.00	0	450,000	0.00	0	200,000
8. Statewide Capital Facilities Needs	0.00	0	3,130,000	0.00	0	3,130,000
10. Target Operating Model for Technology	0.00	0	1,225,000	0.00	0	1,225,000
11. Configuration Management Database	0.00	0	310,000	0.00	0	310,000
12. Ongoing Increase to Federal Funding	0.00	0	350,000	0.00	0	350,000
14. New Aircraft	0.00	0	2,000,000	0.00	1,475,000	3,475,000
Cash Transfers	0.00	0	0	0.00	(1,475,000)	(1,475,000)
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	209.00	0	40,286,600	209.00	0	40,370,000
Change from Original Appropriation	6.00	0	2,911,600	6.00	0	2,995,000
% Change from Original Appropriation			7.8%			8.0%

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	203.00	0	35,869,800	1,505,200	37,375,000
Reappropriation					
					Aeronautics
The department was authorized to reappropriate and carryover its unencumbered and unexpended appropriation balance from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the next year's base.					
Agency Request	0.00	0	994,100	0	994,100
Governor's Recommendation	0.00	0	994,100	0	994,100
1. Replace District 3 Shop					
					Capital Facilities
The department requests a onetime supplemental appropriation of \$4,500,000 from the State Highway Fund to restore, or fully replace, the District 3 maintenance shop building located in Boise, Idaho. According to the department, the building has severe roof damage and structural damage due to the harsh winter of 2016. There were issues with the wooden trusses of the roof over the main workshop in 2013 when the trusses began to sag, creating potentially unsafe working conditions. The department made a temporary fix but the original problem is occurring again. The department has started to assess the available options and it plans to have the most cost-effective solution determined by February 2018, award the contract by spring of 2018, and then have the new or reconstructed building ready by October 2018. The request for \$4,500,000 is an estimate to fully replace the building, and if there are excess funds, upon completion, the department plans to revert that appropriation. The building was constructed in 1954 and has 20 bays that can be used for repairs of equipment. In addition, the shop has a testing lab, supplies, records storage, welding and fabrication, and machine shops. There are currently 12 employees that work in the shop.					
Agency Request	0.00	0	4,500,000	0	4,500,000
The Governor recommends \$1,381,300 in onetime capital outlay to cover the needed repairs identified by a facility conditions assessment completed in December of 2017.					
Governor's Recommendation	0.00	0	1,381,300	0	1,381,300
FY 2018 Total Appropriation					
Agency Request	203.00	0	41,363,900	1,505,200	42,869,100
Governor's Recommendation	203.00	0	38,245,200	1,505,200	39,750,400
Removal of Onetime Expenditures					
This decision unit removes amounts for replacement items and line items funded on a onetime basis in FY 2018.					
Agency Request	0.00	0	(11,747,100)	(90,000)	(11,837,100)
The Governor's recommendation does not include the removal of onetime expenditures for part of the supplemental request for the District 3 building as only part of the amount was recommended by the Governor.					
Governor's Recommendation	0.00	0	(8,628,400)	(90,000)	(8,718,400)
Base Adjustments					
The department requests a transfer of 0.30 FTP from the Administration Program to the Aeronautics Program, 6.00 FTP and \$439,700 from the Highway Operations Division to the Administration Program, and \$400 from the State Aeronautics Billing Fund to the State Aeronautics Fund.					
Agency Request	6.00	0	439,700	0	439,700
Governor's Recommendation	6.00	0	439,700	0	439,700
FY 2019 Base					
Agency Request	209.00	0	30,056,500	1,415,200	31,471,700
Governor's Recommendation	209.00	0	30,056,500	1,415,200	31,471,700

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(266,600)	(7,500)	(274,100)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(249,000)	(7,000)	(256,000)
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Replacement Items

The Administration Program requests \$1,203,200 to replace a wireless control license, licensing of equipment, support and maintenance for SAN, laptops, computers, workstations, blade servers, routers, tablets, port replicators, and printers.

The Aeronautics Program requests \$214,000 to replace laptops, port replicators, office equipment, a cement mixer, an irrigation pump, a fertilizer trailer, a forklift, a borescope, Cessna 206 engine overhaul, and King Air equipment.

Agency Request	0.00	0	1,417,200	0	1,417,200
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Governor's Recommendation	0.00	0	1,417,200	0	1,417,200
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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 decrease by \$2,000, State Controller fees will increase by \$17,700, Attorney General fees will increase by \$36,000, and State Treasurer fees will decrease by \$600, for a net increase of \$51,100.

Agency Request	0.00	0	51,100	0	51,100
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The Governor's recommendation also includes funding for Legislative Audit fees, which will increase by \$10,000.

Governor's Recommendation	0.00	0	61,100	0	61,100
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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	0	151,500	4,200	155,700
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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	0	448,500	12,500	461,000
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FY 2019 Program Maintenance

Agency Request	209.00	0	31,409,700	1,411,900	32,821,600
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Governor's Recommendation	209.00	0	31,734,300	1,420,700	33,155,000
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7. Increase to Idaho Airport Aid Program

Aeronautics

The department requests a onetime appropriation of \$450,000 in the State Aeronautics Fund to increase the amount of available funding for the Idaho Airport Aid Program (IAAP). The IAAP provides matching funds to municipal governments for public improvement, as well as assistance to small community airports. The FY 2019 Base is \$550,000, and this request would bring the total appropriated amount to \$1,000,000 for FY 2019 if it is funded. The IAAP is administered according to Idaho Administrative Code, IDAPA 39.04.04.

Agency Request	0.00	0	450,000	0	450,000
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The Governor recommends \$200,000 to increase the Idaho Airport Aid Program; reducing the request to use the additional funds to purchase an airplane.

Governor's Recommendation	0.00	0	200,000	0	200,000
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Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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8. Statewide Capital Facilities Needs

Capital Facilities

The department requests a onetime appropriation of \$3,130,000 for facility improvements statewide. This request includes \$210,000 from the Aeronautics Fund and \$2,920,000 from the State Highway Fund.

The \$210,000 from the Aeronautics Fund is to replace the maintenance shop/living quarters building at the Smiley Creek Airport in Stanley. The building was constructed in 1965 and after the 2016 winter was declared a total loss. The department is expecting insurance proceeds that will provide funding for part of this request, but it does not know if that will be received in FY 2018 or FY 2019. The department has decided to not receipt to appropriate these funds in FY 2019.

The \$2,920,000 from the State Highway Distribution Fund is for a new District 4 building, located in Shoshone. It has been determined that the building has reached its useful life and the department has decided to rebuild. The new building will replace the old building, but may not be built in Shoshone - pending board approval. The new building will include open space rooms to allow effective interactions for employees to work together as teams. The department has \$3,295,000 in the FY 2019 Base for ongoing needs in the State Highway Fund. The department has decided to put other projects off and put that money towards the new building. The entire amount needed for the building as well as alterations and repair is \$6,215,000; however, when the \$3,295,000 in the FY 2019 Base is netted against the \$6,265,000 project cost, the result is \$2,920,000 in additional dollars.

Agency Request	0.00	0	3,130,000	0	3,130,000
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In addition to recommending the line item, the Governor recommends legislative intent language authorizing the department to acquire land needed for the construction of the District 4 administrative building.

Governor's Recommendation	0.00	0	3,130,000	0	3,130,000
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10. Target Operating Model for Technology

Administration

The department requests \$1,225,000 in onetime operating expenditures to hire six contracted IT workers to design and implement a Target Operating Model (TOM). This new operating model will focus on developing people, processes, and technology. In 2016 and 2017, Idaho Transportation Department (ITD) completed a comprehensive gap analysis to determine the current state of ITD's IT environment. According to the department, it was found that technology at ITD is currently not managed as effectively and efficiently as desired. Therefore, the agency put together a five-year road map, known as the IT transformation roadmap.

The six contracted positions requested and their average hourly rates, based off of current statewide technology contracts, are:

One Program Manager: \$100/hour for 1,000 hours (part-time);
 One Business Analyst: \$100/hour for 1,000 hours (part-time);
 Two Business Analyst: \$100/hour for 2,000 hours (full-time); and
 Two Architects: \$150/ hour for 2,000 hours (full-time).

In addition, the department is requesting \$25,000 to develop and deliver training to existing ITD employees. ITD requests that these resources be contracted out as current IT staff are at capacity managing their existing environments.

Agency Request	0.00	0	1,225,000	0	1,225,000
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Governor's Recommendation	0.00	0	1,225,000	0	1,225,000
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Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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11. Configuration Management Database

Administration

The department requests \$310,000 in onetime operating expenditures from the State Highway Fund to design, configure, implement, and train users on the Configuration Management Database (CMDB) in the current Idaho Transportation Department (ITD) software. The CMDB provides automated technology asset management that details how configuration items are connected. The department would like to use \$300,000 of this request to contract for a business analyst and a program manager to design, configure, and implement the CMDB.

Program manager: \$100/hour for 1,000 hours (part-time)
Business analyst: \$100/hour for 2,000 hours (full-time)

In addition, ITD requests \$10,000 to develop and deliver training to existing staff. The department states that this request will allow it to increase functionality within its own software, resulting in efficiency and benefits that include: a faster, more accurate change analysis, developed and maintained application and road map, and an increase in the ability to meet business demands while providing better customer service.

Agency Request	0.00	0	310,000	0	310,000
Governor's Recommendation	0.00	0	310,000	0	310,000

12. Ongoing Increase to Federal Funding

Aeronautics

The department is expecting an increase in federal grants through the Federal Aviation Administration (FAA), and requests an ongoing appropriation of \$350,000 in operating expenditures, which includes \$315,000 in federal funds, and \$35,000 from the Aeronautics Fund for the state match. This division currently has an ongoing federal appropriation of \$258,200 for multi-year capital improvement programs, which includes the development of the State Capital Improvement Program, Idaho Airport System Plan, and Economic Improvement Study along with reports, updates, and analysis.

Agency Request	0.00	0	35,000	315,000	350,000
Governor's Recommendation	0.00	0	35,000	315,000	350,000

14. New Aircraft

Aeronautics

The division requests \$2,000,000 onetime to purchase a new single-engine turboprop aircraft to replace a 45-year old Cessna 182 in the Aeronautics Program. The current fleet contains three aircrafts: The King Air, a Cessna 206, and a Cessna 182. The King Air is the most utilized plane in the fleet, it can carry ten passengers, can be flown in any type of weather, and can reach most places in Idaho within an hour. The Cessna 206 was purchased in 1978, can carry five passengers, and has the capability to carry oversized cargo. The Cessna 182 was purchased in 1972, can carry three passengers, and is the least reliable in the fleet. A new plane could be used when the King Air is unavailable and could potentially lead to better availability for the state agencies. Currently, over 40 state agencies use the state air fleet. Services of the state fleet include state emergencies for search and rescue, emergency transportation for the Idaho State Police and Department of Correction, emergency transport of hazardous material, and non-emergency transportation of state employees. The department states that replacing the older aircraft with a new one will improve the safety, performance, access, and longevity of the fleet, in addition to providing a savings of time and money to other state agencies that use state planes.

Agency Request	0.00	0	2,000,000	0	2,000,000
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The Governor recommends a \$1,475,000 cash transfer from the General Fund to the Aeronautics Fund and \$2,000,000 from the Aeronautics Fund for the department to purchase a new aircraft. In addition, the Governor recommends that the department request a transfer from the Aeronautics Fund to the General Fund, annually, until the General Fund is fully repaid.

Governor's Recommendation	0.00	1,475,000	2,000,000	0	3,475,000
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Cash Transfers

Agency Request	0.00	0	0	0	0
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The Governor recommends this decision unit as an adjustment for the cash transfer from the General Fund to the Aeronautics Fund in line item 14.

Governor's Recommendation	0.00	(1,475,000)	0	0	(1,475,000)
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Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Budget Law Exemptions					Administration
<p>The department requests intent language to authorize adjustment of accounting entries, known as error corrections in statute, for the GARVEE program, subject to approval by the Office of the State Controller. Section 67-3604, Idaho Code, states "error corrections resulting from a fiscal year's activities may be recorded without legislative authorization in the following fiscal year, provided the corrections do not exceed five hundred thousand dollars (\$500,000) and are recorded within six (6) months of the end of the fiscal year." The department requests intent language that reads as follows:</p> <p>LEGISLATIVE INTENT: Notwithstanding the provisions of Section 67-3604, Idaho Code, the department is authorized to make the necessary accounting adjusting entries between the State Highway Fund and the GARVEE Capital Project Fund to properly account for GARVEE project costs that were initially expended, using the advanced construction funding procedure, from the State Highway Fund. The authorization is limited to adjustments on projects in the GARVEE program only and must be approved by the Office of the State Controller.</p>					
Agency Request	0.00	0	0	0	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	209.00	0	38,559,700	1,726,900	40,286,600
Governor's Recommendation	209.00	0	38,634,300	1,735,700	40,370,000
Agency Request					
Change from Original App	6.00	0	2,689,900	221,700	2,911,600
% Change from Original App	3.0%		7.5%	14.7%	7.8%
Governor's Recommendation					
Change from Original App	6.00	0	2,764,500	230,500	2,995,000
% Change from Original App	3.0%		7.7%	15.3%	8.0%

Motor Vehicles

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	32,715,500	31,766,100	33,844,000	33,753,000	34,000,500
Federal	2,600,000	591,900	3,600,000	3,600,000	3,600,000
Total:	35,315,500	32,358,000	37,444,000	37,353,000	37,600,500
Percent Change:		(8.4%)	15.7%	(0.2%)	0.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	15,136,900	14,178,000	15,337,100	15,103,700	15,391,200
Operating Expenditures	20,000,600	17,922,100	21,263,100	21,682,500	21,642,500
Capital Outlay	178,000	257,900	843,800	566,800	566,800
Total:	35,315,500	32,358,000	37,444,000	37,353,000	37,600,500
Full-Time Positions (FTP)	236.00	236.00	237.00	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

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	237.00	0	37,444,000	237.00	0	37,444,000
1. IRP Software Replacement	0.00	0	1,000,000	0.00	0	1,000,000
FY 2018 Total Appropriation	237.00	0	38,444,000	237.00	0	38,444,000
Removal of Onetime Expenditures	0.00	0	(1,972,100)	0.00	0	(1,972,100)
Base Adjustments	0.00	0	0	0.00	0	(40,000)
FY 2019 Base	237.00	0	36,471,900	237.00	0	36,431,900
Benefit Costs	0.00	0	(356,800)	0.00	0	(308,800)
Replacement Items	0.00	0	625,400	0.00	0	625,400
Statewide Cost Allocation	0.00	0	7,300	0.00	0	7,300
Change in Employee Compensation	0.00	0	123,400	0.00	0	362,900
FY 2019 Program Maintenance	237.00	0	36,871,200	237.00	0	37,118,700
4. DMV VOIP System Upgrade	0.00	0	250,000	0.00	0	250,000
5. DMV County Equipment	0.00	0	203,500	0.00	0	203,500
6. Software for the DMV Computers	0.00	0	28,300	0.00	0	28,300
FY 2019 Total	237.00	0	37,353,000	237.00	0	37,600,500
Change from Original Appropriation	0.00	0	(91,000)	0.00	0	156,500
% Change from Original Appropriation			(0.2%)			0.4%

Motor Vehicles

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	237.00	0	33,844,000	3,600,000	37,444,000

1. IRP Software Replacement

Motor Vehicles

The department requests \$1,000,000 in onetime operating expenditures from the State Highway Fund to replace its International Registration Plan (IRP) software. IRP is an agreement among 48 states, the District of Columbia and ten Canadian provinces, which recognizes the registration of commercial vehicles registered by other jurisdictions. All states are mandated to contribute to the IRP except for Alaska and Hawaii. Idaho Transportation Department (ITD) has done business with the same vendor for the past 25 years, but the vendor is unexpectedly going out of business. The vendor will no longer perform services as of November 30, 2017. ITD has been discussing this with the Division of Purchasing and is trying to find other possible vendors to implement a temporary solution while it puts out an RFP for a new vendor. The cost to replace software is still unknown and will be determined by the outcome of the RFP. ITD has spoken with other suppliers in the industry to come up with an estimate of \$1,000,000 that will likely provide project management, configuration, and installation of an online hosted application, and conversion of the current IRP data to the new software. The department is not requesting additional money for any ongoing monthly hosting and maintenance costs, as it believes its ongoing appropriation will cover these costs.

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

FY 2018 Total Appropriation					
Agency Request	237.00	0	34,844,000	3,600,000	38,444,000
Governor's Recommendation	237.00	0	34,844,000	3,600,000	38,444,000

Removal of Onetime Expenditures

This decision unit removes amounts for replacement items and lines items funded on a onetime basis in FY 2018.

Agency Request	0.00	0	(1,972,100)	0	(1,972,100)
Governor's Recommendation	0.00	0	(1,972,100)	0	(1,972,100)

Base Adjustments

Agency Request	0.00	0	0	0	0
<i>The Governor recommends a base reduction of \$40,000 to remove funds appropriated through H320 of 2017 for payment card industry compliance (PCI). The department will not have a PCI compliance contract or expense because of the method of payment collection used.</i>					
Governor's Recommendation	0.00	0	(40,000)	0	(40,000)

FY 2019 Base					
Agency Request	237.00	0	32,871,900	3,600,000	36,471,900
Governor's Recommendation	237.00	0	32,831,900	3,600,000	36,431,900

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(356,800)	0	(356,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(308,800)	0	(308,800)
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Replacement Items

The Division of Motor Vehicles requests \$625,400 to replace routers/switches (including licensing), workstations, county communication equipment, office equipment, open and close signs, and vision testers.

Agency Request	0.00	0	625,400	0	625,400
Governor's Recommendation	0.00	0	625,400	0	625,400

Motor Vehicles

Analyst: Otto

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 \$600, and Attorney General fees will increase by \$7,900, for a net increase of \$7,300.					
Agency Request	0.00	0	7,300	0	7,300
Governor's Recommendation	0.00	0	7,300	0	7,300
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	0	123,400	0	123,400
<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	0	362,900	0	362,900
FY 2019 Program Maintenance					
Agency Request	237.00	0	33,271,200	3,600,000	36,871,200
Governor's Recommendation	237.00	0	33,518,700	3,600,000	37,118,700

4. DMV VOIP System Upgrade

Motor Vehicles

The department requests a onetime appropriation of \$250,000 in operating expenditures to have a consultant upgrade the Department of Motor Vehicles (DMV) customer contact center. The department believes this upgrade will allow for continued support and software updates from the vendor, expanded capacity, and improved functionality. The current Voice Over Internet Protocol (VOIP) system operates on software version 9.0 which is out of compliance, towards the end of its useful life, and will no longer be supported as of March 2018. ITD would like to update to software version 11.5 so that it is able to receive service updates and upgrades from the vendor, as available. If approved, this upgrade will provide enhanced security features and updates, and expanded server capacity that will allow the ability to handle increased call volumes. The requested amount is an estimate based off of conversations between ITD and the vendor on the statewide contract. The estimated costs include retaining a CISCO consultant for \$225,000 to configure, install, and upgrade the current software from version 9.0 to 11.5, environment version from 5.0 to 6.5, and the Windows Server from 2008 to either 2012 or 2016. The additional \$25,000 is requested to pay for the software and train current staff.

Agency Request	0.00	0	250,000	0	250,000
Governor's Recommendation	0.00	0	250,000	0	250,000

Motor Vehicles

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. DMV County Equipment					Motor Vehicles

The department requests a onetime appropriation of \$149,500 and an ongoing appropriation of \$54,000 to fund the acquisition of purchased or leased equipment in the county driver licensing and motor vehicle offices. Purchases will include computer workstations, touchscreen testing stations, and scanners. Leased equipment will include cameras, signature pads, and scanners. The department states that customer counts across the state are increasing every year and this request will help to provide the counties with tools to provide better customer service. Currently there are 113 statewide county DMVs throughout Idaho; 59 assessor (motor vehicle) locations and 54 sheriff (drivers licensing) locations.

This request specifically includes the onetime purchase of:

Eight computer workstations at \$1,000 each for a total of \$8,000;

Five computer touchscreen testing work stations at \$1,300 each for a total of \$6,500; and

150 scanners at \$900 each for a total of \$135,000.

The ongoing portion of the request includes the annual lease of additional license issuance equipment:

38 cameras at \$300 each for a total of \$13,200;

48 scanners at \$200 each for a total of \$11,000;

44 signature pads at \$50 each for a total of \$2,100;

40 authenticators at \$300 each for a total of \$13,400;

40 barcode scanners at \$30 each for a total of \$1,400; and

30 dongles at \$400 each for a total of \$12,900.

Note: totals may not equal due to rounding

Agency Request	0.00	0	203,500	0	203,500
Governor's Recommendation	0.00	0	203,500	0	203,500

6. Software for the DMV Computers

Motor Vehicles

The department requests an ongoing appropriation of \$28,300 in operating expenditures to install Microsoft Office Suites (MS) on the Department of Motor Vehicles (DMV) county computers. This request would add 113 email accounts, one per county location, and 450 Windows Server device client license software copies. The DMV provides the county computers to complete DMV transactions, but currently they do not have the MS application. With the MS product, counties will be able to export to Excel making the reconciliation process more efficient. Along with efficiency, MS will allow for one email address per county which could enable more coordinated communication between the county and the state.

Agency Request	0.00	0	28,300	0	28,300
Governor's Recommendation	0.00	0	28,300	0	28,300

FY 2019 Total

Agency Request	237.00	0	33,753,000	3,600,000	37,353,000
Governor's Recommendation	237.00	0	34,000,500	3,600,000	37,600,500

Agency Request

Change from Original App	0.00	0	(91,000)	0	(91,000)
% Change from Original App	0.0%		(0.3%)	0.0%	(0.2%)

Governor's Recommendation

Change from Original App	0.00	0	156,500	0	156,500
% Change from Original App	0.0%		0.5%	0.0%	0.4%

Highway Operations

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	160,937,200	156,043,200	161,474,700	158,757,900	160,285,100
Federal	33,949,700	29,953,200	38,087,300	35,109,800	35,356,400
Total:	194,886,900	185,996,400	199,562,000	193,867,700	195,641,500
Percent Change:		(4.6%)	7.3%	(2.9%)	(2.0%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	98,109,900	82,212,600	98,724,800	97,437,400	99,211,200
Operating Expenditures	56,128,100	63,968,100	56,583,300	59,377,100	59,377,100
Capital Outlay	24,136,600	23,704,900	23,930,100	19,736,200	19,736,200
Trustee/Benefit	16,512,300	16,110,800	20,323,800	17,317,000	17,317,000
Total:	194,886,900	185,996,400	199,562,000	193,867,700	195,641,500
Full-Time Positions (FTP)	1,238.30	1,238.30	1,208.00	1,202.00	1,202.00

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

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	1,208.00	0	199,562,000	1,208.00	0	199,562,000
Removal of Onetime Expenditures	0.00	0	(27,324,900)	0.00	0	(27,324,900)
Base Adjustments	(6.00)	0	(439,700)	(6.00)	0	(439,700)
FY 2019 Base	1,202.00	0	171,797,400	1,202.00	0	171,797,400
Benefit Costs	0.00	0	(1,675,200)	0.00	0	(1,519,200)
Replacement Items	0.00	0	19,031,100	0.00	0	19,031,100
Statewide Cost Allocation	0.00	0	(233,400)	0.00	0	(233,400)
Change in Employee Compensation	0.00	0	827,500	0.00	0	2,445,300
FY 2019 Program Maintenance	1,202.00	0	189,747,400	1,202.00	0	191,521,200
2. Behavioral Safety Funding	0.00	0	500,000	0.00	0	500,000
3. Highway Operation Equipment	0.00	0	744,200	0.00	0	744,200
9. Purchase New TAMS System	0.00	0	2,350,000	0.00	0	2,350,000
13. FAST Act Increase	0.00	0	526,100	0.00	0	526,100
FY 2019 Total	1,202.00	0	193,867,700	1,202.00	0	195,641,500
Change from Original Appropriation	(6.00)	0	(5,694,300)	(6.00)	0	(3,920,500)
% Change from Original Appropriation			(2.9%)			(2.0%)

Highway Operations

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	1,208.00	0	161,474,700	38,087,300	199,562,000

Removal of Onetime Expenditures

This decision unit removes amounts for replacement items and lines items funded on a onetime basis in FY 2018.

Agency Request	0.00	0	(23,974,900)	(3,350,000)	(27,324,900)
Governor's Recommendation	0.00	0	(23,974,900)	(3,350,000)	(27,324,900)

Base Adjustments

The department requests a shift of \$3,300 from federal funds to dedicated funds to align its FY 2019 anticipated revenue to match the budget, a transfer of 6.00 FTP, and a shift of \$439,700 from the Highway Operations Division to the Administration Program budget.

Agency Request	(6.00)	0	(436,400)	(3,300)	(439,700)
Governor's Recommendation	(6.00)	0	(436,400)	(3,300)	(439,700)

FY 2019 Base					
Agency Request	1,202.00	0	137,063,400	34,734,000	171,797,400
Governor's Recommendation	1,202.00	0	137,063,400	34,734,000	171,797,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(1,442,300)	(232,900)	(1,675,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(1,308,000)	(211,200)	(1,519,200)
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Replacement Items

The division requests \$19,031,100 to replace computers, chairs, monitors, televisions, pallet jacks, an impact wrench, an industrial weed eater, truck ramps, a port replicator, office equipment, and various trucks and equipment that may be eligible for the Buy Back Program.

Agency Request	0.00	0	19,031,100	0	19,031,100
Governor's Recommendation	0.00	0	19,031,100	0	19,031,100

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 \$282,500 and Attorney General fees will increase by \$49,100, for a net decrease of \$233,400.

Agency Request	0.00	0	(233,400)	0	(233,400)
Governor's Recommendation	0.00	0	(233,400)	0	(233,400)

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	0	712,400	115,100	827,500
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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.

Governor's Recommendation	0.00	0	2,105,300	340,000	2,445,300
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FY 2019 Program Maintenance					
Agency Request	1,202.00	0	155,131,200	34,616,200	189,747,400
Governor's Recommendation	1,202.00	0	156,658,400	34,862,800	191,521,200

Highway Operations

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Behavioral Safety Funding					Highway Operations

The department requests an ongoing appropriation for \$500,000 in operating expenditures to fund the Alive at 25 Safety Program. The funding, from the State Highway Fund, would allow for the Office of Highway Safety to operate and expand behavioral safety programs aimed at reducing fatalities on Idaho roadways. Over the past few years, fatal and serious injury crashes have increased in Idaho; in 2014 there were 186 fatalities, in 2015 there were 216; and in 2016 there were 253. The National Highway Traffic Association (NHTSA) estimates human behavior is a contributing factor in 94% of all traffic crashes. If approved, the \$500,000 will be split \$150,000 for the Alive at 25 Program, and \$350,000 on education and outreach efforts for behavioral safety.

The Alive at 25 Safety Program was constructed to prepare young drivers for the challenge of driving and to teach them defensive driving and decision-making skills. This program originated as a pilot program in federal FY 2016, but federal funding has since been reduced for this program. The department believes that due to the number of young drivers involved in crashes this program should be expanded. Currently, Idaho offers approximately 200 classes with 34 instructors and has reached almost 3,000 young drivers per year; the department believes with the increase in funding it can reach its goal of doubling those numbers by 2020. The department has projected to be able to offer 400 classes taught by 80 certified instructors, and to reach almost 6,000 students per year.

The funding would be used for outreach and education to address safe behavior in drivers of all ages. Currently, ITD receives funding from NHTSA for behavior, but there are strict guidelines on what the money can be used for and the messaging is supposed to run during high occurrence periods, typically on major holidays. The department would like to run messaging all year long and expand the messaging to influence individual behavior. The department plans to engage stakeholders around the state in a series of grassroots, digital, and traditional media outreach.

Agency Request	0.00	0	500,000	0	500,000
Governor's Recommendation	0.00	0	500,000	0	500,000

3. Highway Operation Equipment Highway Operations

The department requests a onetime appropriation of \$744,200 from the State Highway Fund for equipment purchases, as well as testing, measuring, safety, and miscellaneous additional equipment in Districts 1 and 3. This will fund the purchase of 570 units of various types of road, safety, and testing equipment.

New/additional equipment includes:

One small aerial truck for \$100,000;
two snow cats for \$50,000 each, a total of \$100,000;
13 plow wing trucks for \$16,500 each, a total of \$214,500;
one attachment for a snow blower for \$20,000; and
one crash attenuator for \$22,000.

Testing, measuring, safety, and miscellaneous equipment:

District 1 - \$188,700 (overhead shop crane, hot box, plate compactor, super duty truck lift, jump starters, guardrail lift) and

District 3 - \$99,000 (GPS rover, haz-mat spill clean-up kits, and lift set kit).

Agency Request	0.00	0	744,200	0	744,200
Governor's Recommendation	0.00	0	744,200	0	744,200

Highway Operations

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. Purchase New TAMS System

Highway Operations

The department requests \$2,350,000 onetime from the State Highway Fund to purchase and install an upgraded replacement for the Transportation Asset Management Systems (TAMS). TAMS provides critical tools necessary to collect, process, and compile information about roadways, bridges, and other roadway assets. The current contract with the vendor ends on December 31, 2019, and can not be renewed or extended any further. The department is looking into a solution to give it sufficient time during FY 2020 to work through any system errors it may face.

The request for \$2,350,000 includes:

\$1,750,000 to purchase, configure, and install an upgraded software solution;

\$400,000 to contract services for a business analyst and a project manager to gather information and develop the RFP, map changes to business and operations process, and develop and deliver training (2,000 hours each at \$100/hour);

\$100,000 for potential server or hosting needs; and

\$100,000 for the first year of annual support and maintenance.

Agency Request	0.00	0	2,350,000	0	2,350,000
Governor's Recommendation	0.00	0	2,350,000	0	2,350,000

13. FAST Act Increase

Highway Operations

The department requests \$526,100 ongoing from federal and dedicated funds for a scheduled Fixing America's Surface Transportation (FAST) Act increase, of which \$493,600 is federal funds, and \$32,500 is from the State Highway Fund as the state match. This request includes the increase to FY 2019 levels following federal FAST Act funding and is detailed as follows:

\$249,400 from the Federal Transportation Administration (FTA), with no state match;

\$96,900 from the National Highway Transportation Safety Administration (NHTSA), which includes \$3,800 state match;

\$143,700 from the Federal Highway Administration (FHWA) Statewide Planning and Research Program, which includes \$28,700 state match; and

\$36,100 from the FHWA Metropolitan Planning (MPO), with no state match.

Agency Request	0.00	0	32,500	493,600	526,100
Governor's Recommendation	0.00	0	32,500	493,600	526,100

FY 2019 Total

Agency Request	1,202.00	0	158,757,900	35,109,800	193,867,700
Governor's Recommendation	1,202.00	0	160,285,100	35,356,400	195,641,500

Agency Request

Change from Original App	(6.00)	0	(2,716,800)	(2,977,500)	(5,694,300)
% Change from Original App	(0.5%)		(1.7%)	(7.8%)	(2.9%)

Governor's Recommendation

Change from Original App	(6.00)	0	(1,189,600)	(2,730,900)	(3,920,500)
% Change from Original App	(0.5%)		(0.7%)	(7.2%)	(2.0%)

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	326,202,200	129,182,800	122,470,900	153,828,200	155,519,800
Federal	319,618,100	163,439,300	268,354,500	277,172,100	277,172,100
Total:	645,820,300	292,622,100	390,825,400	431,000,300	432,691,900
Percent Change:		(54.7%)	33.6%	10.3%	10.7%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	26,780,800	6,195,500	10,225,400	10,225,400	10,225,400
Capital Outlay	611,956,300	284,571,800	376,676,900	416,851,800	418,543,400
Trustee/Benefit	7,083,200	1,854,800	3,923,100	3,923,100	3,923,100
Total:	645,820,300	292,622,100	390,825,400	431,000,300	432,691,900

Division Description

The Contract Construction and 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 the 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 2014 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 would sunset. 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.

S1206 of 2017 authorized an additional \$300 million in GARVEE bonding authority, extended the surplus eliminator for two years while adding a 60/40 split between Idaho Transportation Department (ITD) and the local units of government for the Strategic Initiative Program portion, and created the Transportation Expansion and Congestion Mitigation (TECM) Fund. The TECM fund is funded through 1% of sales tax revenue; estimated to generate approximately \$15 million in 2018, as well as a distribution from the cigarette tax.

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	0	390,825,400	0.00	0	390,825,400
Reappropriation	0.00	0	360,098,200	0.00	0	360,098,200
1. TECM Fund	0.00	0	18,161,700	0.00	0	18,161,700
2. Strategic Initiatives Program Fund	0.00	0	27,669,500	0.00	0	27,669,500
3. Emergency Relief Funds	0.00	0	7,506,400	0.00	0	7,506,400
4. Northgate Interchange	0.00	0	3,400,000	0.00	0	3,400,000
FY 2018 Total Appropriation	0.00	0	807,661,200	0.00	0	807,661,200
Removal of Onetime Expenditures	0.00	0	(421,700,800)	0.00	0	(421,700,800)
FY 2019 Base	0.00	0	385,960,400	0.00	0	385,960,400
1. Excess Revenue and Receipts	0.00	0	45,039,900	0.00	0	46,731,500
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	0.00	0	431,000,300	0.00	0	432,691,900
Change from Original Appropriation	0.00	0	40,174,900	0.00	0	41,866,500
% Change from Original Appropriation			10.3%			10.7%

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	0	122,470,900	268,354,500	390,825,400

Reappropriation

Contract Construction & Right-of-Way Acquisition

The department was authorized to reappropriate and carryover its unencumbered and unexpended appropriation balance from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the next year's base.

Agency Request	0.00	0	219,934,100	140,164,100	360,098,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>219,934,100</i>	<i>140,164,100</i>	<i>360,098,200</i>

1. TECM Fund

Contract Construction & Right-of-Way Acquisition

The department requests a supplemental appropriation of \$18,161,700 for the Transportation Expansion and Congestion Mitigation (TECM) Fund. This fund was created in S1206 of 2017. According to Section 40-720, Idaho Code, "the fund...shall finance projects that expand the state system to address and mitigate transportation congestion. The projects shall be evaluated by the Idaho Transportation Department and shall be chosen by the Idaho Transportation Board based on a policy that may include mitigation of traffic times, improvement to traffic flow and mitigation of traffic congestion." Revenues for the fund are generated from a distribution of 1% of gross sales tax collections (after revenue sharing for cities and counties), and a distribution of the cigarette tax. If approved, the department plans to spend these funds on the I-84 corridor from Caldwell to Nampa, but specific projects within the corridor are pending board approval.

For FY 2018 the department used a forecast from the Division of Financial Management (DFM) to determine an estimate of \$18,161,700. Details are as follows:

\$15,248,000 1% of sales tax;

\$5,745,700 Cigarette Tax;

(\$2,900,000) Realign FY 2018 Cigarette Tax (from the State Highway Fund to the TECM Fund); and

\$68,000 Total interest calculated using State Treasurer IDLE Pool from January - June 2017 (1.35%).

Agency Request	0.00	0	18,161,700	0	18,161,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>18,161,700</i>	<i>0</i>	<i>18,161,700</i>

2. Strategic Initiatives Program Fund

Contract Construction & Right-of-Way Acquisition

The department requests a onetime supplemental appropriation of \$27,669,500 for the Strategic Initiatives Program (SIP) Fund. H312 of 2015 required any excess cash balance from the General Fund 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. The surplus eliminator clause in H312 of 2015 was due to sunset on May 30, 2017, but S1206 of 2017 extended the surplus eliminator for two years. S1206 of 2017 also requires that funds be split 60/40 between the Idaho Transportation Department (ITD) and the local units of government for the Strategic Initiative Program.

This request also includes interest calculated from the State Treasurer's IDLE Pool. If approved, the department plans to spend these funds on the I-84 corridor from Caldwell to Nampa, but specific projects within the corridor are pending board approval.

The total amount requested to be appropriated to ITD's Strategic Initiatives Program Fund is \$16,601,700 (\$16,478,600 is 60%, plus interest of \$123,100).

The total amount requested to be appropriated to the local units of government's Strategic Initiatives Program Fund is \$11,067,800 (\$10,985,700 is 40%, plus interest of \$82,100).

Agency Request	0.00	0	27,669,500	0	27,669,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>27,669,500</i>	<i>0</i>	<i>27,669,500</i>

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Emergency Relief Funds					
Contract Construction & Right-of-Way Acquisition					
The department requests \$7,506,400 in federal and state funds for permanent repair costs to roads and bridges on the state highway system. \$7,254,400 is requested from federal emergency funds (\$6,004,400 Federal Emergency Relief Funds awarded April 6, 2017 and \$1,250,000 in federal quick relief funds awarded May 17, 2017), and \$252,000 from state funds; awarded by the Military Division's Office of Emergency Management (IOEM). These funds were awarded after various flooding, landslides, and avalanches following the hard winter. S1141 of 2017 appropriated \$50 million to the IOEM. IOEM was to process applications and award the money to state, cities, and counties for repair costs of roads and bridges during the harsh winter in 2016-2017. The Idaho Transportation Department (ITD) applied for a grant and was awarded \$252,000 for repairs to a rock slide that occurred in February of 2017, that caused damage to State Highway 34 in Franklin County. This award requires a 10% match but that will be satisfied with in-kind services.					
Agency Request	0.00	0	252,000	7,254,400	7,506,400
Governor's Recommendation	0.00	0	252,000	7,254,400	7,506,400
4. Northgate Interchange					
Contract Construction & Right-of-Way Acquisition					
The department requests \$3,400,000 from the State Highway-Local Fund in onetime capital outlay to construct the Northgate (Siphon Road) interchange and connecting road infrastructure. Idaho Transportation Department (ITD), Bannock County, the City of Pocatello, the City of Chubbuck, the Development Authority, and the Millennial Development Partners are cooperating in a public/private partnership to design and construct the project. The total cost for the project is \$8,400,000; the department is requesting \$3,400,000 that was paid to it from its local partners. ITD's portion of \$5,000,000 was funded in its FY 2018 appropriation.					
Agency Request	0.00	0	3,400,000	0	3,400,000
<i>The Governor recommends this line item and notes that pending board approval, additional appropriation may be necessary to complete this project.</i>					
Governor's Recommendation	0.00	0	3,400,000	0	3,400,000
FY 2018 Total Appropriation					
Agency Request	0.00	0	391,888,200	415,773,000	807,661,200
Governor's Recommendation	0.00	0	391,888,200	415,773,000	807,661,200
Removal of Onetime Expenditures					
Agency Request	0.00	0	(274,282,300)	(147,418,500)	(421,700,800)
Governor's Recommendation	0.00	0	(274,282,300)	(147,418,500)	(421,700,800)
FY 2019 Base					
Agency Request	0.00	0	117,605,900	268,354,500	385,960,400
Governor's Recommendation	0.00	0	117,605,900	268,354,500	385,960,400

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Excess Revenue and Receipts

Contract Construction & Right-of-Way Acquisition

The department requests \$45,039,900 for additional capital outlay to align with projected revenue for FY 2019. This request is for \$17,096,800 from the dedicated State Highway Fund ongoing, \$18,946,400 from the dedicated State Highway Fund onetime, \$179,100 from the Local State Highway Fund ongoing, and \$8,817,600 in federal funds ongoing from the State Highway Fund.

Onetime funding totals \$18,946,400 and is requested as follows:

\$4,654,300 for FY 2017 actual receipts above appropriated forecast;
 \$2,591,200 for FY 2017 state-funded appropriation reversions;
 \$13,135,700 for FY 2018 increase in projected state receipts (August 2017 forecast vs. August 2018 forecast); and
 (\$1,434,800) for onetime state funds used for non-construction items, such as replacement and line items.

Ongoing funding totals \$26,093,500 and is requested as follows:

\$16,687,900 for FY 2019 increase in ongoing state funds based off of August 2017 forecast vs. FY 2018 appropriation on August 2016 forecast;
 \$7,812,900 for FY 2019 increase in Federal Highway Administration (FHWA) from FY 2018 to FY 2019 (FAST ACT);
 \$179,100 for FY 2019 local match in increase to FHWA federal funds;
 \$1,296,000 for FY 2019 reduction in debt services (\$58,189,600 in FY 2018 to \$56,893,600 in FY 2019);
 \$2,285,300 for FY 2019 reduction in employer benefit costs from the State Highway Fund; and
 (\$2,167,700) for FY 2019 less net use of ongoing funds for non-construction programs.

The department requests legislative intent language to reappropriate and carryover its unencumbered and unexpended appropriation balance from FY 2018 into FY 2019.

Agency Request	0.00	0	36,222,300	8,817,600	45,039,900
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The Governor recommends \$46,731,500 of which \$17,275,900 is ongoing dedicated funds, \$20,638,000 is onetime dedicated funds, and \$8,817,600 is ongoing federal funds to align the appropriation with projected funding levels for revenue.

Governor's Recommendation	0.00	0	37,913,900	8,817,600	46,731,500
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Budget Law Exemptions

The agency requests the following legislative intent language to be included in its FY 2019 appropriation bill:

REAPPROPRIATION AUTHORITY: There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as the State Highway Fund, Strategic Initiatives Program Fund, or Transportation Expansion and Congestion Mitigation Fund for the Contract Construction and Right-of-Way Acquisition Division as appropriated or reappropriated for fiscal year 2018, to be used for nonrecurring expenditures, for the period July 1, 2018, through June 30, 2019.

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 2019 Total

Agency Request	0.00	0	153,828,200	277,172,100	431,000,300
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Governor's Recommendation	0.00	0	155,519,800	277,172,100	432,691,900
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Agency Request

Change from Original App	0.00	0	31,357,300	8,817,600	40,174,900
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% Change from Original App			25.6%	3.3%	10.3%
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Governor's Recommendation

Change from Original App	0.00	0	33,048,900	8,817,600	41,866,500
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% Change from Original App			27.0%	3.3%	10.7%
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General Government

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Idaho Legislative Budget Book

Department of Administration

2018 Legislative Session

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Department of Administration

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Administration, Dept of	20,274,700	18,990,900	27,922,800	28,012,900	23,598,200
Capitol Commission	2,490,800	367,700	2,342,000	2,342,000	2,342,000
Bond Payments	12,303,000	11,824,300	12,303,000	11,877,000	11,877,000
Permanent Building Fund	78,344,100	31,098,800	71,425,700	33,657,800	67,772,000
Total:	113,412,600	62,281,700	113,993,500	75,889,700	105,589,200
BY FUND CATEGORY					
General	7,665,700	7,323,900	7,677,400	8,865,500	6,482,900
Dedicated	105,746,900	54,957,800	106,316,100	67,024,200	99,106,300
Total:	113,412,600	62,281,700	113,993,500	75,889,700	105,589,200
Percent Change:		(45.1%)	83.0%	(33.4%)	(7.4%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	10,558,100	9,896,900	10,960,800	10,983,000	8,679,600
Operating Expenditures	15,262,400	12,684,500	21,130,800	21,531,400	20,147,100
Capital Outlay	87,592,100	39,700,300	81,901,900	43,375,300	76,762,500
Total:	113,412,600	62,281,700	113,993,500	75,889,700	105,589,200
Full-Time Positions (FTP)	138.00	138.00	140.00	142.00	113.00

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 Payments 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 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Management Services	1,284,900	1,045,300	1,026,900	1,007,800	1,249,200
Administrative Rules	416,700	393,600	417,700	430,300	446,600
Information Technology	3,598,300	3,460,200	4,433,300	5,281,000	0
Public Works	10,217,800	9,963,200	15,724,000	15,778,000	16,107,900
Purchasing	3,324,000	2,785,200	4,528,300	3,446,100	3,643,900
Insurance Management	1,433,000	1,343,400	1,792,600	2,069,700	2,150,600
Total:	20,274,700	18,990,900	27,922,800	28,012,900	23,598,200
BY FUND CATEGORY					
General	3,335,700	3,242,100	3,347,400	4,535,500	2,152,900
Dedicated	16,939,000	15,748,800	24,575,400	23,477,400	21,445,300
Total:	20,274,700	18,990,900	27,922,800	28,012,900	23,598,200
Percent Change:		(6.3%)	47.0%	0.3%	(15.5%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	10,558,100	9,896,900	10,960,800	10,983,000	8,679,600
Operating Expenditures	9,609,400	8,822,800	15,626,600	16,038,200	14,653,900
Capital Outlay	107,200	271,200	1,335,400	991,700	264,700
Total:	20,274,700	18,990,900	27,922,800	28,012,900	23,598,200
Full-Time Positions (FTP)	138.00	138.00	140.00	142.00	113.00

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 and coordinates internet, consolidated messaging, telephone, and data and video transmission services. It 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 governments 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 2018 Original Appropriation	140.00	3,347,400	27,922,800	140.00	3,347,400	27,922,800
Removal of Onetime Expenditures	0.00	0	(1,642,000)	0.00	0	(1,642,000)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	140.00	3,347,400	26,280,800	140.00	3,347,400	26,280,800
Benefit Costs	0.00	(34,100)	(217,100)	0.00	(30,300)	(198,200)
Replacement Items	0.00	0	64,700	0.00	0	64,700
Statewide Cost Allocation	0.00	(100)	45,100	0.00	(100)	33,600
Change in Employee Compensation	0.00	12,500	91,400	0.00	36,600	271,600
FY 2019 Program Maintenance	140.00	3,325,700	26,264,900	140.00	3,353,600	26,452,500
1. IT Systems Analyst FTP and PC	1.00	0	84,100	0.00	0	0
2. Domain Name Services Hardware	0.00	175,300	175,300	0.00	0	0
3. Risk Management Information System	0.00	0	275,000	0.00	0	275,000
4. Project Manager FTP and PC	1.00	0	79,100	1.00	0	81,600
5. Multi-Agency Servers and Storage	0.00	628,500	628,500	0.00	0	0
6. Video Conference Bridge Replacement	0.00	406,000	506,000	0.00	0	0
7. Creation of the Office of Info Tech	0.00	0	0	(28.00)	(1,200,700)	(3,930,300)
8. Information Technology Services	0.00	0	0	0.00	0	719,400
FY 2019 Total	142.00	4,535,500	28,012,900	113.00	2,152,900	23,598,200
Change from Original Appropriation	2.00	1,188,100	90,100	(27.00)	(1,194,500)	(4,324,600)
% Change from Original Appropriation		35.5%	0.3%		(35.7%)	(15.5%)

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	140.00	3,347,400	24,575,400	0	27,922,800
Removal of Onetime Expenditures			Info Technology, Public Works, Purchasing		
This decision unit removes the onetime FY 2018 replacement cost of \$526,000 for network firewall hardware and software in the Information Technology Division and \$60,400 for two light duty pickup trucks in the Division of Public Works. It removes \$50,000 for software installation services and \$1,000,000 for the purchase of new office space for the Division of Purchasing. It also removes \$5,000 for a copier that was purchased for the Office of Group Insurance.					
Agency Request	0.00	0	(1,642,000)	0	(1,642,000)
Governor's Recommendation	0.00	0	(1,642,000)	0	(1,642,000)
Base Adjustments			Management Services, Administrative Rules		
The department requests to move \$15,000 in ongoing personnel costs from the Management Services Program to the Administrative Rules Program. This action nets to zero across programs.					
Agency Request	0.00	0	0	0	0
Recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Base					
Agency Request	140.00	3,347,400	22,933,400	0	26,280,800
Governor's Recommendation	140.00	3,347,400	22,933,400	0	26,280,800
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(34,100)	(183,000)	0	(217,100)
The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.					
Governor's Recommendation	0.00	(30,300)	(167,900)	0	(198,200)
Replacement Items			Public Works		
The department requests two vehicles for the Division of Public Works from the Permanent Building Fund: a pickup truck for \$33,700 and a mid-size SUV for \$31,000.					
Agency Request	0.00	0	64,700	0	64,700
Governor's Recommendation	0.00	0	64,700	0	64,700
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 \$16,300, risk management costs will increase by \$23,900, State Controller fees will increase by \$5,000, and State Treasurer fees will decrease by \$100, for a net increase of \$45,100.					
Agency Request	0.00	(100)	45,200	0	45,100
The Governor's recommendation also includes fees for Legislative Audits, which will decrease by \$2,100 in the Information Technology Division and decrease by \$9,400 in the Division of Public Works.					
Governor's Recommendation	0.00	(100)	33,700	0	33,600

Department of Administration

Analyst: Lockett

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	12,500	78,900	0	91,400
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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 also recommends the pay structure for state employees be moved by 3% and includes \$800 for that purpose in the Insurance Management Program.

Governor's Recommendation	0.00	36,600	235,000	0	271,600
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FY 2019 Program Maintenance

Agency Request	140.00	3,325,700	22,939,200	0	26,264,900
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Governor's Recommendation	140.00	3,353,600	23,098,900	0	26,452,500
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1. IT Systems Analyst FTP and PC

The department requests 1.00 FTP and \$84,100 from the Administration and Accounting Services Fund for a senior IT systems analyst. The Office of the Chief Information Officer (OCIO) has been consolidating phone systems and services since 2009. This position is needed to manage and support the telephone system which currently supports more than 45 agencies, boards, commissions, and councils statewide with more than 1,600 users and telephones. These numbers will grow to approximately 50+ entities, and more than 2,000 users and phones, by the end of FY 2018. This position will be the lead and senior technical FTP to manage the system and support the users, as well as other telecommunications activities supporting the OCIO customer base. Specifically, the request includes \$77,400 in ongoing personnel costs, \$5,200 in ongoing operating expenditures for training and software licenses, and \$1,500 in onetime operating expenditures for computer hardware.

Agency Request	1.00	0	84,100	0	84,100
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The Governor recommends this line item in the budget for the Office of Information Technology. This is in conjunction with the Governor's proposal to transfer existing staff and appropriation from the Division of Information Technology at the Department of Administration to the proposed Office of Information Technology within the Office of the Governor in line item 7.

Governor's Recommendation	0.00	0	0	0	0
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2. Domain Name Services Hardware

Information Technology

The department requests \$175,300 from the General Fund for domain name services hardware. The Office of the Chief Information Officer (OCIO) manages the state's domain name services for all state agencies. This service allows the public and employees to look up and find state or other websites using their published names, for example: www.idaho.gov. This is a critical service that is required for the state to maintain its internet presence and operations. This service is under constant cyber attack and there have been past incidents that have taken this service down, causing major disruption to state online services. If approved, this request will provide enhanced cybersecurity and replace an aging system currently running at 123% of its stated capacity. The service is maintained by a single person in OCIO and is complex because it is split across two different technologies. This request will consolidate the service into a single technology allowing for simpler and more sustainable ongoing support by OCIO. Specifically, the request includes \$9,800 for ongoing maintenance and support costs, \$20,500 for onetime professional services and the first year of maintenance, and \$145,000 for onetime hardware.

Agency Request	0.00	175,300	0	0	175,300
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The Governor recommends this line item in the budget for the Office of Information Technology. This is in conjunction with the Governor's proposal to transfer existing staff and appropriation from the Division of Information Technology at the Department of Administration to the proposed Office of Information Technology within the Office of the Governor in line item 7.

Governor's Recommendation	0.00	0	0	0	0
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Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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3. Risk Management Information System

Insurance Management

The department requests \$275,000 from the Retained Risk Fund for a new Risk Management Information System (RMIS). The RMIS is a critical system to the Office of Risk Management. The current RMIS program is outdated, unstable, obsolete, and many of the original features are no longer supported by the vendor. According to the department, this creates time consuming problems and disruptions for staff. Currently, security upgrades compromise the system functions, and are not supported by the vendor. These problems impact the Office of Risk Management's ability to process agency premium bills and to process claim payments. Staffing levels will remain the same if the request is funded, but the total includes a onetime installation fee of \$200,000 and ongoing network hosting and service fees of \$75,000 annually. The department believes implementation of a new RMIS system would provide the following needed benefits and services:

- 1) Important reporting functions that will allow actuarial and risk analysis and reporting to agencies;
- 2) The ability to install and edit form letters by internal staff rather than hire a programmer to make changes;
- 3) Ad hoc reporting capabilities with robust built-in report capabilities that will allow a user to build a variety of reports critical to loss analysis needed to adequately access premiums, project future loss forecasting, and maintain loss control processes;
- 4) The ability to adjust premium allocations;
- 5) The ability to store electronic documents;
- 6) Flexibility to accept information in a variety of formats and to carry data forward, which will save agency personnel time on data entry;
- 7) Agencies will have access to their data, be able to use reports to analyze their losses for loss control purposes, retain correspondence (both scanned and electronic) for future reference and historical purposes, run reports, and track the status of their own claims, as well as many other tools;
- 8) The ability to support enterprise risk management at the agency level;
- 9) Checks and balances that will allow the Office of Risk Management staff to confirm the integrity of the financial information obtained through the system;
- 10) Access to critical upgrades that are necessary to keep up with changing technologies; and
- 11) The ability to access and analyze enhanced business insights and analytics for future use.

Agency Request	0.00	0	275,000	0	275,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>275,000</i>	<i>0</i>	<i>275,000</i>

4. Project Manager FTP and PC

Public Works

The Division of Public Works requests 1.00 FTP and \$79,100 from the Permanent Building Fund for a project manager due to the increased workload of public works projects. On average, each existing project manager is assigned approximately 32 active projects that have a value of \$37 million. The extra personnel will help to realize one of the department's strategic plan goals to reduce the turnaround on completion of projects, and allow for quicker resolution of deferred maintenance projects. Ideally, the division believes each project manager should be running between 25 and 30 projects; at this point they are exceeding the upper limits as the work load continues to increase. Included in the ongoing request is \$53,900 for salary, \$16,600 for employer-paid benefit costs, and \$3,600 for training, supplies, and other miscellaneous office supplies. The request also includes \$5,000 in onetime capital outlay for a computer, phone, and workstation.

Agency Request	1.00	0	79,100	0	79,100
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Recommended by the Governor with changes for benefits and compensation.

<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>81,600</i>	<i>0</i>	<i>81,600</i>
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Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. Multi-Agency Servers and Storage		Information Technology			
The department requests \$628,500 from the General Fund for replacement of aging core computer and communication infrastructure that is operated by the Department of Administration in support of its entire customer base, primarily small agencies, boards, and commissions. The equipment will replace end-of-life application servers, data storage hardware, data backup equipment, and network communications equipment. Existing department staff will install and configure all the equipment, along with assistance from third-party contractors. In the event the state purchases the HP campus, this request may serve as a foundation for services to additional state agencies and related activities with essential computer and telecommunications requirements at that site.					
Specifically, the request includes \$12,000 in ongoing operating expenditures for annual server maintenance, \$62,500 in onetime operating expenditures for implementation of the system and software licenses, \$425,000 in onetime capital outlay for the server and storage hardware, \$93,000 in onetime capital outlay for network switches, and \$36,000 in onetime capital outlay for racks and ancillary equipment.					
Agency Request	0.00	628,500	0	0	628,500
The Governor recommends this line item in the budget for the Office of Information Technology. This is in conjunction with the Governor's proposal to transfer existing staff and appropriation from the Division of Information Technology at the Department of Administration to the proposed Office of Information Technology within the Office of the Governor in line item 7.					
Governor's Recommendation	0.00	0	0	0	0
6. Video Conference Bridge Replacement		Information Technology			
The department requests \$506,000 to replace a video conferencing bridge that is used by many state agencies. The current bridge is approximately ten years old and manufacturer support for the hardware ends in FY 2019. Over the last two years the bridge has been used to host more than 7,600 events for a cumulative 328,500 minutes of use. The bridge is used by agencies statewide for onetime and ongoing recurring conference events, as well as to support Idaho's Emergency Management Services with dedicated access to conferencing services for their statewide emergency response coordination responsibilities. The replacement hardware, software, and licensing will replace the current bridge and support all the current capabilities. It will also increase video conference interoperability across agencies, as well as with state's federal and local partners and clients.					
Specifically, the request includes \$378,000 in onetime General Fund operating expenditures for professional services and software licenses, and \$28,000 in onetime General Fund capital outlay for hardware. It also includes \$100,000 in ongoing operating expenditures from the Administration and Accounting Services Fund for software licenses and hardware maintenance.					
Agency Request	0.00	406,000	100,000	0	506,000
The Governor recommends this line item in the budget for the Office of Information Technology. This is in conjunction with the Governor's proposal to transfer existing staff and appropriation from the Division of Information Technology at the Department of Administration to the proposed Office of Information Technology within the Office of the Governor in line item 7.					
Governor's Recommendation	0.00	0	0	0	0
7. Creation of the Office of Info Tech					
Agency Request	0.00	0	0	0	0
The Governor recommends transferring existing staff and appropriation from the Division of Information Technology at the Department of Administration to the proposed Office of Information Technology within the Office of the Governor.					
Governor's Recommendation	(28.00)	(1,200,700)	(2,729,600)	0	(3,930,300)
8. Information Technology Services		Information Technology			
Agency Request	0.00	0	0	0	0
The Governor recommends appropriation from the Administration and Accounting Services Fund for the department to contract with the newly created Office of Information Technology (OIT) for information technology services, and also to provide accounting and human resource services to OIT.					
Governor's Recommendation	0.00	0	719,400	0	719,400

Department of Administration

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	142.00	4,535,500	23,477,400	0	28,012,900
Governor's Recommendation	113.00	2,152,900	21,445,300	0	23,598,200
Agency Request					
Change from Original App	2.00	1,188,100	(1,098,000)	0	90,100
% Change from Original App	1.4%	35.5%	(4.5%)		0.3%
Governor's Recommendation					
Change from Original App	(27.00)	(1,194,500)	(3,130,100)	0	(4,324,600)
% Change from Original App	(19.3%)	(35.7%)	(12.7%)		(15.5%)

Capitol Commission

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	2,490,800	367,700	2,342,000	2,342,000	2,342,000
Percent Change:		(85.2%)	536.9%	0.0%	0.0%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	290,800	62,400	142,000	142,000	142,000
Capital Outlay	2,200,000	305,300	2,200,000	2,200,000	2,200,000
Total:	2,490,800	367,700	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, Lieutenant Governor Brad Little, Senator Chuck Winder, Nancy Sue Wallace, and Representative 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 of 2007, 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 renovation was paid off in FY 2015.

The commission's charge now is to oversee the preservation and use of the Capitol. Ongoing funding for maintenance of the Capitol is provided from endowment land funds and investments.

Capitol Commission

Agency Profile

Analyst: Lockett

	FY 2017 Expenditures	FY 2018 Appropriation	FY 2019 Budget Request	FY 2019 Estimated Total Cash Available for the Year
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Source of Funds

1. Commission Operating Fund 0481-09	\$ 62,400	\$ 142,000	\$ 142,000	\$ 274,800
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Receives moneys from: 1) transfers from the Capitol Permanent Endowment Fund based on the Capitol Commission's approval, 2) all interest earned on the Capitol Commission Operating Fund, and 3) all other proceeds either public or private, as approved by the Legislature. All moneys shall be appropriated exclusively for the purposes of supporting the operation, activities, and projects of the Capitol Commission, retained for future appropriation, or transferred to the Capitol Permanent Endowment Fund by legislative appropriation (Section 67-1611, Idaho Code). Funds are used to pay the general operating expenses of the Capitol Commission, including administrative support that is provided by the Department of Administration. All expenditures from this fund are subject to appropriation by the Legislature.

2. Capitol Maintenance Reserve Fund 0482-79	\$ 305,300	\$ 2,200,000	\$ 2,200,000	\$ 7,580,400
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Ongoing funding and maintenance for the State Capitol Building and its grounds is paid for from Capitol endowment lands and investments that are deposited into a permanent fund called the Capitol Permanent Endowment Income Fund (permanent endowment). This fund receives income from endowment lands within the state. Each year, the Endowment Fund Investment Board (EFIB) distributes earnings from the permanent endowment to the Capitol Maintenance Reserve Fund per Capitol Commission guidance, but generally at an annual rate of 5% of the three-year average value of the permanent endowment, as recommended by the EFIB. Then, funds are appropriated and transferred from the Capitol Maintenance Reserve Fund to the Capitol Commission Operating Fund, as approved by the Legislature. All moneys in this fund shall be used exclusively by the Capitol Commission to address repairs, maintenance, and construction needs approved by the commission to benefit the Capitol and its grounds; provided that moneys from the fund shall also be used to pay for administrative costs incurred managing the assets of the capitol permanent endowment including, but not limited to, real property and monetary assets. All expenditures from this fund are subject to appropriation by the Legislature (Section 67-161A, Idaho Code).

3. Capitol Endowment Income Fund (Permanent Endowment) 0526-10	N/A	N/A	N/A	\$ 30,515,500
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Accrues moneys derived from 7,200 acres of land, over 90% of which is forested, from proceeds and interest from the sale of land, sale of timber, mineral royalties, and land rentals, all of which are collected and deposited to this fund by the Department of Lands (Sections 67-161a and 67-1611, Idaho Code). The Capitol Endowment Income Fund is managed by the Endowment Fund Investment Board (EFIB).

Grand Total	\$ 367,700	\$ 2,342,000	\$ 2,342,000	\$ 38,370,700
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Capitol Commission

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	0	2,342,000	0.00	0	2,342,000
Reappropriation	0.00	0	142,000	0.00	0	142,000
FY 2018 Total Appropriation	0.00	0	2,484,000	0.00	0	2,484,000
Removal of Onetime Expenditures	0.00	0	(142,000)	0.00	0	(142,000)
FY 2019 Base	0.00	0	2,342,000	0.00	0	2,342,000
FY 2019 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 2018 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 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	142,000	0	142,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>142,000</i>	<i>0</i>	<i>142,000</i>

FY 2018 Total Appropriation					
Agency Request	0.00	0	2,484,000	0	2,484,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,484,000</i>	<i>0</i>	<i>2,484,000</i>

Removal of Onetime Expenditures

This decision unit removes \$142,000 in onetime FY 2018 operating expenditures from the Capitol Commission Operating Fund for prior year reappropriation.

Agency Request	0.00	0	(142,000)	0	(142,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(142,000)</i>	<i>0</i>	<i>(142,000)</i>

FY 2019 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 2019 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

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	4,330,000	4,081,800	4,330,000	4,330,000	4,330,000
Dedicated	7,973,000	7,742,500	7,973,000	7,547,000	7,547,000
Total:	12,303,000	11,824,300	12,303,000	11,877,000	11,877,000
Percent Change:		(3.9%)	4.0%	(3.5%)	(3.5%)
BY OBJECT OF EXPENDITURE					
Operating Expenditures	5,362,200	3,799,300	5,362,200	5,351,200	5,351,200
Capital Outlay	6,940,800	8,025,000	6,940,800	6,525,800	6,525,800
Total:	12,303,000	11,824,300	12,303,000	11,877,000	11,877,000

Division Description

The Department of Administration's Bond Payments Program consolidates payment of the state's bonded indebtedness for the construction of buildings. There are 12 buildings paid for with bond funding in the state's portfolio, including: Prison Complex (Idaho State Correctional Center); Department of Parks and Recreation headquarters; Idaho School and Hospital; Idaho State University Rendezvous Center; College of Western Idaho (formerly Boise State University Academic West); University of Idaho Learning Center; Lewis-Clark State College Activity Center; North Idaho College Health Building; College of Southern Idaho Fine Arts Building; Idaho State Police Post Academy; Eastern Idaho Community College (formerly Eastern Idaho Technical College); and Capitol Mall Parking Garage Number II. The original principal on the bonds is \$151 million and the estimated principal due at the end of FY 2018 is \$74 million.

Bond Payments

Analyst: Lockett

Agency Profile

Estimated Debt Service on Bond Indebtedness							
Original Issue	Project Name	Original Principal	Current Interest Rate	Estimated Principal at Year End FY 2018	Maturity Date	Fund Source	Estimated FY 2019 Payment
1999**	Prison Complex (ISCC)	53,130,000	4.35%	30,850,000	FY 2026	0001	4,247,700
2002**	Park HQ (formerly Billingsley Creek)	4,040,000	1.96%	1,670,000	FY 2022	0365	538,900
2002*	Idaho School & Hospital	9,325,000	4.69%	3,720,000	FY 2024	0450	653,600
2003*	ISU Rendezvous	12,730,000	4.31%	5,095,000	FY 2024	0365	934,100
2003*	College of Western Idaho	9,180,000	4.56%	3,375,000	FY 2024	0365	662,900
2003*	UI Learning Center	12,440,000	4.63%	4,545,000	FY 2024	0365	894,600
2003*	LCSC Activity Center	10,625,000	4.56%	3,895,000	FY 2024	0365	768,700
2003*	NIC Health Bldg.	11,665,000	4.49%	4,290,000	FY 2024	0365	840,200
2003*	CSI Fine Arts Bldg.	5,730,000	4.49%	2,090,000	FY 2024	0365	407,600
2003*	ISP Post Academy	2,425,000	4.56%	890,000	FY 2024	0365	174,300
2005*	East. ID Comm. College	10,790,000	3.48%	5,795,000	FY 2026	0365	798,400
2013	Parking Garage	9,045,000	3.46%	7,680,000	FY 2034	0365	644,700
		\$151,125,000		\$73,895,000	TOTAL		\$11,565,700

Indebtedness By Fund Source	
Permanent Building Fund (Fund 0365)	\$6,664,400
General Fund (Fund 0001)	\$4,247,700
Administration & Accounting Services Fund (Fund 0450)	\$653,600
TOTAL	\$11,565,700

Notes
<p>The difference between the estimated payment amount of \$11,565,100 and the budget request of \$11,877,000 amounts to \$311,900 and is due to several factors: the FY 2019 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 Prison Complex (Idaho State Correctional Center), for example, the exact amount of the payment due is only an estimate at this time.</p> <p>* 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.</p> <p>** Formerly, the Prison Complex 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.</p>

Bond Payments

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	4,330,000	12,303,000	0.00	4,330,000	12,303,000
Base Adjustments	0.00	0	(426,000)	0.00	0	(426,000)
FY 2019 Base	0.00	4,330,000	11,877,000	0.00	4,330,000	11,877,000
FY 2019 Total	0.00	4,330,000	11,877,000	0.00	4,330,000	11,877,000
Change from Original Appropriation	0.00	0	(426,000)	0.00	0	(426,000)
% Change from Original Appropriation		0.0%	(3.5%)		0.0%	(3.5%)

Bond Payments

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	4,330,000	7,973,000	0	12,303,000
Base Adjustments					
The department requests a base reduction of \$426,000 from the Permanent Building Fund because the Boise State University College of Technology bond was paid off in FY 2018.					
Agency Request	0.00	0	(426,000)	0	(426,000)
Governor's Recommendation	0.00	0	(426,000)	0	(426,000)
FY 2019 Base					
Agency Request	0.00	4,330,000	7,547,000	0	11,877,000
Governor's Recommendation	0.00	4,330,000	7,547,000	0	11,877,000
FY 2019 Total					
Agency Request	0.00	4,330,000	7,547,000	0	11,877,000
Governor's Recommendation	0.00	4,330,000	7,547,000	0	11,877,000
Agency Request					
Change from Original App	0.00	0	(426,000)	0	(426,000)
% Change from Original App		0.0%	(5.3%)		(3.5%)
Governor's Recommendation					
Change from Original App	0.00	0	(426,000)	0	(426,000)
% Change from Original App		0.0%	(5.3%)		(3.5%)

Permanent Building Fund

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	78,344,100	31,098,800	71,425,700	33,657,800	67,772,000
Percent Change:		(60.3%)	129.7%	(52.9%)	(5.1%)
BY OBJECT OF EXPENDITURE					
Capital Outlay	78,344,100	31,098,800	71,425,700	33,657,800	67,772,000

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 Marv Hagedorn), a member from the House of Representatives (currently Representative Robert 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 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 Code).
- 3) Five million dollars per year of cigarette tax revenue (Section 63-2520, Idaho Code).
- 4) Proceeds from the 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 (33%) 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), and S1206 of 2017 made the distribution permanent. Since its inception in 1989, the lottery has distributed more than \$700 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 are credited to the Permanent Building Fund (Section 57-814(1), Idaho Code).

Permanent Building Fund

Agency Profile

Analyst: Lockett

FY 2019 Permanent Building Fund (PBF) Comparison

FY 2019 GOVERNOR'S REVENUE ESTIMATES:

FY 2018 Beginning Balance	\$	1,784,800	\$	1,784,800
Income Tax Filing Fee (\$10 head tax)	\$	7,809,300	\$	7,809,300
Cigarette Tax (fixed amount)	\$	5,000,000	\$	5,000,000
Beer Tax (33% of net collections)	\$	1,384,500	\$	1,384,500
Sales Tax (fixed amount)	\$	5,000,000	\$	5,000,000
Lottery Dividends	\$	18,562,500	\$	18,562,500
Capitol Mall Parking Receipts	\$	250,000	\$	250,000
Budget Stabilization Fund and Other Interest	\$	5,272,200	\$	5,272,200
TOTAL FUNDS AVAILABLE for FY 2019	\$	45,063,300	\$	45,063,300

	Requests		Governor's Rec	
EXPENDITURES:				
Dept of Administration Operating Budget:				
Public Works Operating Budget	\$	2,470,400	\$	2,470,400
Management Service Program Costs	\$	139,300	\$	141,700
Information Technology Program Costs	\$	115,000	\$	117,100
Bond Payments	\$	6,874,000	\$	6,874,000
Public Officials' Capitol Mall Facilities Transfer	\$	1,737,500	\$	1,737,500
Sub-total Admin Operating Budget	\$	11,336,200	\$	11,340,700
Alteration & Repair Projects, plus Capital Projects:				
Statewide Alteration and Repair Projects	\$	28,907,800	\$	53,907,800
Asbestos Abatement	\$	200,000	\$	200,000
ADA Compliance	\$	1,300,000	\$	1,300,000
Capitol Mall Maintenance	\$	250,000	\$	250,000
Dept. of Correction Waste Water Lagoon Upgrade	\$	1,220,000	\$	1,220,000
College of Southern Idaho Canyon Building Remodel	\$	830,000	\$	830,000
Division of Military's MWR Facility	\$	250,000	\$	250,000
New Public Safety Communications Site	\$	700,000	\$	700,000
IDOC Community Reentry Center	\$	-	\$	9,114,200
All Other Agency Project Requests	\$	163,327,900	\$	-
Sub-total Funding Requests	\$	196,985,700	\$	67,772,000
ESTIMATED ENDING BALANCE	\$	(163,258,600)	\$	(34,049,400)

The Governor's Recommendation includes a General Fund cash transfer for additional projects, including: CWI Health Sciences Building for \$10,000,000; IDOC Community Reentry Center for \$9,114,200; and \$25,000,000 for statewide alteration and repair projects

ESTIMATED ENDING BALANCE AFTER CASH TRANSFERS* **\$ 10,064,800**

*The Governor's Recommendation leaves an estimated ending balance in the Permanent Building Fund because he does not recommend the appropriation in the Permanent Building Fund for the College of Western Idaho Health Sciences Building until funds from other project partners have been received

Permanent Building Fund

Analyst: Lockett

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	0	71,425,700	0.00	0	71,425,700
Reappropriation	0.00	0	47,245,300	0.00	0	47,245,300
FY 2018 Total Appropriation	0.00	0	118,671,000	0.00	0	118,671,000
Removal of Onetime Expenditures	0.00	0	(118,671,000)	0.00	0	(118,671,000)
FY 2019 Base	0.00	0	0	0.00	0	0
Replacement Items	0.00	0	30,657,800	0.00	0	55,657,800
FY 2019 Program Maintenance	0.00	0	30,657,800	0.00	0	55,657,800
1. IDOC Waste Water Lagoon Upgrade	0.00	0	1,220,000	0.00	0	1,220,000
2. CSI Canyon Building Remodel	0.00	0	830,000	0.00	0	830,000
3. Division of Military's MWR Facility	0.00	0	250,000	0.00	0	250,000
4. New Public Safety Communications Site	0.00	0	700,000	0.00	0	700,000
5. IDOC Community Reentry Center	0.00	0	0	0.00	0	9,114,200
6. General Fund for Capital Projects	0.00	0	0	0.00	44,114,200	44,114,200
Cash Transfers	0.00	0	0	0.00	(44,114,200)	(44,114,200)
FY 2019 Total	0.00	0	33,657,800	0.00	0	67,772,000
Change from Original Appropriation	0.00	0	(37,767,900)	0.00	0	(3,653,700)
% Change from Original Appropriation			(52.9%)			(5.1%)

Permanent Building Fund

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	0.00	0	71,425,700	0	71,425,700

Reappropriation

The council was authorized to reappropriate or carryover its unencumbered and unspent appropriation from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	47,245,300	0	47,245,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>47,245,300</i>	<i>0</i>	<i>47,245,300</i>

FY 2018 Total Appropriation					
Agency Request	0.00	0	118,671,000	0	118,671,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>118,671,000</i>	<i>0</i>	<i>118,671,000</i>

Removal of Onetime Expenditures

This decision unit removes the FY 2018 original appropriation and reappropriation to get to an FY 2019 Base of zero.

Agency Request	0.00	0	(118,671,000)	0	(118,671,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(118,671,000)</i>	<i>0</i>	<i>(118,671,000)</i>

FY 2019 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: \$28,907,800 for statewide building alteration and repair projects, \$1,300,000 for Americans with Disabilities Act (ADA) projects, \$200,000 for asbestos projects, and \$250,000 to spend Capitol Mall parking receipts.

Agency Request	0.00	0	30,657,800	0	30,657,800
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The Governor recommends an additional \$25,000,000 appropriation and transfer from the General Fund to the Permanent Building for building alteration and repair projects statewide. This decision unit provides an appropriation to spend the dedicated funds.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>55,657,800</i>	<i>0</i>	<i>55,657,800</i>
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FY 2019 Program Maintenance					
Agency Request	0.00	0	30,657,800	0	30,657,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>55,657,800</i>	<i>0</i>	<i>55,657,800</i>

1. IDOC Waste Water Lagoon Upgrade

The Permanent Building Fund Advisory Council requests \$1,220,000 from the Permanent Building Fund to upgrade the water resource recovery facility at the North Idaho Correctional Institution near Cottonwood, Idaho. The facility is being upgraded to comply with revised Department of Environmental Quality (DEQ) and Environmental Protection Agency (EPA) standards.

Agency Request	0.00	0	1,220,000	0	1,220,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,220,000</i>	<i>0</i>	<i>1,220,000</i>

2. CSI Canyon Building Remodel

The council requests \$830,000 from the Permanent Building Fund for the remodel and modernization of approximately 25,000 square feet of existing classrooms and offices originally constructed in 1976. The space houses the school's Information Technology Education Program. The council states that remodeling will make more efficient use of the existing area and create an instructional environment consistent with modern standards.

Agency Request	0.00	0	830,000	0	830,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>830,000</i>	<i>0</i>	<i>830,000</i>

Permanent Building Fund

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Division of Military's MWR Facility					
The council requests \$250,000 from the Permanent Building Fund to provide a new slab-on-grade building, electric and gas utilities, basic interior finishes, and a roughed-in restroom for the Morale, Welfare, and Recreation (MWR) Facility. This will maximize the available floor space for use as a community activities center to support military members training in the Idaho National Guard range complex. The building will be located near 33400 Orchard Access Road in Boise, Idaho.					
Agency Request	0.00	0	250,000	0	250,000
Governor's Recommendation	0.00	0	250,000	0	250,000
4. New Public Safety Communications Site					
The council requests \$700,000 from the Permanent Building Fund for a new public safety communications site located at the Lewiston Grade, Port of Entry. This project will enhance safeguarding and maintaining communications equipment for the Idaho Military Division, Idaho State Police, Idaho Department of Health and Welfare, and the Idaho Transportation Department.					
Agency Request	0.00	0	700,000	0	700,000
Governor's Recommendation	0.00	0	700,000	0	700,000
5. IDOC Community Reentry Center					
Agency Request	0.00	0	0	0	0
The Governor recommends a \$9,114,200 appropriation and transfer from the General Fund to the Permanent Building Fund for a community reentry center. This decision unit provides an appropriation to spend the dedicated funds.					
Governor's Recommendation	0.00	0	9,114,200	0	9,114,200
6. General Fund for Capital Projects					
Agency Request	0.00	0	0	0	0
The Governor recommends an additional \$25,000,000 appropriation and transfer from the General Fund to the Permanent Building for building alteration and repair projects statewide.					
The Governor recommends a \$10,000,000 transfer from the General Fund for a Health Sciences Building on the Nampa campus of the College of Western Idaho. This building will support continued growth in the health sciences programs including nursing, dental assisting, surgical technology, physical therapy, and certified nursing assisting. 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.					
The Governor recommends a \$9,114,200 appropriation and transfer from the General Fund to the Permanent Building Fund for an Idaho Department of Correction Community Reentry Center.					
This decision unit provides the General Fund appropriation portion of the Governor's recommendation.					
Governor's Recommendation	0.00	44,114,200	0	0	44,114,200
Cash Transfers					
Agency Request	0.00	0	0	0	0
The Governor recommends transferring a total of \$44,114,200 from the General Fund into the Permanent Building Fund. This is the cash transfer portion of the Governor's recommendation for the following projects:					
1. Building alteration and repair projects (requested as \$25,000,000 in the replacement items decision unit);					
2. Idaho Department of Correction Community Reentry Center (requested as \$9,114,200 in line item 5); and					
3. College of Western Idaho Health Sciences Building (requested as \$10,000,000 in line item 6).					
Governor's Recommendation	0.00	(44,114,200)	0	0	(44,114,200)
FY 2019 Total					
Agency Request	0.00	0	33,657,800	0	33,657,800
Governor's Recommendation	0.00	0	67,772,000	0	67,772,000

Permanent Building Fund

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	0	(37,767,900)	0	(37,767,900)
% Change from Original App			(52.9%)		(52.9%)
Governor's Recommendation					
Change from Original App	0.00	0	(3,653,700)	0	(3,653,700)
% Change from Original App			(5.1%)		(5.1%)

Attorney General

Analyst: Hoskins

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
State Legal Services	21,647,500	21,169,900	22,137,600	22,407,900	22,472,400
Internet Crimes Against Children	1,670,200	1,592,400	1,686,100	2,108,300	1,852,900
Special Litigation	965,000	535,200	890,700	890,700	890,700
Total:	24,282,700	23,297,500	24,714,400	25,406,900	25,216,000
BY FUND CATEGORY					
General	22,699,900	22,191,100	23,135,800	23,853,000	23,537,200
Dedicated	413,800	326,600	404,300	398,600	509,400
Federal	1,169,000	779,800	1,174,300	1,155,300	1,169,400
Total:	24,282,700	23,297,500	24,714,400	25,406,900	25,216,000
Percent Change:		(4.1%)	6.1%	2.8%	2.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	20,984,900	20,701,600	21,306,300	21,689,500	21,778,000
Operating Expenditures	2,455,100	1,618,700	2,449,100	2,560,700	2,452,500
Capital Outlay	150,600	318,500	266,900	368,000	293,400
Trustee/Benefit	692,100	658,700	692,100	788,700	692,100
Total:	24,282,700	23,297,500	24,714,400	25,406,900	25,216,000
Full-Time Positions (FTP)	205.60	205.60	208.60	213.60	210.60

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 the 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 and 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 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 and 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 and 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: The General Fund is 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 2018 Original Appropriation	208.60	23,135,800	24,714,400	208.60	23,135,800	24,714,400
Removal of Onetime Expenditures	0.00	(318,000)	(341,300)	0.00	(318,000)	(341,300)
FY 2019 Base	208.60	22,817,800	24,373,100	208.60	22,817,800	24,373,100
Benefit Costs	0.00	(266,600)	(285,200)	0.00	(267,700)	(285,100)
Replacement Items	0.00	420,500	428,700	0.00	283,500	291,700
Statewide Cost Allocation	0.00	4,400	4,400	0.00	4,400	4,400
Change in Employee Compensation	0.00	177,300	186,300	0.00	528,900	555,600
FY 2019 Program Maintenance	208.60	23,153,400	24,707,300	208.60	23,366,900	24,939,700
1. Deputy AG & Paralegal - MSA	2.00	182,200	182,200	1.00	0	106,000
2. Deputy AG - IDOC	1.00	103,500	103,500	0.00	0	0
3. ICAC Investigators	2.00	393,800	393,800	1.00	170,300	170,300
4. Legal Assistant Increase in Hours	0.00	10,100	10,100	0.00	0	0
5. Time Billing Software	0.00	10,000	10,000	0.00	0	0
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	213.60	23,853,000	25,406,900	210.60	23,537,200	25,216,000
Change from Original Appropriation	5.00	717,200	692,500	2.00	401,400	501,600
% Change from Original Appropriation		3.1%	2.8%		1.7%	2.0%

Attorney General

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	208.60	23,135,800	404,300	1,174,300	24,714,400

Removal of Onetime Expenditures

This adjustment removes amounts appropriated in FY 2018 for replacement items and onetime portions of line items.

Agency Request	0.00	(318,000)	0	(23,300)	(341,300)
Governor's Recommendation	0.00	(318,000)	0	(23,300)	(341,300)

FY 2019 Base					
Agency Request	208.60	22,817,800	404,300	1,151,000	24,373,100
Governor's Recommendation	208.60	22,817,800	404,300	1,151,000	24,373,100

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments in workers' compensation that vary by agency.

Agency Request	0.00	(266,600)	(7,700)	(10,900)	(285,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(267,700)	(6,700)	(10,700)	(285,100)
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Replacement Items

Requested replacement items include \$91,500 for PCs, laptops, and workstations; \$11,000 for a photocopier; \$30,000 to repair and rewire the data connections on the fourth floor of the Joe R. Williams Building; \$189,400 for servers, storage, and switches; and \$106,800 for software.

Agency Request	0.00	420,500	0	8,200	428,700
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For replacement items, the Governor recommends \$283,500 from the General Fund and \$8,200 from the Federal Grant Fund.

Governor's Recommendation	0.00	283,500	0	8,200	291,700
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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 costs will increase by \$900 and State Controller fees will increase by \$3,500, for a net increase of \$4,400.

Agency Request	0.00	4,400	0	0	4,400
Governor's Recommendation	0.00	4,400	0	0	4,400

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	177,300	2,000	7,000	186,300
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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	528,900	5,800	20,900	555,600
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FY 2019 Program Maintenance					
Agency Request	208.60	23,153,400	398,600	1,155,300	24,707,300
Governor's Recommendation	208.60	23,366,900	403,400	1,169,400	24,939,700

Attorney General

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Deputy AG & Paralegal - MSA	State Legal Services				
The agency requests 2.00 FTP and \$182,200 from the General Fund to hire a deputy attorney general (DAG) and a paralegal to staff arbitration of the Master Settlement Agreement (MSA) with the tobacco industry. Of the total amount requested, \$168,300 is in ongoing personnel costs for salary and benefits and \$1,800 is in ongoing operating expenditures for Westlaw access and Idaho State Bar dues. Onetime amounts include \$12,100 in capital outlay for voice recorders, office furniture, computer equipment, and phones. The state receives approximately \$25 million per year pursuant to the MSA. Each year, a state's MSA payment amount is subject to upward and downward adjustments, e.g., inflation adjustment (upward), volume adjustment (downward), previously settled states adjustment (downward), and non-participating manufacturer (NPM) adjustment (downward). If the tobacco industry contests the arbitration for a particular payment and prevails, the state's entire payment is in jeopardy due to operation of the NPM adjustment. For the 2004 MSA payment year, the year currently in arbitration, the tobacco industry has contested Idaho. Thus, a one-week evidentiary hearing is set for February of 2018 to determine whether the state's payment should be reduced or eliminated. The focus of the evidentiary hearing is on whether Idaho has "diligently enforced" its "qualifying statute" (Title 39, Chapter 78, Idaho Code) such that the downward NPM adjustment is avoided or reduced. Currently, the Attorney General dedicates two full-time DAGs and one paralegal to MSA arbitration as well as to enforcement of Idaho's qualifying statute and other related tobacco sales laws like the Idaho Tobacco Master Settlement Agreement Complementary Act (Title 39, Chapter 84, Idaho Code). These positions are requested here to bolster the Attorney General's staff for the anticipated arbitration of the 2005 payment and beyond.					
Agency Request	2.00	182,200	0	0	182,200
<i>The Governor recommends 1.00 FTP and funding for the deputy attorney general (DAG) position from the Idaho Millennium Income Fund. The Governor does not recommend funding the paralegal position. On December 4, 2017, the Attorney General notified LSO and DFM that the paralegal position is no longer needed, as a consumer specialist was hired to address MSA workload issues using existing excess personnel cost appropriation.</i>					
Governor's Recommendation	1.00	0	106,000	0	106,000
2. Deputy AG - IDOC	State Legal Services				
The Attorney General requests 1.00 FTP and \$103,500 from the General Fund to hire a deputy attorney general (DAG) to assist the Idaho Department of Correction (IDOC) with its litigation of the Walter D. Balla et al. v. Idaho State Board of Correction (Balla) court case. Of the total amount requested, \$102,400 is in ongoing personnel costs for salary and benefits and \$1,100 is in ongoing operating expenditures for Westlaw access and Idaho State Bar dues. According to the agency, IDOC anticipates ongoing litigation of Balla for at least the next two years. Currently, there are four DAGs assigned to IDOC, and the Attorney General has had to dedicate two additional DAGs from the Civil Litigation Division to address Balla workload issues. Yet, this legal staff has often worked overtime to address Balla. IDOC 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 2021. IDOC expects such an increase to be allocated entirely to the General Fund.					
Agency Request	1.00	103,500	0	0	103,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Attorney General

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. ICAC Investigators				Internet Crimes Against Children	
<p>The agency requests 2.00 FTP and \$393,800 from the General Fund to hire a forensic computer examiner, a criminal investigator, and an affiliate investigator to address workload increases and investigation backlogs in criminal cases involving internet crimes against children. Of the total amount requested, \$201,300 is in ongoing personnel costs for salary and benefits and \$96,600 is in ongoing trustee and benefit payments for the personnel costs associated with the affiliate investigator. Onetime amounts include \$27,900 in operating expenditures for software and peripheral computer equipment; and \$68,000 in capital outlay for office furniture, computer equipment, firearms, phones, ballistic vests, and radios. Currently, the agency has three forensic computer examiners who process evidence for cases developed by its investigators as well as for other law enforcement agencies throughout Idaho that request assistance. According to the agency, a fourth forensic computer examiner would reduce the current evidence-processing backlog of three to six months. Further, the agency states that it is receiving sufficient indication of criminal activity to support the addition of another criminal investigator to assist in the development of cases. Lastly, an additional affiliate investigator would allow the agency to divide the north Idaho region, the busiest area for internet crimes against children, between two affiliate investigators.</p>					
Agency Request	2.00	393,800	0	0	393,800
<i>The Governor does not recommend funding the criminal investigator or the affiliate investigator.</i>					
Governor's Recommendation	1.00	170,300	0	0	170,300
4. Legal Assistant Increase in Hours				State Legal Services	
<p>The Attorney General requests \$10,100 in ongoing personnel costs from the General Fund to increase the hours of a legal assistant assigned to the State Tax Commission from 32 to 40 hours per week. Currently, this legal assistant supports five deputy attorneys general (DAGs) at the commission by filing pleadings, organizing case files and pleadings, drafting and sending correspondence, providing editorial assistance, and assisting with calendar management. According to the agency, the workload is already heavy and is expected to increase due to the addition of the recently appropriated DAG who is assigned to assist the commission in debt collection and bankruptcy matters. The commission would be billed for this increase through the standard Statewide Cost Allocation Plan and its allocated costs for Attorney General fees could increase in FY 2021. The commission expects such an increase to be allocated entirely to the General Fund.</p>					
Agency Request	0.00	10,100	0	0	10,100
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Time Billing Software				State Legal Services	
<p>The agency requests \$10,000 in ongoing operating expenditures from the General Fund to purchase time billing software in order to comply with an audit update from the Legislative Audits Division of the Legislative Services Office regarding the Statewide Cost Allocation Plan (SWCAP). The Attorney General maintains time records for work billed to state agencies through SWCAP. These time records are audited by the Legislative Audits Division on an annual basis. According to the audit update, the current timekeeping software does not have an efficient mechanism for documenting review and approval of time records in violation of 2 CFR 225, which contains the principles to be applied in establishing the allowability of certain items of cost for federal awards. This request is for subscription-based software to replace the timekeeping function of the Attorney General's current software in order to comply with 2 CFR 225.</p>					
Agency Request	0.00	10,000	0	0	10,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Budget Law Exemptions				State Legal Services, ICAC, Special Litigation	
<p>The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.</p>					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends lump sum authority only.</i>					
Governor's Recommendation	0.00	0	0	0	0

Attorney General

Analyst: Hoskins

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	213.60	23,853,000	398,600	1,155,300	25,406,900
<i>Governor's Recommendation</i>	<i>210.60</i>	<i>23,537,200</i>	<i>509,400</i>	<i>1,169,400</i>	<i>25,216,000</i>
Agency Request					
Change from Original App	5.00	717,200	(5,700)	(19,000)	692,500
% Change from Original App	2.4%	3.1%	(1.4%)	(1.6%)	2.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>2.00</i>	<i>401,400</i>	<i>105,100</i>	<i>(4,900)</i>	<i>501,600</i>
<i>% Change from Original App</i>	<i>1.0%</i>	<i>1.7%</i>	<i>26.0%</i>	<i>(0.4%)</i>	<i>2.0%</i>

State Controller

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	670,200	647,100	772,100	730,200	733,500
Statewide Accounting	3,619,100	3,401,400	4,090,300	5,708,000	5,735,700
Statewide Payroll	3,274,900	3,269,000	3,493,600	4,462,200	4,485,800
Computer Center	9,987,100	6,845,500	7,802,600	7,774,000	7,856,500
Total:	17,551,300	14,163,000	16,158,600	18,674,400	18,811,500
BY FUND CATEGORY					
General	7,554,200	7,314,700	8,346,000	10,890,400	10,945,000
Dedicated	9,997,100	6,848,300	7,812,600	7,784,000	7,866,500
Total:	17,551,300	14,163,000	16,158,600	18,674,400	18,811,500
Percent Change:		(19.3%)	14.1%	15.6%	16.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,253,700	8,264,900	8,761,400	8,694,200	8,840,200
Operating Expenditures	8,164,500	5,437,300	7,302,400	9,911,000	9,911,000
Capital Outlay	133,100	460,800	94,800	69,200	60,300
Total:	17,551,300	14,163,000	16,158,600	18,674,400	18,811,500
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 59-1101A, Idaho Code.

The Division of Statewide Accounting is responsible for maintaining the state's accounting system, called STARS (Statewide Accounting and 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 and Welfare. The Computer Service Center bills the Controller's divisions internally and agency customers directly for IT services. [Statutory Authority: Section 67-1001, Idaho Code]

The Controller serves as secretary for the Board of Examiners, which consists of the Governor, Attorney General, and the Secretary of State, 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, the Idaho Technology Authority (ITA), and the Deferred Compensation and College Savings Boards.

State Controller

Comparative Summary

Analyst: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	95.00	8,346,000	16,158,600	95.00	8,346,000	16,158,600
Reappropriation	0.00	0	3,141,600	0.00	0	3,141,600
FY 2018 Total Appropriation	95.00	8,346,000	19,300,200	95.00	8,346,000	19,300,200
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	95.00	8,346,000	19,300,200	95.00	8,346,000	19,300,200
Removal of Onetime Expenditures	0.00	(465,000)	(3,634,200)	0.00	(465,000)	(3,634,200)
FY 2019 Base	95.00	7,881,000	15,666,000	95.00	7,881,000	15,666,000
Benefit Costs	0.00	(65,400)	(142,500)	0.00	(61,400)	(135,400)
Replacement Items	0.00	36,200	69,200	0.00	27,300	60,300
Statewide Cost Allocation	0.00	6,000	6,400	0.00	6,000	6,400
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	31,600	74,300	0.00	91,100	213,200
FY 2019 Program Maintenance	95.00	7,890,400	15,674,400	95.00	7,945,000	15,811,500
1. Redistribute CSC Costs	0.00	3,000,000	3,000,000	0.00	3,000,000	3,000,000
2. Business Systems Modernization	0.00	102,000,000	102,000,000	0.00	0	0
Cash Transfer to New Fund	0.00	(102,000,000)	(102,000,000)	0.00	0	0
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	95.00	10,890,400	18,674,400	95.00	10,945,000	18,811,500
Change from Original Appropriation	0.00	2,544,400	2,515,800	0.00	2,599,000	2,652,900
% Change from Original Appropriation		30.5%	15.6%		31.1%	16.4%

State Controller

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	95.00	8,346,000	7,812,600	0	16,158,600

Reappropriation

Computer Center

The Computer Service Center was authorized to reappropriate or carryover its unencumbered and unspent dedicated fund appropriation balance from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	3,141,600	0	3,141,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,141,600</i>	<i>0</i>	<i>3,141,600</i>

FY 2018 Total Appropriation					
Agency Request	95.00	8,346,000	10,954,200	0	19,300,200
<i>Governor's Recommendation</i>	<i>95.00</i>	<i>8,346,000</i>	<i>10,954,200</i>	<i>0</i>	<i>19,300,200</i>

Noncognizable Funds and Transfers

The agency requests a transfer of 0.30 FTP to the General Fund in the Administration Division from the agency's three other divisions: 0.03 FTP from the General Fund in the Statewide Accounting Division, 0.12 FTP from the General Fund in the Statewide Payroll Division, and 0.15 FTP from the Data Processing Services Fund in the Computer Service Center. These transfers will adjust the FTP allocation across programs to more accurately reflect the staff resources needed in each division.

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 Estimated Expenditures					
Agency Request	95.00	8,346,000	10,954,200	0	19,300,200
<i>Governor's Recommendation</i>	<i>95.00</i>	<i>8,346,000</i>	<i>10,954,200</i>	<i>0</i>	<i>19,300,200</i>

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items (\$57,000), onetime portions of line items (\$240,000), and authorized carryover for the Computer Service Center (\$3,141,600) from FY 2017 to FY 2018.

Agency Request	0.00	(465,000)	(3,169,200)	0	(3,634,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(465,000)</i>	<i>(3,169,200)</i>	<i>0</i>	<i>(3,634,200)</i>

FY 2019 Base					
Agency Request	95.00	7,881,000	7,785,000	0	15,666,000
<i>Governor's Recommendation</i>	<i>95.00</i>	<i>7,881,000</i>	<i>7,785,000</i>	<i>0</i>	<i>15,666,000</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(65,400)	(77,100)	0	(142,500)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(61,400)</i>	<i>(74,000)</i>	<i>0</i>	<i>(135,400)</i>
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State Controller

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

The agency requests the following replacement items from the General Fund for each of its divisions in accordance with a three year repair and maintenance schedule for its computer equipment. Administration: five laptop computers (\$8,900), one desktop computer (\$1,400), and four monitors (\$1,000) for a total of \$11,300. Statewide Accounting: two laptops (\$3,500), two desktops (\$2,800), and five monitors (\$1,300) for a total of \$7,600. Statewide Payroll: five laptops (\$8,900), five desktops (\$7,100), and five monitors (\$1,300) for a total of \$17,300.

Additionally, the agency requests the following replacement items from the Data Processing Services Fund for the Computer Service Center: 14 laptop computers (\$24,800), four desktops (\$5,700), and ten computer monitors (\$2,500) for a total of \$33,000.

Agency Request	0.00	36,200	33,000	0	69,200
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The Governor does not recommend the replacement of three laptops, two desktops, and three monitors, for a total cost of \$8,900.

Governor's Recommendation	0.00	27,300	33,000	0	60,300
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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 costs will increase by \$4,600, State Controller fees will increase by \$1,900, and State Treasurer fees will decrease by \$100, for a net increase of \$6,400.

Agency Request	0.00	6,000	400	0	6,400
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Governor's Recommendation	0.00	6,000	400	0	6,400
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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, 2018 by 1.5%, from \$105,771 to \$107,357 annually, and this adjustment funds the increase from July 1, 2018 through December 31, 2018.

Agency Request	0.00	1,000	0	0	1,000
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Governor's Recommendation	0.00	1,000	0	0	1,000
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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	31,600	42,700	0	74,300
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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	91,100	122,100	0	213,200
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FY 2019 Program Maintenance					
Agency Request	95.00	7,890,400	7,784,000	0	15,674,400
Governor's Recommendation	95.00	7,945,000	7,866,500	0	15,811,500

State Controller

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Redistribute CSC Costs					Statewide Accounting, Statewide Payroll

The agency is requesting \$3,000,000 in ongoing operating expenditures from the General Fund (\$1,830,000 for the Statewide Accounting Division and \$1,170,000 for the Statewide Payroll Division) to supplement the costs of operating the Computer Service Center (CSC) due to the loss of fee revenue from the Department of Health and Welfare (DHW), which will no longer use the CSC for its non-fiscal systems as of FY 2019.

As a dedicated fund division, the CSC is a cost center that derives operating cash from fees paid by its customers. Federal cost allocation guidelines require that billing rates generate revenue sufficient to cover the costs of providing technology services. With fewer customers utilizing the CSC, the rates increase for the remaining users. The Statewide Accounting Division and the Statewide Payroll Division are customers of the CSC, and therefore request an increased appropriation to cover their increased usage fees.

In FY 2015, the State Controller's Office (SCO) began planning for the departure of three of its largest CSC customers from the State Controller's consolidated computing environment: Idaho Transportation Department (ITD), the Department of Labor (DOL), and DHW. The agencies' decisions to remove non-financial business applications from the shared environment, specifically the shared mainframe computing equipment, were made to meet their own requirements. Due to the changing customer base, the SCO requested \$3,500,000 in its FY 2016 budget to cover the redistributed costs of operating the CSC for its accounting and payroll services for the state.

During the 2016 legislative session, DHW in consultation with the SCO agreed to postpone moving its non-fiscal systems away from the CSC. This postponement, coupled with the delayed movement by ITD and DOL, provided greater stability in SCO's customer base and helped mitigate the need for an increase. The State Controller subsequently rescinded the \$3,500,000 request, with the knowledge that the customer base would still be changing over the course of the next few years.

By FY 2018, ITD and DOL completed their departure from the shared mainframe computing environment. With this departure, an analysis and review of CSC's expenses and revenues indicated that the division's fee-for-service cost model rates required an increase for FY 2018. The Controller was appropriated \$618,500 from the General Fund to cover the redistributed costs to operate the CSC.

Currently, DHW plans to re-platform its non-fiscal systems off the shared SCO environments by the end of June 2018. This decision by DHW will further reduce the customer base paying for the CSC shared environments and services. While the dedicated expenses to operate the CSC remain relatively unchanged, the change in the CSC customer base will result in a redistribution of the costs to operate the computing environments and provide appropriate services among the remaining customers.

If approved, this increase to the SCO's FY 2020 Base is expected to cover the costs of operating the CSC for the next few years. The next potential increase should not occur until the state's new financial system is operational, at which time the Statewide Payroll Division will be the last remaining large customer on the mainframe until the implementation of the new system is completed.

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>

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Business Systems Modernization					Administration

The State Controller's Office (SCO) requests \$102,000,000 in onetime operating expenditures from the General Fund to modernize and consolidate five of the state's core business systems (financial, payroll, budget, human capital management, and procurement) by implementing a statewide Enterprise Resource Planning (ERP) system over an estimated five-year period.

The SCO is constitutionally tasked with maintaining the state's payroll and accounting systems. The current payroll and accounting systems were implemented in 1987 and 1988, respectively. Over the last 30 years, SCO has maintained this technology and added the necessary programming adaptations to continue its usefulness. However, the mainframe technology and programming code behind these legacy systems have reached the end of their ability to adequately sustain operation into the future, as subject matter experts retire and vendor support for existing systems becomes increasingly unavailable. According to the SCO's studies and findings to date, colleges and universities no longer teach the programming languages used for these legacy systems, potential contractor personnel capable of supporting the technology are moving closer to retirement age, and vendors of critical software utilized to provide the state's accounting and payroll functionality in these legacy systems have begun eliminating support. These factors lead to security risks and increased probability of system failures.

The SCO has been appropriated funds in prior years to study the replacement of the current systems. In FY 2015, the Controller's Office received \$250,000 from the General Fund for a Fiscal and Accounting Systems Replacement Study. Of that amount, \$105,100 was spent and \$144,900 was reverted because the Department of Health and Welfare contributed funding to participate in the study as well. The study was conducted by an independent consultant to determine the statewide and agency-specific capabilities needed in a new potential business system. In FY 2017, \$350,000 was appropriated from the General Fund for a System Modernization RFI which solicited presentations from potential software vendors and implementers. In FY 2018, \$390,000 was appropriated from the General Fund for a System Modernization Analysis with which more detailed information gathering is currently being conducted with all state agencies in preparation for a request for proposals (RFP) for a new system.

According to the SCO, three of the main benefits of a system modernization would be to consolidate duplicate systems, improve transparency of financial data and transactions, and improve functionality to meet agency needs. The statewide study findings show that the modernization effort could eliminate 80 or more individual agency-specific financial, human capital management, payroll, procurement, and budgeting systems if a consolidated business infrastructure can be configured to meet the necessary requirements. Consolidation of non-programmatic software systems would provide greater efficiency in the operations of agencies and limit the costs associated with maintaining multiple systems. According to the 2015 Systems Modernization Study commissioned by the SCO, consolidation efforts are estimated to potentially save the state at least \$92 million by eliminating existing system costs, plus \$9.8 million in duplicative upgrade costs over ten years. Furthermore, employee process improvement savings at agencies are estimated to save \$95 million over ten years. Additionally, consolidating the various financial systems in the state into a modern ERP will increase transparency and access to statewide agency-specific data. New ERP systems offer one platform that all agencies will enter data directly into rather than interfacing individual systems in which detailed transactions often get rolled up into a single transaction.

The proposed timeline for the project would be as follows: In FY 2019, an RFP would be issued and software vendors and implementers would be selected. In FY 2020 and 2021, the first three of five modules would be implemented: financial, budget, and procurement. In FY 2022 and 2023, the two final modules, human resources and payroll, would be implemented. The RFP process in year one is estimated to cost \$1.1 million, while the subsequent four years of software implementation are estimated to cost approximately \$25 million each.

Therefore, the SCO requests that consistent and secure funds over the next five years be appropriated and transferred from the General Fund to a newly created dedicated fund (Business Information Infrastructure Fund) to modernize the state's legacy systems. The SCO also requests continuous appropriation of the funds to provide the needed flexibility as the initiative begins. The dedicated fund and continuous appropriation authority are requested solely for the duration of the project implementation period and will sunset at the end of the initiative, reverting any unspent moneys to the General Fund.

State Controller

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request	0.00	102,000,000	0	0	102,000,000
<i>The Governor supports legislation redirecting the state's indirect cost recovery funds into a new Business Information Infrastructure Fund at the State Controller's Office to fund the replacement of its core business information systems. This will provide the necessary \$102,000,000 over a five-year period.</i>					
Governor's Recommendation	0.00	0	0	0	0

Cash Transfer to New Fund

Administration

The State Controller's Office is requesting that a new Business Information Infrastructure Fund be established for the purpose of funding the business systems modernization initiative. This request includes transferring the requested \$102,000,000, if appropriated from the General Fund for this project, into a newly created dedicated fund with continuous appropriation. The dedicated fund and continuous appropriation authority are requested solely for the duration of the project implementation period and will sunset at the end of the initiative, reverting any unspent monies to the General Fund. This decision unit is a revenue adjustment to transfer funds from the General Fund into the newly created dedicated fund.

Note: If the proposed dedicated fund is created, and it is the will of the Legislature, the transfer into this fund could be made at budget setting or as a trailer appropriation.

Agency Request	0.00	(102,000,000)	0	0	(102,000,000)
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Budget Law Exemptions

Computer Center

CARRYOVER: The agency requests authority to carryover its unencumbered and unspent appropriation balances for the Data Processing Services Fund, the dedicated fund for the Computer Service Center (CSC), from FY 2018 into FY 2019. Carryover requires legislative approval. The 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 its services. The CSC requests the continuance of carryover authority in FY 2019 to help meet variable and changing needs of its customers and to maintain flexibility to negotiate better pricing and contract terms with vendors for substantial technology purchases the center makes on behalf of state agencies by capitalizing on opportunities that arise at cycles favorable to the state.

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

FY 2019 Total

Agency Request	95.00	10,890,400	7,784,000	0	18,674,400
Governor's Recommendation	95.00	10,945,000	7,866,500	0	18,811,500
Agency Request					
Change from Original App	0.00	2,544,400	(28,600)	0	2,515,800
% Change from Original App	0.0%	30.5%	(0.4%)		15.6%
Governor's Recommendation					
Change from Original App	0.00	2,599,000	53,900	0	2,652,900
% Change from Original App	0.0%	31.1%	0.7%		16.4%

Idaho Legislative Budget Book

Office of the Governor

2018 Legislative Session

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Office of the Governor

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Aging, Commission on	12,570,600	12,560,100	12,558,400	13,686,600	13,594,400
Arts, Commission on the	1,956,200	1,672,600	1,987,000	2,005,700	1,996,200
Blind, Commission for the	4,974,500	4,823,200	4,986,600	4,932,300	4,986,400
Drug Policy, Office of	4,681,600	4,584,300	4,878,400	4,772,500	4,691,900
Energy & Mineral Resources, Office of	1,257,700	955,700	1,300,700	1,298,300	1,308,700
Financial Management, Div of	1,814,800	1,742,400	1,928,300	1,928,500	1,958,700
Governor, Exec. Office	2,225,400	2,055,200	2,348,100	2,358,200	16,307,900
Human Resources, Division of	1,808,200	1,675,100	2,263,800	2,136,200	2,164,000
Liquor Division, State	19,670,900	19,431,300	20,156,400	21,249,900	21,423,700
Military Division	74,085,700	60,240,000	92,091,200	107,028,700	106,267,300
Pub Emp Retirement System	7,825,800	7,326,500	7,947,900	8,011,500	8,111,700
Species Conservation, Office of	13,878,400	8,346,800	14,131,500	14,224,700	14,245,000
STEM Action Center	4,520,700	3,624,300	6,589,800	6,758,200	4,754,700
Wolf Depredation Control Board	0	461,900	0	0	0
Total:	151,270,500	129,499,400	173,168,100	190,391,300	201,810,600
BY FUND CATEGORY					
General	20,705,600	20,447,800	23,953,500	25,881,300	25,110,100
Dedicated	39,586,500	36,541,500	40,472,100	41,148,500	52,676,300
Federal	90,978,400	72,510,100	108,742,500	123,361,500	124,024,200
Total:	151,270,500	129,499,400	173,168,100	190,391,300	201,810,600
Percent Change:		(14.4%)	33.7%	9.9%	16.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	60,440,500	54,322,000	61,822,800	67,415,100	71,048,700
Operating Expenditures	44,848,400	43,187,500	45,152,600	45,847,400	48,244,700
Capital Outlay	1,932,800	2,588,600	23,679,700	32,897,400	33,557,800
Trustee/Benefit	44,048,800	29,401,300	42,318,300	44,231,400	48,959,400
Lump Sum	0	0	194,700	0	0
Total:	151,270,500	129,499,400	173,168,100	190,391,300	201,810,600
Full-Time Positions (FTP)	749.55	749.55	761.55	836.92	873.92

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: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	4,531,000	4,531,000	4,527,400	4,704,400	4,597,900
Federal	8,039,600	8,029,100	8,031,000	8,982,200	8,996,500
Total:	12,570,600	12,560,100	12,558,400	13,686,600	13,594,400
Percent Change:		(0.1%)	0.0%	9.0%	8.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,194,000	1,184,400	1,197,400	1,188,300	1,209,000
Operating Expenditures	334,200	616,200	318,600	451,300	375,000
Capital Outlay	0	0	0	48,000	11,400
Trustee/Benefit	11,042,400	10,759,500	11,042,400	11,999,000	11,999,000
Total:	12,570,600	12,560,100	12,558,400	13,686,600	13,594,400
Full-Time Positions (FTP)	13.00	13.00	13.00	13.00	13.00

Division Description

The Idaho Commission on Aging (ICOA) has the power and duty to implement the Federal Older Americans Act and the Idaho Senior Services Act. ICOA plans, coordinates, and promotes a statewide network designed to support aging Idahoans to live healthy and dignified lives in the communities of their choice. Services are targeted to those most in need and at risk of early institutionalization and include meals, transportation, homemaker, caregiver support, and respite. ICOA also leads the effort to keep aging Idahoans safe through the Adult Protection, Ombudsmen, and senior legal assistance programs. Direct services are provided through six Area Agencies on Aging (AAA) and are guided by local area plans specifically developed to address the needs in each of their respective Planning and Service Areas. Each area plan is developed through research, analysis, strategy identification, and stakeholder participation and advances the goals and objectives developed in the ICOA's four year Senior Services State Plan.

The ICOA Administrator and staff are advised by a seven member commission on aging appointed by the Office of the Governor. Commissioners serve four-year terms, but may not serve more than two terms consecutively, and oversee the duties, powers, and authorities of ICOA. ICOA'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.

Commission on Aging

Area Agencies on Aging, Profile and Funding Formula

Analyst: Randolph



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 and benefit payments, per Section 67-5007, Idaho Code, and receive about 80% 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	\$5,375,981	\$3,977,100	\$9,353,081
Base Funding Amounts: 10% of Fund	\$537,598	\$397,710	\$935,308
Remaining Balance for Formula Distribution*	\$4,838,383	\$3,579,390	\$8,417,773

	Area I	Area II	Area III	Area IV	Area V	Area VI	TOTAL
Base Funding (1/6 of Base Amount)							
Federal Funds	\$89,600	\$89,600	\$89,600	\$89,600	\$89,600	\$89,600	\$537,598
State Funds	\$66,285	\$66,285	\$66,285	\$66,285	\$66,285	\$66,285	\$397,710
Weighted Population Used for Formula							
Weighted Population	59,126	28,783	123,007	51,851	39,011	37,265	339,043
65+ Living in Poverty	3,108	1,548	8,057	2,783	1,620	1,532	18,648
65+ Living Alone	9,164	5,114	24,006	6,927	5,508	5,811	56,530
60+ Racial Minority	1,636	1,024	4,584	896	1,349	778	10,267
60+ Hispanic	959	299	6,788	2,930	1,500	1,249	13,725
60+ Living in Rural	23,207	9,736	27,660	22,775	16,770	14,041	114,189
75+	16,654	8,472	40,172	12,095	9,600	10,757	97,750
85+	4,398	2,590	11,740	3,445	2,664	3,097	27,934
Percentage of Weighted Population	17.44%	8.49%	36.28%	15.29%	11.51%	10.99%	
Formula Driven Funding (Multiply: Weighted Population Percent and Balance of Formula Distribution)							
Federal Funds	\$ 933,369	\$ 500,353	\$ 1,844,996	\$ 829,550	\$ 646,314	\$ 621,398	\$ 5,375,981
State Funds	\$ 690,498	\$ 370,157	\$ 1,364,911	\$ 613,693	\$ 478,137	\$ 459,704	\$ 3,977,100
Total Allocated Funds* (Base + Formula)	\$ 1,623,867	\$ 870,510	\$ 3,209,907	\$ 1,443,243	\$ 1,124,451	\$ 1,081,102	\$ 9,353,081
Title VII Funds	\$ 13,251	\$ 8,489	\$ 8,426	\$ 11,004	\$ 10,173	\$ 10,737	\$ 62,081
FY 2017 Carryover Funds	\$ 123,076	\$ 94,397	\$ 150,476	\$ 79,453	\$ 99,999	\$ 56,453	\$ 603,855
Total FY 2018 Budget	\$ 1,760,195	\$ 973,396	\$ 3,368,810	\$ 1,533,700	\$ 1,234,623	\$ 1,148,292	\$ 10,019,016

Commission on Aging

Area Agencies on Aging Budgets, FY 2018

Analyst: Randolph

Program	Area I	Area II	Area III	Area IV	Area V	Area VI	TOTAL
Administration							
Federal Funds	93,337	50,035	184,501	83,859	64,631	62,140	\$538,502
State Funds	69,050	37,015	73,382	61,263	47,814	45,970	\$334,494
Adult Protection							
State Funds	170,000	80,741	383,473	157,661	128,171	115,335	\$1,035,380
Case Management							
Federal Funds	3,000	-	-	-	-	-	\$3,000
State Funds	-	-	-	-	-	1,971	\$1,971
Congregate Meals							
Federal Funds	217,640	141,776	471,467	255,338	189,426	131,832	\$1,407,479
State Funds	65,221	25,883	236,761	43,762	40,455	15,341	\$427,423
Coordination							
Federal Funds	32,477	17,410	20,166	27,396	21,092	21,622	\$140,163
Home Delivered Meals							
Federal Funds	299,516	153,965	471,442	188,291	207,779	176,451	\$1,497,445
State Funds	78,565	43,499	302,558	75,708	42,758	103,125	\$646,212
Homemaker							
Federal Funds	35,912	-	-	28,932	-	22,696	\$87,540
State Funds	133,800	123,008	205,108	111,760	128,046	74,700	\$776,422
Information & Assistance							
Federal Funds	223,747	57,774	376,840	212,462	95,201	151,779	\$1,117,804
Legal Assistance							
Federal Funds	28,300	9,443	32,025	6,755	7,350	10,125	\$93,998
Ombudsman							
Federal Funds	13,251	73,155	143,644	11,004	10,173	47,776	\$299,003
State Funds	94,850	-	35,502	88,452	60,393	24,283	\$303,481
Health Promotion							
Federal Funds	17,410	11,815	57,618	12,423	26,021	8,605	\$133,893
Respite							
Federal Funds	56,705	44,025	106,969	19,141	54,351	13,666	\$294,857
State Funds	28,012	13,104	52,133	35,577	18,802	27,068	\$174,694
Transportation							
Federal Funds	30,000	7,067	131,388	23,035	42,074	5,000	\$238,564
State Funds	51,000	46,907	75,995	39,510	11,700	50,412	\$275,523
Other¹							
Federal Funds	18,400	36,775	7,839	51,371	38,387	36,896	\$189,668
State Funds	-	-	-	-	-	1,500	\$1,500
TOTAL BUDGET							
Federal Funds	\$1,069,697	\$603,240	\$2,003,899	\$920,007	\$756,485	\$688,589	\$6,041,916
State Funds	\$690,498	\$370,157	\$1,364,911	\$613,693	\$478,137	\$459,704	\$3,977,100
Total	\$1,760,195	\$973,397	\$3,368,809	\$1,533,700	\$1,234,622	\$1,148,293	\$10,019,016

¹ Other programs include public information, counseling, outreach, and chore.

Commission on Aging

Comparative Summary

Analyst: Randolph

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	13.00	4,527,400	12,558,400	13.00	4,527,400	12,558,400
FY 2019 Base	13.00	4,527,400	12,558,400	13.00	4,527,400	12,558,400
Benefit Costs	0.00	(8,100)	(19,200)	0.00	(7,700)	(18,200)
Replacement Items	0.00	11,400	11,400	0.00	11,400	11,400
Statewide Cost Allocation	0.00	100	100	0.00	100	2,600
Change in Employee Compensation	0.00	4,400	10,100	0.00	12,900	29,800
FY 2019 Program Maintenance	13.00	4,535,200	12,560,800	13.00	4,544,100	12,584,000
1. Adult Protection Evaluation and Design	0.00	50,000	50,000	0.00	50,000	50,000
2. IT/Telecommunications	0.00	3,800	3,800	0.00	3,800	3,800
3. Increase AAA Grants	0.00	0	956,600	0.00	0	956,600
4. ICOA Office Relocation	0.00	115,400	115,400	0.00	0	0
FY 2019 Total	13.00	4,704,400	13,686,600	13.00	4,597,900	13,594,400
Change from Original Appropriation	0.00	177,000	1,128,200	0.00	70,500	1,036,000
% Change from Original Appropriation		3.9%	9.0%		1.6%	8.2%

Commission on Aging

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	13.00	4,527,400	0	8,031,000	12,558,400
FY 2019 Base					
Agency Request	13.00	4,527,400	0	8,031,000	12,558,400
Governor's Recommendation	13.00	4,527,400	0	8,031,000	12,558,400

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(8,100)	0	(11,100)	(19,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund.

Governor's Recommendation	0.00	(7,700)	0	(10,500)	(18,200)
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Replacement Items

The commission requests \$11,400 onetime from the General Fund for capital outlay, of which \$8,900 would replace five computers and \$2,500 would replace network hardware, which includes a switch and wireless access point.

Agency Request	0.00	11,400	0	0	11,400
Governor's Recommendation	0.00	11,400	0	0	11,400

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 costs will decrease by \$300, State Controller fees will decrease by \$300, and State Treasurer fees will decrease by \$300, for a net increase of \$100.

Agency Request	0.00	100	0	0	100
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The Governor's recommendation also includes fees for Legislative Audits, which will increase by \$2,500.

Governor's Recommendation	0.00	100	0	2,500	2,600
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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	4,400	0	5,700	10,100
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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	12,900	0	16,900	29,800
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FY 2019 Program Maintenance					
Agency Request	13.00	4,535,200	0	8,025,600	12,560,800
Governor's Recommendation	13.00	4,544,100	0	8,039,900	12,584,000

1. Adult Protection Evaluation and Design

The commission requests \$50,000 onetime for operating expenditures from the General Fund to identify innovative Adult Protection Services (APS) approaches and their viability in Idaho. The requested funds will be used to recommend needed state policy changes and legislative solutions to provide an implementable path to develop a multi-disciplinary approach to APS. The projected outcome is to select an evidence-based model tailored to Idaho's needs to prevent or respond to abuse, neglect, and exploitation by December 2018. Research would include: methodologies to provide early prevention; early crisis intervention, including short-term alternative placements; a state adult protection registry; feasibility analysis to incorporate rural support systems; and performance standards that measure APS program, effectiveness, and efficiency. The research would involve stakeholders, facilitated meetings, and national subject matter experts.

Agency Request	0.00	50,000	0	0	50,000
Governor's Recommendation	0.00	50,000	0	0	50,000

Commission on Aging

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. IT/Telecommunications					
The commission requests \$3,800 ongoing from the General Fund for operating expenditures to support 17 annual Microsoft Office 365 licenses. At the recommendation of the Office of the Chief Information Officer within the Department of Administration, state agencies are encouraged to move from a physical server email system to a cloud-based system.					
Agency Request	0.00	3,800	0	0	3,800
Governor's Recommendation	0.00	3,800	0	0	3,800
3. Increase AAA Grants					
The commission requests an increase of \$956,600 from the Federal Grant Fund for trustee and benefit payments to increase direct services provided by the Area Agencies on Aging (AAAs). The FY 2018 Base for the Federal Grant Fund trustee and benefit payments is \$7,065,300; this request would increase the FY 2019 Base to \$8,021,859, or a 13.5% increase. The commission obtains federal grants, and then passes these funds on to the six AAAs to implement and deliver direct services to older Idahoans. The commission receives formula-driven funds through the Older American Act, as well as federal discretionary grants. The commission then enters into grant-specific contracts with AAAs to directly spend the grant funds. The commission remains legally responsible for the budgets in the contracts supported by these available federal funds. Without an increase in appropriation, the commission asserts it will not be able to pay out its obligations under the terms of various federal grants.					
Agency Request	0.00	0	0	956,600	956,600
Governor's Recommendation	0.00	0	0	956,600	956,600
4. ICOA Office Relocation					
The commission requests \$115,400 from the General Fund, of which \$39,800 would be onetime and \$75,600 is ongoing, to move office locations. Of the requested amount, \$78,800 is for operating expenditures and \$36,600 would be for capital outlay. Currently the commission uses \$8,000 from the Federal Grant Fund and \$4,000 from the General Fund to rent office space from another state agency. Currently, and for the past seven years, the commission rents space from the Commission for the Blind and Visually Impaired (ICBVI) at 341 W. Washington St., and occupies half of the third floor, which consists of converted dormitory rooms. Due to the compressed quarters, the commission shares office space with ICBVI student shower facilities and the temporary lodging for an ICBVI ophthalmologist and his family members. Additionally, the dormitory design does not allow for a public lobby, classroom, staff conference room, or available public parking for clients.					
According to the Idaho Division of Public Works Facility Use Standards, the workstation allocation for 14 staff is 2,944 square feet, and the commission currently occupies 2,230 square feet, which is 714 square feet under the state standard. The commission currently pays \$4.95 per square foot. The commission is requesting to move to a facility with 3,529 square feet and pay \$24.65 per square foot. The commission would use the requested moneys from the General Fund in the following way: \$63,660 ongoing would be used toward leasing costs; \$12,000 ongoing would be used for phone and internet expenses; \$3,200 onetime would be used to move 14 workstations; \$16,600 onetime would be used to purchase telephones, network hardware, and required user licenses; and \$20,000 onetime would be used to provide cubicle workstations with a desk.					
Agency Request	0.00	115,400	0	0	115,400
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	13.00	4,704,400	0	8,982,200	13,686,600
Governor's Recommendation	13.00	4,597,900	0	8,996,500	13,594,400
Agency Request					
Change from Original App	0.00	177,000	0	951,200	1,128,200
% Change from Original App	0.0%	3.9%		11.8%	9.0%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	70,500	0	965,500	1,036,000
% Change from Original App	0.0%	1.6%		12.0%	8.2%
FY 2019 Idaho Legislative Budget Book		6 - 48		Office of the Governor Commission on Aging	

Commission on the Arts

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	782,900	782,200	810,500	834,500	816,000
Dedicated	106,300	200	106,300	106,300	106,300
Federal	1,067,000	890,200	1,070,200	1,064,900	1,073,900
Total:	1,956,200	1,672,600	1,987,000	2,005,700	1,996,200
Percent Change:		(14.5%)	18.8%	0.9%	0.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	744,600	734,800	749,300	739,900	753,900
Operating Expenditures	495,200	365,900	496,300	499,400	500,900
Trustee/Benefit	716,400	571,900	741,400	766,400	741,400
Total:	1,956,200	1,672,600	1,987,000	2,005,700	1,996,200
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, and 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.

Commission on the Arts

Analyst: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	10.00	810,500	1,987,000	10.00	810,500	1,987,000
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2019 Base	10.00	810,500	1,987,000	10.00	810,500	1,987,000
Benefit Costs	0.00	(7,000)	(15,600)	0.00	(6,300)	(14,100)
Statewide Cost Allocation	0.00	(700)	(700)	0.00	(700)	800
Change in Employee Compensation	0.00	2,900	6,200	0.00	8,700	18,700
FY 2019 Program Maintenance	10.00	805,700	1,976,900	10.00	812,200	1,992,400
1. IT/Telecommunications	0.00	3,800	3,800	0.00	3,800	3,800
2. Enhancement of Grant Funds	0.00	25,000	25,000	0.00	0	0
FY 2019 Total	10.00	834,500	2,005,700	10.00	816,000	1,996,200
Change from Original Appropriation	0.00	24,000	18,700	0.00	5,500	9,200
% Change from Original Appropriation		3.0%	0.9%		0.7%	0.5%

Commission on the Arts

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	10.00	810,500	106,300	1,070,200	1,987,000

Noncognizable Funds and Transfers

This decision unit moves 0.50 FTP from the General Fund to the Federal Grant Fund. This transfer nets to zero, and the current funding level in the Federal Grant Fund can support the additional FTP. The Federal Grant Fund has a FY 2018 Base of 6.00 FTP.

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 2019 Base					
Agency Request	10.00	810,500	106,300	1,070,200	1,987,000
Governor's Recommendation	10.00	810,500	106,300	1,070,200	1,987,000

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(7,000)	0	(8,600)	(15,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(6,300)	0	(7,800)	(14,100)
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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 \$700, risk management costs will decrease by \$200, State Controller fees will increase by \$300, and State Treasurer fees will decrease by \$100, for a net reduction of \$700.

Agency Request	0.00	(700)	0	0	(700)
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The Governor's recommendation also includes funding for Legislative Audits, which will increase by \$1,500.

Governor's Recommendation	0.00	(700)	0	1,500	800
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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	2,900	0	3,300	6,200
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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	8,700	0	10,000	18,700
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FY 2019 Program Maintenance					
Agency Request	10.00	805,700	106,300	1,064,900	1,976,900
Governor's Recommendation	10.00	812,200	106,300	1,073,900	1,992,400

Commission on the Arts

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. IT/Telecommunications

The commission requests \$3,800 ongoing from the General Fund for operating expenditures to cover recommended technology upgrades as identified by the Office of the Chief Information Officer (OCIO) in the Department of Administration. Of this amount, \$2,700 will be used for 14 annual subscriptions to Microsoft Office 365, and \$1,100 for the incremental growth in the cost of cybersecurity for state network systems. Currently, \$400 from the General Fund provides the FY 2018 Base for OCIO costs.

The commission uses operating expenditures for both administrative costs and direct services. Between FY 2017 and FY 2018, the commission was able to reduce the amount of administrative costs by 36% through increased efficiencies, thereby increasing the amount of direct services provided. Over the same period, the commission has worked to decrease the amount of federal grant carryover from year to year through onetime administrative expenditures, such as a new internal cost accounting system. Without this appropriation, the commission asserts it will have to pay for the recommended technology upgrade with funds dedicated to providing direct services.

Agency Request	0.00	3,800	0	0	3,800
Governor's Recommendation	0.00	3,800	0	0	3,800

2. Enhancement of Grant Funds

The commission requests \$25,000 ongoing from the General Fund for trustee and benefit payments to provide additional constituent services by enhancing direct grants and capacity building activities through the public program in the arts grant program. Currently, the public program in the arts grant consists of \$160,700 from the General Fund and \$117,300 from the Federal Grant Fund.

This request would assist the commission in keeping up with increased demand for these services. Inherent within the mission of the commission is the requirement to assist constituent organizations to strengthen their public programs and services, pursuant to Section 67-5605, Idaho Code. According to the commission, its previous work in these areas has been so successful that more constituent organizations qualify for grants and, as a result, the current funds are spread across a wider pool of applicants. Constituent organizations of the commission will benefit from having more direct grants available. Additionally, the commission will be able to provide constituent organizations with services that help those organizations build capacity, such as technical support and consulting in the areas of financial and cash management, budgeting, marketing, fundraising, and board development.

Agency Request	0.00	25,000	0	0	25,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

FY 2019 Total

Agency Request	10.00	834,500	106,300	1,064,900	2,005,700
Governor's Recommendation	10.00	816,000	106,300	1,073,900	1,996,200

Agency Request

Change from Original App	0.00	24,000	0	(5,300)	18,700
% Change from Original App	0.0%	3.0%	0.0%	(0.5%)	0.9%

Governor's Recommendation

Change from Original App	0.00	5,500	0	3,700	9,200
% Change from Original App	0.0%	0.7%	0.0%	0.3%	0.5%

Commission for the Blind and Visually Impaired

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	1,455,500	1,455,500	1,461,600	1,459,200	1,473,800
Dedicated	337,700	186,400	327,900	327,200	327,800
Federal	3,181,300	3,181,300	3,197,100	3,145,900	3,184,800
Total:	4,974,500	4,823,200	4,986,600	4,932,300	4,986,400
Percent Change:		(3.0%)	3.4%	(1.1%)	0.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,831,000	2,815,100	2,923,900	2,881,500	2,936,100
Operating Expenditures	833,400	731,200	823,800	811,900	811,400
Trustee/Benefit	1,310,100	1,276,900	1,238,900	1,238,900	1,238,900
Total:	4,974,500	4,823,200	4,986,600	4,932,300	4,986,400
Full-Time Positions (FTP)	40.12	40.12	41.12	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 achieve 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 achieve 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. ATC's goal is to provide training which will allow the individual to perform any task, on the job or at home, as well as 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

Analyst: Randolph

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	41.12	1,461,600	4,986,600	41.12	1,461,600	4,986,600
FY 2019 Base	41.12	1,461,600	4,986,600	41.12	1,461,600	4,986,600
Benefit Costs	0.00	(16,500)	(66,200)	0.00	(15,000)	(59,100)
Replacement Items	0.00	6,000	6,000	0.00	6,000	6,000
Statewide Cost Allocation	0.00	(200)	(19,600)	0.00	(200)	(20,100)
Change in Employee Compensation	0.00	6,600	23,800	0.00	19,700	71,300
FY 2019 Program Maintenance	41.12	1,457,500	4,930,600	41.12	1,472,100	4,984,700
1. IT/Telecommunications	0.00	1,700	1,700	0.00	1,700	1,700
FY 2019 Total	41.12	1,459,200	4,932,300	41.12	1,473,800	4,986,400
Change from Original Appropriation	0.00	(2,400)	(54,300)	0.00	12,200	(200)
% Change from Original Appropriation		(0.2%)	(1.1%)		0.8%	0.0%

Commission for the Blind and Visually Impaired

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	41.12	1,461,600	327,900	3,197,100	4,986,600
FY 2019 Base					
Agency Request	41.12	1,461,600	327,900	3,197,100	4,986,600
Governor's Recommendation	41.12	1,461,600	327,900	3,197,100	4,986,600

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(16,500)	(800)	(48,900)	(66,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund.

Governor's Recommendation	0.00	(15,000)	(600)	(43,500)	(59,100)
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Replacement Items

The commission requests \$6,000 from the General Fund to replace three CISCO routers as recommended by the Office of the Chief Information Officer in the Department of Administration for continued network support and security.

Agency Request	0.00	6,000	0	0	6,000
Governor's Recommendation	0.00	6,000	0	0	6,000

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. Attorney General fees will decrease by \$21,000, risk management costs will decrease by \$100, State Controller fees will increase by \$1,600, and State Treasurer fees will decrease by \$100, for a net reduction of \$19,600.

Agency Request	0.00	(200)	0	(19,400)	(19,600)
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The Governor's recommendation also includes fees for Legislative Audits, which will decrease by \$500.

Governor's Recommendation	0.00	(200)	0	(19,900)	(20,100)
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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	6,600	100	17,100	23,800
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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	19,700	500	51,100	71,300
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FY 2019 Program Maintenance					
Agency Request	41.12	1,457,500	327,200	3,145,900	4,930,600
Governor's Recommendation	41.12	1,472,100	327,800	3,184,800	4,984,700

1. IT/Telecommunications

The commission requests \$1,700 ongoing from the General Fund to cover mandatory technology upgrades as identified by Office of the Chief Information Officer (OCIO) in the Division of Administration. Of this amount, \$1,200 will be used for annual subscriptions to Microsoft Office 365, and \$500 is the commission's proportional allocation for the incremental growth in the cost of cybersecurity for state network systems. Currently the agency has a Federal Grant Fund appropriation of \$2,400 for OCIO costs. However, there are no additional federal funds available to pay for these cost increases. Without additional funding for this mandatory upgrade, the commission asserts it will have to cut direct services to customers to pay this expense. The commission expended all of its Federal Grant Fund appropriation in FY 2017.

Agency Request	0.00	1,700	0	0	1,700
Governor's Recommendation	0.00	1,700	0	0	1,700

Commission for the Blind and Visually Impaired

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Total					
Agency Request	41.12	1,459,200	327,200	3,145,900	4,932,300
Governor's Recommendation	41.12	1,473,800	327,800	3,184,800	4,986,400
Agency Request					
Change from Original App	0.00	(2,400)	(700)	(51,200)	(54,300)
% Change from Original App	0.0%	(0.2%)	(0.2%)	(1.6%)	(1.1%)
Governor's Recommendation					
Change from Original App	0.00	12,200	(100)	(12,300)	(200)
% Change from Original App	0.0%	0.8%	0.0%	(0.4%)	0.0%

Office of Drug Policy

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	320,700	295,300	321,900	412,900	327,700
Dedicated	24,500	13,800	219,200	24,500	24,500
Federal	4,336,400	4,275,200	4,337,300	4,335,100	4,339,700
Total:	4,681,600	4,584,300	4,878,400	4,772,500	4,691,900
Percent Change:		(2.1%)	6.4%	(2.2%)	(3.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	525,700	505,700	527,500	613,100	532,500
Operating Expenditures	443,900	367,200	444,200	445,900	445,900
Capital Outlay	0	5,000	0	1,500	1,500
Trustee/Benefit	3,712,000	3,706,400	3,712,000	3,712,000	3,712,000
Lump Sum	0	0	194,700	0	0
Total:	4,681,600	4,584,300	4,878,400	4,772,500	4,691,900
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 2018 Original Appropriation	6.00	321,900	4,878,400	6.00	321,900	4,878,400
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	275,000
FY 2018 Estimated Expenditures	6.00	321,900	4,878,400	6.00	321,900	5,153,400
Removal of Onetime Expenditures	0.00	0	(194,700)	0.00	0	(469,700)
FY 2019 Base	6.00	321,900	4,683,700	6.00	321,900	4,683,700
Benefit Costs	0.00	(4,500)	(8,900)	0.00	(4,100)	(8,400)
Statewide Cost Allocation	0.00	(100)	(100)	0.00	(100)	(100)
Change in Employee Compensation	0.00	2,200	4,400	0.00	6,700	13,400
FY 2019 Program Maintenance	6.00	319,500	4,679,100	6.00	324,400	4,688,600
1. Grants and Contract Officer	0.00	90,100	90,100	0.00	0	0
2. IT/Telecommunications	0.00	3,300	3,300	0.00	3,300	3,300
FY 2019 Total	6.00	412,900	4,772,500	6.00	327,700	4,691,900
Change from Original Appropriation	0.00	91,000	(105,900)	0.00	5,800	(186,500)
% Change from Original Appropriation		28.3%	(2.2%)		1.8%	(3.8%)

Office of Drug Policy

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	6.00	321,900	219,200	4,337,300	4,878,400

Noncognizable Funds and Transfers

This decision unit allocates the Millennium Fund appropriation of \$194,700 from lump sum to operating expenditures.

Agency Request	0.00	0	0	0	0
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The Governor recommends a onetime noncognizable adjustment for \$275,000 in federal funds for FY 2018. The office will be a subgrantee of the Department of Health and Welfare to work on the state's response to the opioid crisis. The Governor also recommends the Millennium Income Fund adjustment.

Governor's Recommendation	0.00	0	0	275,000	275,000
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FY 2018 Estimated Expenditures					
Agency Request	6.00	321,900	219,200	4,337,300	4,878,400
Governor's Recommendation	6.00	321,900	219,200	4,612,300	5,153,400

Removal of Onetime Expenditures

This decision unit removes \$194,700 for onetime expenditures from a Millennium Income Fund grant.

Agency Request	0.00	0	(194,700)	0	(194,700)
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This adjustment also includes a reduction of \$275,000 in onetime federal funds.

Governor's Recommendation	0.00	0	(194,700)	(275,000)	(469,700)
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FY 2019 Base					
Agency Request	6.00	321,900	24,500	4,337,300	4,683,700
Governor's Recommendation	6.00	321,900	24,500	4,337,300	4,683,700

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(4,500)	0	(4,400)	(8,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(4,100)	0	(4,300)	(8,400)
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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 costs will decrease by \$100.

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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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	0	2,200	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.

Governor's Recommendation	0.00	6,700	0	6,700	13,400
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FY 2019 Program Maintenance					
Agency Request	6.00	319,500	24,500	4,335,100	4,679,100
Governor's Recommendation	6.00	324,400	24,500	4,339,700	4,688,600

Office of Drug Policy

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Grants and Contract Officer

The Office of Drug Policy requests \$90,000 onetime from the General Fund for personnel costs to retain a grants and contract officer. This position is currently funded from federal grant funds, but those moneys are set to conclude on June 30, 2018 and the office is therefore requesting a fund shift from federal funds to the General Fund and an FTP is not needed. The office indicated that they will apply for and anticipate being awarded another federal grant, however, that award will not be posted until about February and an award notice will not be known until about August of 2018. At that time, federal funds would be available to cover the personnel costs of this position. If approved, the current contract officer would continue to manage various federal grants, including those that are awarded to the Department of Health and Welfare, but then sub-contracted or sub-granted by the department to the Office of Drug Policy.

Agency Request	0.00	90,100	0	0	90,100
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. IT/Telecommunications

The Office of Drug Policy requests \$3,300 from the General Fund for costs related to the Department of Administration's IT recommendations, which includes \$1,500 onetime for phone replacement, \$1,100 for the ongoing costs related to the Microsoft 365 subscription, \$200 ongoing for network IT support, and \$500 ongoing for cybersecurity fees for a net ongoing request of \$1,800.

Analyst Comment: The office reverted from its General Fund appropriation: \$25,400 (7.9%) in FY 2017, \$17,900 (5.9%) in FY 2016, and \$32,300 (10.9%) in FY 2015.

Agency Request	0.00	3,300	0	0	3,300
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Governor's Recommendation	0.00	3,300	0	0	3,300
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FY 2019 Total

Agency Request	6.00	412,900	24,500	4,335,100	4,772,500
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Governor's Recommendation	6.00	327,700	24,500	4,339,700	4,691,900
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Agency Request

Change from Original App	0.00	91,000	(194,700)	(2,200)	(105,900)
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% Change from Original App	0.0%	28.3%	(88.8%)	(0.1%)	(2.2%)
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Governor's Recommendation

Change from Original App	0.00	5,800	(194,700)	2,400	(186,500)
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% Change from Original App	0.0%	1.8%	(88.8%)	0.1%	(3.8%)
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Office of Energy and Mineral Resources

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	815,700	545,000	888,000	887,200	893,100
Federal	442,000	410,700	412,700	411,100	415,600
Total:	1,257,700	955,700	1,300,700	1,298,300	1,308,700
Percent Change:		(24.0%)	36.1%	(0.2%)	0.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	827,400	675,400	840,500	836,100	850,500
Operating Expenditures	397,400	240,900	398,700	397,800	393,800
Capital Outlay	2,900	7,100	3,500	6,400	6,400
Trustee/Benefit	30,000	32,300	58,000	58,000	58,000
Total:	1,257,700	955,700	1,300,700	1,298,300	1,308,700
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:

1. Serving as Idaho's clearinghouse and first point of contact for energy and mineral information, including addressing policy inquiries, and providing information regarding issues;
2. Coordinating the state's energy and mineral planning development efforts;
3. Advising the Governor, the Legislature and other public officials of the state's energy requirements, supply, transmission, management, conservation and efficiency efforts;
4. 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;
5. 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;
6. Advising the Governor, the Legislature and other public officials of the state's mineral acquisition, exploration and production planning, and policy development efforts;
7. Coordinating and cooperating with federal and state agencies, departments and divisions, and local governments on issues concerning the state's mineral supply and management;
8. Pursuing and accepting federal delegation of responsibility and authority for matters that affect the mineral supply, management, acquisition, exploration, and development;
9. Coordinating, supporting, and overseeing the Idaho Strategic Energy Alliance;
10. Assisting state agencies, departments, divisions, and local governments to secure funding where available for energy conservation projects and renewable energy resource opportunities;
11. Administering energy loan programs and other forms of financial assistance for eligible projects;
12. Entering into other agreements or contracts and doing that which is necessary to carry out the provisions of the 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. These 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: Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	8.00	0	1,300,700	8.00	0	1,300,700
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	8.00	0	1,300,700	8.00	0	1,300,700
Removal of Onetime Expenditures	0.00	0	(3,500)	0.00	0	(3,500)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	8.00	0	1,297,200	8.00	0	1,297,200
Benefit Costs	0.00	0	(11,600)	0.00	0	(11,300)
Replacement Items	0.00	0	6,400	0.00	0	6,400
Statewide Cost Allocation	0.00	0	(900)	0.00	0	(4,900)
Change in Employee Compensation	0.00	0	7,200	0.00	0	21,300
FY 2019 Total	8.00	0	1,298,300	8.00	0	1,308,700
Change from Original Appropriation	0.00	0	(2,400)	0.00	0	8,000
% Change from Original Appropriation			(0.2%)			0.6%

Office of Energy and Mineral Resources

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	8.00	0	888,000	412,700	1,300,700

Noncognizable Funds and Transfers

The agency requests an ongoing shift of 1.00 FTP and \$83,100 from the Petroleum Price Violation Fund to the Renewable Energy Resources Fund. This employee's job responsibilities now focus on mineral resources, which are funded by the dedicated fund from geothermal royalties.

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 Estimated Expenditures					
Agency Request	8.00	0	888,000	412,700	1,300,700
Governor's Recommendation	8.00	0	888,000	412,700	1,300,700

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items from the Petroleum Price Violation Fund for computers and office chairs.

Agency Request	0.00	0	(3,500)	0	(3,500)
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Governor's Recommendation	0.00	0	(3,500)	0	(3,500)
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Base Adjustments

This decision unit restores 1.00 FTP and \$83,100 to the Petroleum Price Violation Fund. This decision unit also transfers the same position back to the Renewable Energy Resources Fund on an ongoing basis as the employee's job responsibilities now focus on mineral resources, which are funded by the dedicated fund from geothermal royalties.

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 2019 Base					
Agency Request	8.00	0	884,500	412,700	1,297,200
Governor's Recommendation	8.00	0	884,500	412,700	1,297,200

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(7,800)	(3,800)	(11,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(7,800)	(3,500)	(11,300)
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Replacement Items

Replacement items include: telephone upgrades (\$1,800), two laptop computers (\$2,600), two office chairs (\$1,000), and one desk (\$1,000) for a total of \$6,400 from the Petroleum Price Violation Fund.

Agency Request	0.00	0	6,400	0	6,400
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Governor's Recommendation	0.00	0	6,400	0	6,400
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Office of Energy and Mineral Resources

Analyst: Smith

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 \$900, risk management costs will decrease by \$400, and State Controller fees will increase by \$400, for a net reduction of \$900.					
Agency Request	0.00	0	(900)	0	(900)
<i>The Governor's recommendation also includes fees for Legislative Audits, which will decrease by \$4,000.</i>					
Governor's Recommendation	0.00	0	(4,900)	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	0	5,000	2,200	7,200
<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>					
Governor's Recommendation	0.00	0	14,900	6,400	21,300
FY 2019 Total					
Agency Request	8.00	0	887,200	411,100	1,298,300
Governor's Recommendation	8.00	0	893,100	415,600	1,308,700
Agency Request					
Change from Original App	0.00	0	(800)	(1,600)	(2,400)
% Change from Original App	0.0%		(0.1%)	(0.4%)	(0.2%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	5,100	2,900	8,000
% Change from Original App	0.0%		0.6%	0.7%	0.6%

Division of Financial Management

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	1,769,800	1,705,600	1,857,400	1,858,000	1,887,500
Dedicated	45,000	36,800	70,900	70,500	71,200
Total:	1,814,800	1,742,400	1,928,300	1,928,500	1,958,700
Percent Change:		(4.0%)	10.7%	0.0%	1.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,643,100	1,518,200	1,731,400	1,726,600	1,756,800
Operating Expenditures	171,700	197,100	196,900	201,900	201,900
Capital Outlay	0	27,100	0	0	0
Total:	1,814,800	1,742,400	1,928,300	1,928,500	1,958,700
Full-Time Positions (FTP)	15.00	15.00	15.00	15.00	15.00

Division Description

The mission of the Division of Financial Management (DFM) 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 through 1918, Idaho Code]

Division of Financial Management

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	15.00	1,857,400	1,928,300	15.00	1,857,400	1,928,300
FY 2019 Base	15.00	1,857,400	1,928,300	15.00	1,857,400	1,928,300
Benefit Costs	0.00	(19,400)	(20,000)	0.00	(19,700)	(20,200)
Statewide Cost Allocation	0.00	0	0	0.00	0	0
Change in Employee Compensation	0.00	15,000	15,200	0.00	44,800	45,600
FY 2019 Program Maintenance	15.00	1,853,000	1,923,500	15.00	1,882,500	1,953,700
1. IT/Telecommunications	0.00	5,000	5,000	0.00	5,000	5,000
FY 2019 Total	15.00	1,858,000	1,928,500	15.00	1,887,500	1,958,700
Change from Original Appropriation	0.00	600	200	0.00	30,100	30,400
% Change from Original Appropriation		0.0%	0.0%		1.6%	1.6%

Division of Financial Management

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	15.00	1,857,400	70,900	0	1,928,300
FY 2019 Base					
Agency Request	15.00	1,857,400	70,900	0	1,928,300
Governor's Recommendation	15.00	1,857,400	70,900	0	1,928,300

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(19,400)	(600)	0	(20,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(19,700)	(500)	0	(20,200)
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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. Attorney General fees will decrease by \$100, risk management costs will decrease by \$200, and the State Controller fees will increase by \$300, for a net change of zero.

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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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	15,000	200	0	15,200
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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	44,800	800	0	45,600
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FY 2019 Program Maintenance					
Agency Request	15.00	1,853,000	70,500	0	1,923,500
Governor's Recommendation	15.00	1,882,500	71,200	0	1,953,700

1. IT/Telecommunications

The Division of Financial Management requests \$5,000 ongoing from the General Fund for information technology-related items that include \$2,700 for Microsoft Office 365 software annual subscriptions, \$600 for network IT support, and \$1,700 for internet/security fees.

Agency Request	0.00	5,000	0	0	5,000
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Governor's Recommendation	0.00	5,000	0	0	5,000
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FY 2019 Total					
Agency Request	15.00	1,858,000	70,500	0	1,928,500
Governor's Recommendation	15.00	1,887,500	71,200	0	1,958,700

Agency Request

Change from Original App	0.00	600	(400)	0	200
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% Change from Original App	0.0%	0.0%	(0.6%)		0.0%
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Governor's Recommendation

Change from Original App	0.00	30,100	300	0	30,400
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% Change from Original App	0.0%	1.6%	0.4%		1.6%
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Executive Office of the Governor

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	2,202,200	2,034,600	2,324,900	2,319,800	16,269,700
Acting Governor Pay	18,200	16,100	18,200	18,400	18,200
Expense Allowance	5,000	4,500	5,000	5,000	5,000
Governor Elect Transition	0	0	0	15,000	15,000
Total:	2,225,400	2,055,200	2,348,100	2,358,200	16,307,900
BY FUND CATEGORY					
General	2,225,400	2,055,200	2,348,100	2,358,200	4,984,600
Dedicated	0	0	0	0	11,180,900
Federal	0	0	0	0	142,400
Total:	2,225,400	2,055,200	2,348,100	2,358,200	16,307,900
Percent Change:		(7.6%)	14.3%	0.4%	594.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,011,900	1,773,500	2,123,500	2,125,500	5,085,400
Operating Expenditures	213,500	275,700	224,600	232,700	2,811,000
Capital Outlay	0	6,000	0	0	727,000
Trustee/Benefit	0	0	0	0	7,684,500
Total:	2,225,400	2,055,200	2,348,100	2,358,200	16,307,900
Full-Time Positions (FTP)	22.00	22.00	22.00	22.00	56.00

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.

GOVERNOR-ELECT TRANSITION: Pursuant to Section 67-815, Idaho Code, from moneys provided for the Governor-elect transition, and upon request, the administrator of the Division of Financial Management is to provide funding for: suitable office space, furnishings, and equipment; salaries and expenses of staff; travel expenses; and incidental office expenses. Pursuant to Section 67-816, Idaho Code, the time during which such moneys are available is from the date of certification as provided in Section 67-814, Idaho Code, until the Governor-elect officially assumes the office of Governor.

Executive Office of the Governor

Analyst: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	22.00	2,348,100	2,348,100	22.00	2,348,100	2,348,100
FY 2019 Base	22.00	2,348,100	2,348,100	22.00	2,348,100	2,348,100
Benefit Costs	0.00	(31,100)	(31,100)	0.00	(30,100)	(30,100)
Statewide Cost Allocation	0.00	(500)	(500)	0.00	(500)	(500)
Annualizations	0.00	1,100	1,100	0.00	1,100	1,100
Change in Employee Compensation	0.00	17,000	17,000	0.00	49,900	49,900
FY 2019 Program Maintenance	22.00	2,334,600	2,334,600	22.00	2,368,500	2,368,500
1. IT/Telecommunications	0.00	8,600	8,600	0.00	8,600	8,600
2. Governor-Elect Transition	0.00	15,000	15,000	0.00	15,000	15,000
3. Create Office of Information Technology	0.00	0	0	29.00	1,372,600	3,956,200
4. Move Funding to Office of Info Tech	0.00	0	0	(1.00)	(180,900)	(180,900)
5. Info Technology Systems Analyst, Sr	0.00	0	0	1.00	0	86,600
6. Domain Services Hardware Replacement	0.00	0	0	0.00	175,300	175,300
7. Server and Storage Replacement	0.00	0	0	0.00	628,500	628,500
8. Video Conference Bridge Replacement	0.00	0	0	0.00	406,000	506,000
9. Information Technology Functionality	0.00	0	0	0.00	191,000	191,000
10. Move Workforce Development Council	0.00	0	0	5.00	0	8,553,100
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	22.00	2,358,200	2,358,200	56.00	4,984,600	16,307,900
Change from Original Appropriation	0.00	10,100	10,100	34.00	2,636,500	13,959,800
% Change from Original Appropriation		0.4%	0.4%		112.3%	594.5%

Executive Office of the Governor

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	22.00	2,348,100	0	0	2,348,100
FY 2019 Base					
Agency Request	22.00	2,348,100	0	0	2,348,100
Governor's Recommendation	22.00	2,348,100	0	0	2,348,100

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(31,100)	0	0	(31,100)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(30,100)	0	0	(30,100)
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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 costs will decrease by \$800 and State Controller fees will increase by \$300 for a net reduction of \$500.

Agency Request	0.00	(500)	0	0	(500)
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Governor's Recommendation	0.00	(500)	0	0	(500)
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Annualizations

This decision unit annualizes 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 increased by 1.4% from \$124,436 to \$126,302 per annum. This adjustment funds the increase from July 1, 2018, through December 31, 2018.

Agency Request	0.00	1,100	0	0	1,100
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Governor's Recommendation	0.00	1,100	0	0	1,100
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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	17,000	0	0	17,000
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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	49,900	0	0	49,900
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FY 2019 Program Maintenance					
Agency Request	22.00	2,334,600	0	0	2,334,600
Governor's Recommendation	22.00	2,368,500	0	0	2,368,500

1. IT/Telecommunications

Administration - Governor's Office

The Governor's Office requests \$8,600 ongoing from the General Fund for information technology-related items that include \$6,000 for Microsoft Office 365 annual subscription, \$700 for network IT support, and \$1,900 for internet/security fees.

Agency Request	0.00	8,600	0	0	8,600
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Governor's Recommendation	0.00	8,600	0	0	8,600
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Executive Office of the Governor

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Governor-Elect Transition				Governor Elect Transition	
The Governor requests \$15,000 onetime from the General Fund for the Governor-elect transition. According to Section 67-815, Idaho Code, the Division of Financial Management is required to provide services and facilities to the Governor-elect during the transition period, which is from the date of certification as provided in Section 67-814, Idaho Code, until the Governor-elect officially assumes the office of Governor.					
Agency Request	0.00	15,000	0	0	15,000
Governor's Recommendation	0.00	15,000	0	0	15,000
3. Create Office of Information Technology				Administration - Governor's Office	
Agency Request	0.00	0	0	0	0
The Governor recommends 29.00 FTP, \$1,372,600 from the General Fund, and \$2,583,600 from dedicated funds to consolidate the director of information security and the staff of the Division of Information Technology at the Department of Administration into a new Office of Information Technology within the Executive Office of the Governor. There are proposed decreases in those budgets. According to the Governor, this consolidation will allow for greater efficiency and coordination of statewide security efforts. Also included is an appropriation for the office to contract with the Department of Administration for human resource and fiscal support.					
Governor's Recommendation	29.00	1,372,600	2,583,600	0	3,956,200
4. Move Funding to Office of Info Tech				Administration - Governor's Office	
Agency Request	0.00	0	0	0	0
The Governor recommends decreasing 1.00 FTP (director of information security) and \$180,900 from the General Fund to be used in the proposed Office of Information Technology. This amount includes \$160,100 in personnel costs and \$20,800 in operating expenditures.					
Governor's Recommendation	(1.00)	(180,900)	0	0	(180,900)
5. Info Technology Systems Analyst, Sr				Administration - Governor's Office	
Agency Request	0.00	0	0	0	0
The Governor recommends 1.00 FTP and \$86,600 from dedicated funds to hire an information technology systems analyst, senior position, to support telephone services. Of this amount, \$85,100 is ongoing for personnel costs and \$1,500 is onetime for operating expenditures. According to the Governor, the Office of the Chief Information Officer started consolidating phone users in 2009 and currently supports 1,600 users and telephones at 45 agencies, boards, commissions, and councils statewide. This number is expected to grow to more than 2,000 users by the end of FY 2018.					
Governor's Recommendation	1.00	0	86,600	0	86,600
6. Domain Services Hardware Replacement				Administration - Governor's Office	
Agency Request	0.00	0	0	0	0
The Governor recommends \$175,300 from the General Fund for domain name services hardware replacement. Of this amount, \$165,500 is onetime and \$9,800 is ongoing. According to the Governor, the current network equipment is operating at 123% of its stated capacity and is required to maintain the internet presence for the state of Idaho. The current service is split between two technologies and this recommendation will consolidate the service into a single technology.					
Governor's Recommendation	0.00	175,300	0	0	175,300
7. Server and Storage Replacement				Administration - Governor's Office	
Agency Request	0.00	0	0	0	0
The Governor recommends \$628,500 from the General Fund for multi-agency server and storage replacement. Of this amount \$616,500 is onetime and \$12,000 is ongoing. According to the Governor, this funding would replace end-of-life applications for servers, data storage, data backup, and network communications equipment. This funding would also provide services to additional state agencies requiring computer and telecommunications support.					
Governor's Recommendation	0.00	628,500	0	0	628,500

Executive Office of the Governor

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Video Conference Bridge Replacement					
Administration - Governor's Office					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$506,000 for video conference bridge replacement. Of this amount, \$406,000 is onetime from the General Fund and \$100,000 is ongoing from dedicated funds. According to the Governor, the current system is approximately ten years old and the manufacturer will no longer support it after 2018. The ongoing dedicated funds would address anticipated increased licensing and support costs that will be borne by the users of the system.</i>					
Governor's Recommendation	0.00	406,000	100,000	0	506,000
9. Information Technology Functionality					
Administration - Governor's Office					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$191,000 ongoing from the General Fund for information technology functionality upgrades to include technology discovery, phishing services, and penetration testing. According to the Governor, this would allow for simulated attacks on computer systems to identify potential security weaknesses and implement anti-phishing strategies.</i>					
Governor's Recommendation	0.00	191,000	0	0	191,000
10. Move Workforce Development Council					
Administration - Governor's Office					
Agency Request	0.00	0	0	0	0
<i>The Governor proposes to move the current Workforce Development Council at the Department of Labor to a new budgeted program within the Office of the Governor. According to the Governor, the council would be staffed by an executive director and 4.00 FTP that will assist with business relations, public outreach, grant management, and administrative needs. The council would also ensure the requirements of the Workforce Innovation and Opportunity Act are met, set statewide policy on workforce development, and oversee the use of the Workforce Development Training Fund, including the deployment of grants for training and retraining needs. This recommendation includes 5.00 FTP, \$471,700 in personnel costs, \$396,900 in operating expenditures, and \$7,684,500 in trustee and benefit payments used as grants for training or retraining. Of this amount, 4.00 FTP and \$8,410,700 would be from the Workforce Development Training Fund and 1.00 FTP and \$142,400 from federal funds. The Governor is proposing legislation to move these functions from the Department of Labor (where there are recommended reductions) to the Office of the Governor.</i>					
Governor's Recommendation	5.00	0	8,410,700	142,400	8,553,100
Budget Law Exemptions					
LUMP SUM: The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	22.00	2,358,200	0	0	2,358,200
Governor's Recommendation	56.00	4,984,600	11,180,900	142,400	16,307,900
Agency Request					
Change from Original App	0.00	10,100	0	0	10,100
% Change from Original App	0.0%	0.4%			0.4%
Governor's Recommendation					
Change from Original App	34.00	2,636,500	11,180,900	142,400	13,959,800
% Change from Original App	154.5%	112.3%			594.5%

Division of Human Resources

Analyst: Lockett

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	1,808,200	1,675,100	2,263,800	2,136,200	2,164,000
Percent Change:		(7.4%)	35.1%	(5.6%)	(4.4%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,158,400	948,700	1,402,100	1,469,900	1,497,700
Operating Expenditures	649,800	720,700	851,700	664,300	664,300
Capital Outlay	0	5,700	10,000	2,000	2,000
Total:	1,808,200	1,675,100	2,263,800	2,136,200	2,164,000
Full-Time Positions (FTP)	12.00	12.00	15.00	16.00	16.00

Division Description

The Division of Human Resources (DHR) 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: Chapter 53, Title 67, 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 in-part 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.

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 and is .5535% for agencies with non-delegated authority (where DHR is that agency's primary human resources authority) and .306% for agencies with delegated authority (where that agency manages its own human resource issues). 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 2018 Original Appropriation	15.00	0	2,263,800	15.00	0	2,263,800
Removal of Onetime Expenditures	0.00	0	(265,000)	0.00	0	(265,000)
FY 2019 Base	15.00	0	1,998,800	15.00	0	1,998,800
Benefit Costs	0.00	0	(21,600)	0.00	0	(20,800)
Statewide Cost Allocation	0.00	0	600	0.00	0	600
Change in Employee Compensation	0.00	0	12,100	0.00	0	36,100
FY 2019 Program Maintenance	15.00	0	1,989,900	15.00	0	2,014,700
1. HR Specialist Position	1.00	0	79,300	1.00	0	82,300
2. IT/Telecommunications	0.00	0	4,500	0.00	0	4,500
3. Job Classification Salary Surveys	0.00	0	62,500	0.00	0	62,500
FY 2019 Total	16.00	0	2,136,200	16.00	0	2,164,000
Change from Original Appropriation	1.00	0	(127,600)	1.00	0	(99,800)
% Change from Original Appropriation			(5.6%)			(4.4%)

Division of Human Resources

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	15.00	0	2,263,800	0	2,263,800

Removal of Onetime Expenditures

This decision unit removes \$260,000 that was appropriated onetime in FY 2018 for the initial software purchase and contractor costs associated with the division's new state employee applicant tracking system. It also removes \$5,000 for the onetime portion of statewide cybersecurity training.

Agency Request	0.00	0	(265,000)	0	(265,000)
Governor's Recommendation	0.00	0	(265,000)	0	(265,000)

FY 2019 Base					
Agency Request	15.00	0	1,998,800	0	1,998,800
Governor's Recommendation	15.00	0	1,998,800	0	1,998,800

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(21,600)	0	(21,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	(20,800)	0	(20,800)
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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 increase by \$600, risk management costs will decrease by \$200, State Controller fees will increase by \$200, for a net increase of \$600.

Agency Request	0.00	0	600	0	600
Governor's Recommendation	0.00	0	600	0	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	12,100	0	12,100
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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	0	36,100	0	36,100
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FY 2019 Program Maintenance					
Agency Request	15.00	0	1,989,900	0	1,989,900
Governor's Recommendation	15.00	0	2,014,700	0	2,014,700

Division of Human Resources

Analyst: Lockett

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. HR Specialist Position					
The Division of Human Resources (DHR) requests 1.00 FTP, \$77,300 in personnel costs, and \$2,000 in capital outlay from the Division of Human Resources Fund for a senior human resources specialist position, of which \$53,900 is for salary and \$23,400 is for benefits. The new employee will provide consulting, transactional services, employee relations, training, and agency best practices review functions. The position will also draft human resources policy in order to minimize risk in employee relations issues. The division stated this position is necessary due to the increased work for its staff to review agency best practices and training requirements for both delegated and non-delegated agencies. If the best practices review results in agency non-compliance, DHR staff must provide increased support at the agency to ensure best practice and human resource transactional compliance is regained. This creates additional workload for DHR agency staff. The position is being requested as classified in pay grade M, in an amount equal to 80% of the policy rate on the statewide compensation schedule. The request also includes a computer, printer, and a chair (\$2,000 onetime capital outlay). DHR provides human resources support to 65 state agencies.					
Agency Request	1.00	0	79,300	0	79,300
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	82,300	0	82,300
2. IT/Telecommunications					
The division requests \$4,500 ongoing from Division of Human Resources Fund for the estimated increase in operating expenditures for IT and telecommunication support services provided by the Department of Administration. The division does not have its own IT support and relies on the Department of Administration for these services. Specifically, the request includes \$3,000 for a Microsoft 365 subscription upgrade, \$1,100 for internet, security, and state network fees, and \$400 for a 3% inflationary increase related to general IT network support services.					
Agency Request	0.00	0	4,500	0	4,500
Governor's Recommendation	0.00	0	4,500	0	4,500
3. Job Classification Salary Surveys					
The division requests \$62,500 from the Division of Human Resources Fund for local annual salary surveys. Salary surveys are required by Section 67-5309C, Idaho Code, which reads: "The Administrator of the Division of Human Resources shall conduct or approve annual salary and benefit surveys within relevant labor markets to determine salary ranges and benefit packages that represent competitive labor market average rates and benefits provided by private industry and other governmental units." DHR currently participates in seven salary surveys that focus on public and private employee comparisons in Idaho and in neighboring states. The local salary survey will focus on Idaho employers from both the public and private sectors with comparable job classifications.					
Agency Request	0.00	0	62,500	0	62,500
Governor's Recommendation	0.00	0	62,500	0	62,500
FY 2019 Total					
Agency Request	16.00	0	2,136,200	0	2,136,200
Governor's Recommendation	16.00	0	2,164,000	0	2,164,000
Agency Request					
Change from Original App	1.00	0	(127,600)	0	(127,600)
% Change from Original App	6.7%		(5.6%)		(5.6%)
Governor's Recommendation					
Change from Original App	1.00	0	(99,800)	0	(99,800)
% Change from Original App	6.7%		(4.4%)		(4.4%)

State Liquor Division

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	19,670,900	19,431,300	20,156,400	21,249,900	21,423,700
Percent Change:		(1.2%)	3.7%	5.4%	6.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	12,975,900	12,632,000	13,238,000	13,589,200	13,799,500
Operating Expenditures	5,820,400	5,968,800	6,218,900	6,731,000	6,694,500
Capital Outlay	874,600	830,500	699,500	929,700	929,700
Total:	19,670,900	19,431,300	20,156,400	21,249,900	21,423,700
Full-Time Positions (FTP)	222.00	222.00	224.00	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 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: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	224.00	0	20,156,400	224.00	0	20,156,400
Removal of Onetime Expenditures	0.00	0	(921,500)	0.00	0	(921,500)
Base Adjustments	0.00	0	112,000	0.00	0	72,000
FY 2019 Base	224.00	0	19,346,900	224.00	0	19,306,900
Benefit Costs	0.00	0	(392,900)	0.00	0	(332,600)
Inflationary Adjustments	0.00	0	117,400	0.00	0	117,400
Replacement Items	0.00	0	276,700	0.00	0	276,700
Statewide Cost Allocation	0.00	0	2,900	0.00	0	6,400
Change in Employee Compensation	0.00	0	102,300	0.00	0	272,600
FY 2019 Program Maintenance	224.00	0	19,453,300	224.00	0	19,647,400
1. Relocate or Remodel Seven Stores	0.00	0	525,800	0.00	0	525,800
2. Two New Liquor Stores	4.00	0	729,600	4.00	0	738,100
3. Additional Labor for Liquor Stores	0.00	0	138,100	0.00	0	138,100
4. Warehouse Improvements	0.00	0	24,000	0.00	0	24,000
5. Restore Deputy Director Position	1.00	0	127,300	1.00	0	131,100
6. Online Training Resources	0.00	0	6,000	0.00	0	6,000
7. Furnishings for Newly Built Office Space	0.00	0	36,000	0.00	0	36,000
8. Software Enhancements	0.00	0	99,800	0.00	0	99,800
9. Warehouse Career Ladder Restructuring	0.00	0	97,200	0.00	0	64,600
10. Add Sunday Hours of Operation	0.00	0	12,800	0.00	0	12,800
FY 2019 Total	229.00	0	21,249,900	229.00	0	21,423,700
Change from Original Appropriation	5.00	0	1,093,500	5.00	0	1,267,300
% Change from Original Appropriation			5.4%			6.3%

State Liquor Division

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	224.00	0	20,156,400	0	20,156,400

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items (\$391,000 for store maintenance, computer equipment, software, and staff uniforms) and onetime portions of line items (\$428,000 to remodel/relocate stores, \$27,500 for new office furniture and technology, and \$75,000 for a software consultant and request for proposals).

Agency Request	0.00	0	(921,500)	0	(921,500)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(921,500)</i>	<i>0</i>	<i>(921,500)</i>

Base Adjustments

In FY 2018, \$147,000 was appropriated in onetime operating expenditures from the Liquor Control Fund to remodel and relocate stores. However, per the agency, this appropriation should have been divided into \$35,000 for onetime moving expenses and \$112,000 for ongoing rent costs. This adjustment makes the \$112,000 ongoing and is equal to the increased rent for store relocations and lease renewals.

Agency Request	0.00	0	112,000	0	112,000
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The Governor also recommends a base reduction to remove funds appropriated through H320 of 2017 for Payment Card Industry (PCI) compliance as the agency no longer requires a PCI compliance contract.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>72,000</i>	<i>0</i>	<i>72,000</i>
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FY 2019 Base					
Agency Request	224.00	0	19,346,900	0	19,346,900
<i>Governor's Recommendation</i>	<i>224.00</i>	<i>0</i>	<i>19,306,900</i>	<i>0</i>	<i>19,306,900</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(392,900)	0	(392,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(332,600)</i>	<i>0</i>	<i>(332,600)</i>
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Inflationary Adjustments

The agency requests \$117,400 in ongoing operating expenditures from the Liquor Control Fund for inflation adjustments for utilities and repair/maintenance costs (\$22,300). It also includes escalations in liquor store lease rates and common area maintenance charges including insurance and property tax pass-throughs (\$95,100).

Agency Request	0.00	0	117,400	0	117,400
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>117,400</i>	<i>0</i>	<i>117,400</i>
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Replacement Items

The State Liquor Division requests \$276,700 in onetime capital outlay from the Liquor Control Fund for the following repairs and replacement items: re-floor three liquor stores (\$42,000), signage at one store (\$12,500), repaint one store (\$5,000), back-stock storage at six stores (\$18,000), ten coolers (\$60,000), 66 handheld scanners (\$46,200), one vehicle for the north Idaho district manager (\$35,000), battery and chargers for warehouse equipment (\$22,000), and one warehouse forklift (\$36,000).

Agency Request	0.00	0	276,700	0	276,700
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>276,700</i>	<i>0</i>	<i>276,700</i>
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State Liquor Division

Analyst: Smith

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 \$300, risk management costs will decrease by \$3,600, State Controller fees will increase by \$6,700, and State Treasurer fees will increase by \$100, for a net increase of \$2,900.					
Agency Request	0.00	0	2,900	0	2,900
<i>The Governor's recommendation also includes fees for Legislative Audits, which will increase by \$3,500.</i>					
Governor's Recommendation	0.00	0	6,400	0	6,400
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	0	102,300	0	102,300
<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>					
Governor's Recommendation	0.00	0	272,600	0	272,600
FY 2019 Program Maintenance					
Agency Request	224.00	0	19,453,300	0	19,453,300
Governor's Recommendation	224.00	0	19,647,400	0	19,647,400
1. Relocate or Remodel Seven Stores					
The agency requests \$525,800 from the Liquor Control Fund to remodel and/or relocate seven stores in Eagle, Kuna, Meridian, Chubbuck, Burley, Moscow, and Coeur d'Alene. This request includes onetime funds totaling \$7,800 for personnel costs, \$25,000 for operating expenditures, and \$363,000 for capital outlay. The requested ongoing appropriation is \$130,000 for operating expenditures. The agency expects to improve customer service and convenience by coordinating the location of state-run stores in more optimal retail locations. Based on historical trends, the agency anticipates that these enhancements will generate incremental sales and pay back project costs in one to two years.					
Agency Request	0.00	0	525,800	0	525,800
Governor's Recommendation	0.00	0	525,800	0	525,800
2. Two New Liquor Stores					
The agency requests \$729,600 from the Liquor Control Fund to add two new stores in the Treasure Valley. This request includes onetime funds totaling \$10,000 for operating expenditures and \$230,000 for capital outlay. The ongoing appropriation request includes 4.00 FTP, \$263,600 in personnel costs, and \$226,000 in operating expenditures. This request is part of the agency's strategy to coordinate the location of state-run stores in optimal retail locations in order to maximize customer service and meet consumer expectations. Based on historical trends, it is anticipated that these new stores will generate incremental sales and pay back project costs in less than two years.					
Agency Request	4.00	0	729,600	0	729,600
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	4.00	0	738,100	0	738,100
3. Additional Labor for Liquor Stores					
The agency requests \$138,100 in ongoing personnel costs from the Liquor Control Fund to increase group position staffing levels at the state's larger stores (those processing over 70,000 bottles/year). According to the agency, sales volumes have increased over 50% in the last decade, while staffing levels relative to the amount of sales volume have declined. In the state's largest stores, staffing has reached a level that requires additional resources to maintain adequate customer service and to handle larger workloads that coincide with store growth. This appropriation would fund an amount equal to 12,480 group position hours at an average wage of \$11.07/hour.					
Agency Request	0.00	0	138,100	0	138,100
Governor's Recommendation	0.00	0	138,100	0	138,100

State Liquor Division

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Warehouse Improvements					
The agency requests \$24,000 from the Liquor Control Fund for onetime capital outlay costs to fund two warehouse improvement projects: 1) installation of warehouse rack protectors (\$15,000), and 2) roller style flow racks (\$9,000). The rack protectors provide a safety barrier between warehouse racks and operating equipment, such as forklifts. Additionally, they prevent racks and inventory from being damaged and employees from being harmed. The flow racks are intended to increase the number of pick locations and overall warehouse efficiency.					
Agency Request	0.00	0	24,000	0	24,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>24,000</i>	<i>0</i>	<i>24,000</i>
5. Restore Deputy Director Position					
The agency requests 1.00 FTP, \$122,300 in personnel costs, and \$5,000 in operating expenditures from the Liquor Control Fund to restore the deputy director of retail operations position. The State Liquor Division's executive management team was previously comprised of one director and four deputy directors. However, upon the resignation of the deputy director of retail operations in 2012, that role was combined with the deputy director for procurement and distribution. According to the agency, sales have increased 33% since 2012 while the agency has operated with one less deputy. The agency continued to budget for the vacant deputy position for several years, but in FY 2017 reallocated the appropriation to convert temporary store clerks to classified employees. The agency is requesting funding to restore the deputy director position to manage industry trends and operational complexity. Of the request, \$5,000 is for ongoing operating expenditures for travel and other incidentals related to this role.					
Agency Request	1.00	0	127,300	0	127,300
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>131,100</i>	<i>0</i>	<i>131,100</i>
6. Online Training Resources					
The agency requests \$6,000 in ongoing operating expenditures from the Liquor Control Fund for a subscription to a learning materials database. The State Liquor Division maintains an online learning center to make informational training materials such as videos, documents, and manuals available online for the agency's 350 employees. This subscription would provide employees access to 100 new online courses for topics such as customer service, compliance, and basic business skills.					
Agency Request	0.00	0	6,000	0	6,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>6,000</i>	<i>0</i>	<i>6,000</i>
7. Furnishings for Newly Built Office Space					
The agency requests \$36,000 in onetime capital outlay from the Liquor Control Fund to add and furnish eight modular cubicles and four new offices at the State Liquor Division central office. The cubicles will consist of divider walls with integrated whiteboards, a desk, floor mat, miscellaneous storage/drawers, and a chair. The offices will have an adjustable desk, chair, floor mat, miscellaneous storage/drawers, two guest chairs, and a shelf. Each space will cost approximately \$3,000 to furnish.					
Agency Request	0.00	0	36,000	0	36,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>36,000</i>	<i>0</i>	<i>36,000</i>

State Liquor Division

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Software Enhancements					
The agency requests \$99,800 for operating expenditures from the Liquor Control Fund to implement two security-related software enhancements:					
1) In order to be compliant with the Center for Internet Critical Security Controls mandated by Executive Order 2017-02, the agency plans to install software that enables stronger scanning of its network environment and reporting of critical events such as hacking and phishing attempts, unsecure items being added to the network, and hardware errors that could cause outages. The proposed software would link to the agency's existing security programs helping to automate alerts, reduce management of security logs to a single interface, and reduce investigation of false positives. Of the request, \$12,000 is for onetime installation and training, and \$35,000 is requested ongoing for annual costs of the software.					
2) The agency requests \$52,800 ongoing to upgrade to Microsoft Office 365 to replace its existing onsite Exchange 2010 and SharePoint 2010 servers. As 2016 will be the last on-premise version of Office or Exchange, the agency is upgrading to the cloud-based Office 365. The cost would include 100 advanced licenses at \$20/month (\$24,000/year), and 300 basic licenses at \$8/month (\$28,800/year) for employees without an office/workstation, such as clerks and warehouse employees. This upgrade will also allow for the capability for single sign on with other applications, such as the agency's online learning center, and sharing of calendar information with other state agencies.					
Agency Request	0.00	0	99,800	0	99,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>99,800</i>	<i>0</i>	<i>99,800</i>
9. Warehouse Career Ladder Restructuring					
The agency requests \$97,200 for ongoing personnel costs from the Liquor Control Fund to reclassify and give pay increases to five employees. The agency has been working with the Division of Human Resources and the Division of Financial Management to evaluate its organizational structure and ensure that employees are classified correctly relative to their job responsibilities. According to the agency, warehouse operation has become increasingly more complex creating the need for more highly skilled employees and reduced turnover. The agency plans to establish a career path with development and growth opportunities to ensure long term stability and retain employees with the necessary level of capability and expertise. This would include reclassifying four material handler positions (pay grade G) to supervisor positions (pay grade J), and one supply operations supervisor to a higher level manager position (pay grade M).					
Agency Request	0.00	0	97,200	0	97,200
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>64,600</i>	<i>0</i>	<i>64,600</i>
10. Add Sunday Hours of Operation					
The agency requests \$12,800 for ongoing personnel costs to add new hours of operation at three stores in north Idaho (Orofino, St. Maries, and Priest River) by opening the stores on Sundays. This would require funding for an additional 1,092 hours per year. According to the agency, incremental sales as a result of the additional hours will result in an anticipated immediate increase to profits to offset the increased personnel costs. The agency's research indicates that each store would need to sell an incremental two to three bottles per hour for this request to be cost neutral.					
Agency Request	0.00	0	12,800	0	12,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>12,800</i>	<i>0</i>	<i>12,800</i>
FY 2019 Total					
Agency Request	229.00	0	21,249,900	0	21,249,900
<i>Governor's Recommendation</i>	<i>229.00</i>	<i>0</i>	<i>21,423,700</i>	<i>0</i>	<i>21,423,700</i>
Agency Request					
Change from Original App	5.00	0	1,093,500	0	1,093,500
% Change from Original App	2.2%		5.4%		5.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>5.00</i>	<i>0</i>	<i>1,267,300</i>	<i>0</i>	<i>1,267,300</i>
<i>% Change from Original App</i>	<i>2.2%</i>		<i>6.3%</i>		<i>6.3%</i>

Military Division

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Military Management	7,275,900	6,571,700	7,433,300	8,292,500	7,310,000
Federal/State Agreements	41,521,800	42,691,200	65,123,300	78,935,000	79,317,400
Office of Emergency Management	25,288,000	10,977,100	19,534,600	19,801,200	19,639,900
Total:	74,085,700	60,240,000	92,091,200	107,028,700	106,267,300
BY FUND CATEGORY					
General	6,661,500	6,671,700	6,848,700	8,209,700	6,971,400
Dedicated	6,337,400	5,226,000	6,376,400	6,219,500	6,257,400
Federal	61,086,800	48,342,300	78,866,100	92,599,500	93,038,500
Total:	74,085,700	60,240,000	92,091,200	107,028,700	106,267,300
Percent Change:		(18.7%)	52.9%	16.2%	15.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	30,217,600	25,571,800	30,561,000	35,394,700	35,644,600
Operating Expenditures	27,801,800	26,830,300	27,229,000	27,454,600	27,404,800
Capital Outlay	828,400	1,431,700	22,775,600	31,722,300	31,692,300
Trustee/Benefit	15,237,900	6,406,200	11,525,600	12,457,100	11,525,600
Total:	74,085,700	60,240,000	92,091,200	107,028,700	106,267,300
Full-Time Positions (FTP)	319.80	319.80	323.80	388.80	391.80

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 Idaho Office of Emergency Management, Public Safety Communications, and the Public Safety 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, 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 Public Safety Communications Commission. The Public Safety Communications Commission was established to assist emergency communications and response professionals in the establishment, management, operations, and accountability of consolidated emergency communications systems.

Military Division

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	323.80	6,848,700	92,091,200	323.80	6,848,700	92,091,200
1. Solar Eclipse	0.00	5,900	5,900	0.00	0	0
2. Land Lease	0.00	52,000	52,000	0.00	52,000	52,000
FY 2018 Total Appropriation	323.80	6,906,600	92,149,100	323.80	6,900,700	92,143,200
Noncognizable Funds and Transfers	13.00	0	10,000,000	13.00	0	10,000,000
FY 2018 Estimated Expenditures	336.80	6,906,600	102,149,100	336.80	6,900,700	102,143,200
Removal of Onetime Expenditures	0.00	(274,600)	(32,861,900)	0.00	(268,700)	(32,856,000)
FY 2019 Base	336.80	6,632,000	69,287,200	336.80	6,632,000	69,287,200
Benefit Costs	0.00	(64,200)	(467,000)	0.00	(61,900)	(430,700)
Inflationary Adjustments	0.00	200	2,700	0.00	200	2,700
Replacement Items	0.00	316,600	695,800	0.00	286,600	665,800
Statewide Cost Allocation	0.00	(6,300)	(4,900)	0.00	(6,300)	0
Change in Employee Compensation	0.00	40,700	257,000	0.00	120,800	717,300
Military Compensation	0.00	64,000	313,800	0.00	0	0
FY 2019 Program Maintenance	336.80	6,983,000	70,084,600	336.80	6,971,400	70,242,300
1. Retention Bonus	0.00	931,500	931,500	0.00	0	0
2. Program Assistant - FTP	1.00	56,800	56,800	0.00	0	0
3. Mitigation Planner - FTP	1.00	79,500	79,500	0.00	0	0
5. Youth ChalleNGe Staff	0.00	98,500	98,500	0.00	0	0
6. ISAWS Contract	0.00	19,000	19,000	0.00	0	0
7. SWIC Position	1.00	41,400	86,200	0.00	0	0
8. Emergency Data Routers	0.00	0	28,000	0.00	0	28,000
9. Family Support Positions - 13 FTP	13.00	0	978,100	13.00	0	979,700
10. Idaho STARBASE Program	0.00	0	273,200	0.00	0	273,400
11. Training Facility OCTC	0.00	0	31,000,000	0.00	0	31,000,000
12. CFMO Positions- 6 FTP	6.00	0	765,900	6.00	0	767,500
13. Environmental Positions - 3 FTP	3.00	0	245,300	3.00	0	245,600
14. ITAM Positions - 3 FTP	3.00	0	221,000	3.00	0	221,400
15. RTLTP Positions - 23 FTP	23.00	0	2,087,900	23.00	0	2,093,600
16. Telecommunications Specialist	1.00	0	73,200	1.00	0	73,400
17. Security Patrol Specialists	0.00	0	0	6.00	0	342,400
FY 2019 Total	388.80	8,209,700	107,028,700	391.80	6,971,400	106,267,300
Change from Original Appropriation	65.00	1,361,000	14,937,500	68.00	122,700	14,176,100
% Change from Original Appropriation		19.9%	16.2%		1.8%	15.4%

Military Division

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	323.80	6,848,700	6,376,400	78,866,100	92,091,200

1. Solar Eclipse

Office of Emergency Management

The agency requests a supplemental appropriation of \$5,900 from the General Fund for state active duty during the 2017 solar eclipse. The agency had 20 soldiers on state active duty; ten in Hailey, and ten in Rexburg, as these areas were identified as potential critical sites for traffic and safety control. The Office of Emergency Management provided personnel, training, supplies, and equipment out of its Emergency Management Preparedness Grant Fund to prepare for the impact of the solar eclipse, but the state active duty costs were not covered under this grant. This request is for \$4,400 in personnel costs and \$1,500 in operating expenditures for per diem.

Agency Request	0.00	5,900	0	0	5,900
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Land Lease

Federal/State Agreements

The division requests \$52,000 in operating expenditures from the General Fund to secure three land leases that will be used for training, parking vehicles, and the development of the Orchard Combat Training Center (OCTC). This is a onetime request to secure the land until federal funds are approved. These leases consist of \$14,000 for 40 acres south of Gowen Road that will be used for an expansion of Gowen Field, \$28,000 for 80 acres of land south of Gowen Field on the east side of Pleasant Valley, and \$10,000 for 274 acres of land east and west of the OCTC that will be used for expansion of the OCTC training and operations. The construction and facility maintenance office is in the process of preparing Real Estate Action Plans (REAP) for all three leases and, once approved, the agency expects that federal funds will pay for the leases. This request will cover a one year lease for all three properties. If federal funds are not approved, the agency may request ongoing funding from the General Fund.

Agency Request	0.00	52,000	0	0	52,000
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Governor's Recommendation	0.00	52,000	0	0	52,000
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FY 2018 Total Appropriation

Agency Request	323.80	6,906,600	6,376,400	78,866,100	92,149,100
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Governor's Recommendation	323.80	6,900,700	6,376,400	78,866,100	92,143,200
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Noncognizable Funds and Transfers

The division requests the transfer of \$29,500 from Military Management to Federal State Agreements, a transfer of 0.50 FTP from the General Fund to federal funds, and a transfer of 1.50 FTP (Youth ChalleNGe) from the Miscellaneous Revenue Fund to federal funds.

The Division of Financial Management approved 13.00 FTP and \$10,000,000 in federal funds, on October 4, 2017, due to a federal grant that was awarded for the Orchard Combat Training Center. The agency is requesting funding for the 13.00 FTP in line items 10,12, and 15.

Agency Request	13.00	0	0	10,000,000	10,000,000
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Recommended by the Governor.

Governor's Recommendation	13.00	0	0	10,000,000	10,000,000
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FY 2018 Estimated Expenditures

Agency Request	336.80	6,906,600	6,376,400	88,866,100	102,149,100
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Governor's Recommendation	336.80	6,900,700	6,376,400	88,866,100	102,143,200
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Removal of Onetime Expenditures

This decision unit removes expenditures for replacement items, lines items, noncognizable funds, and supplemental appropriations funded on a onetime basis in FY 2018.

Agency Request	0.00	(274,600)	(587,300)	(32,000,000)	(32,861,900)
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The Governor's recommendation does not include the removal of onetime expenditures for the supplemental request for the solar eclipse as it was not recommended by the Governor.

Governor's Recommendation	0.00	(268,700)	(587,300)	(32,000,000)	(32,856,000)
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Military Division

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Base					
Agency Request	336.80	6,632,000	5,789,100	56,866,100	69,287,200
Governor's Recommendation	336.80	6,632,000	5,789,100	56,866,100	69,287,200

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(64,200)	(58,300)	(344,500)	(467,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(61,900)	(54,400)	(314,400)	(430,700)
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Inflationary Adjustments

The division requests \$2,700 in contract inflation to account for a 3% increase for the Department of Lands lease for communication sites.

Agency Request	0.00	200	2,500	0	2,700
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Governor's Recommendation	0.00	200	2,500	0	2,700
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Replacement Items

The Military Management Program requests \$644,000 for the replacement of servers and network equipment, computers and laptops, audio visual equipment, network copier, computer equipment and software, routers and microwave equipment, snowmobiles, and three trucks.

The Office of Emergency Management requests \$51,800 for the replacement of two front wheel drive compact SUVs.

Agency Request	0.00	316,600	379,200	0	695,800
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The Governor does not recommend \$30,000 for auditorium AV equipment.

Governor's Recommendation	0.00	286,600	379,200	0	665,800
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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 decrease by \$12,400, State Controller fees will increase by \$7,400, and Attorney General fees will increase by \$100 for a net decrease of \$4,900.

Agency Request	0.00	(6,300)	500	900	(4,900)
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The Governor's recommendation also includes fees for Legislative Audits, which will increase by \$4,900.

Governor's Recommendation	0.00	(6,300)	5,400	900	0
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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	40,700	36,100	180,200	257,000
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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	120,800	107,600	488,900	717,300
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Military Division

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Military Compensation

The Military Division is requesting step increases for military compensation. The step increases are 1.5 years behind schedule.

Military Management requests \$53,800 to provide step increase for 21 employees: ten of which are 100% from the General Fund and 11 are fully funded by dedicated funds.

Federal/State Agreements requests \$210,300 to provide step increases for 115 employees: 19 are a mix of federal funds and General Funds, 20 are a mix of federal funds and dedicated funds, and 76 are 100% federally funded.

The Office of Emergency Management requests \$49,700 to provide step increases for 19 employees: two are 100% federally funded, three are 100% from the General Fund, and 14 are funded by both federal funds and the General Fund.

Agency Request	0.00	64,000	42,400	207,400	313,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2019 Program Maintenance

Agency Request	336.80	6,983,000	6,191,500	56,910,100	70,084,600
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Governor's Recommendation	336.80	6,971,400	6,229,400	57,041,500	70,242,300
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1. Retention Bonus

Military Management

The division requests \$931,500 in ongoing trustee and benefit payments from the General Fund to provide bonuses to increase retention of enlisted soldiers for urgent units in the Army National Guard. According to the agency, reenlistment of soldiers in the urgent unit is declining. This specific area of the National Guard requires more time from the soldiers than non-urgent units. Currently, the brigade is at 92% strength but is directed by the National Guard to be at 118%. The goal is to have 72.5% of soldiers reenlist, and if this request is approved, that would allow for a bonus of approximately \$4,500 per soldier. This bonus would only be awarded to first-time enlisted soldiers who re-enlist for a minimum of six years. Currently, soldiers who reenlist are entitled to a federal bonus of \$12,000 and the agency would like to add to that to incentivize the soldiers to reenlist. If the Military Division does not improve upon its strength it is at risk of losing its brigade as it has been proposed to move the brigade to Montana.

Agency Request	0.00	931,500	0	0	931,500
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Program Assistant - FTP

Military Management

The division requests 1.00 FTP and \$56,800 in ongoing personnel costs for a program assistant. If approved, this position would be shared between the accounting and human resources offices. According to the agency, accounting transactions and personnel actions have continued to increase over the past few years. The program assistant will be responsible for lower level time-consuming functions, such as incoming and outgoing mail distribution, filing, photocopying, faxing, and other clerical duties.

Agency Request	1.00	56,800	0	0	56,800
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Military Division

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Mitigation Planner - FTP					
Office of Emergency Management					
The division requests 1.00 FTP and \$79,500 in ongoing personnel costs from the General Fund for a mitigation planner to comply with the enhanced mitigation grant program. Due to the federally declared disasters in the last year and a half, the military would like to go from Hazard Mitigation Grant Program funding, which is set at 15% of the federal expenditures per disaster, to an Enhanced State Hazard Mitigation Plan, which will increase federal funding to 20% of federal expenditures per disaster. Part of being approved for the additional federal funds requires the state to commit funding to statewide mitigation and planning; the approval of this position would fulfill this requirement through the Federal Emergency Management Agency (FEMA). According to the agency, the additional 5% in federal funding would equate to several million dollars.					
Agency Request	1.00	79,500	0	0	79,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Youth Challenge Staff					
Federal/State Agreements					
The division requests \$98,500 ongoing from the General Fund for ten National Guard members to assist the Youth Challenge staff for the first two weeks, during the acclimation phase. The agency states that the cadets tend to respect the men and women in uniform and are less likely to run away. Two Youth Challenge classes are completed per year, and this request would cover the first two weeks in both classes. The agency has been able to have National Guard members assist for the last seven classes using federal funds, but they are no longer assured they will receive those funds.					
Agency Request	0.00	98,500	0	0	98,500
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. ISAWS Contract					
Office of Emergency Management					
The division requests \$19,000 in ongoing operating expenditures from the General Fund to cover an increase in the Idaho State Alert and Warning System (ISAWS) annual contract. This increase is due to enhancements in the program to allow for multi-lingual translations and mobile applications. ISAWS is the software used in Idaho to access the Integrated Public Alert and Warning System (IPAWS). IPAWS is an internet based capability that federal, state, territorial, tribal, and local authorities can use to issue critical public alerts and warnings. The Office of Emergency Management has been using federal funds to pay for the contract, but demand for these funds has increased beyond current grant capacity.					
Agency Request	0.00	19,000	0	0	19,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
7. SWIC Position					
Office of Emergency Management					
The division requests 0.48 FTP and \$41,400 from the General Fund, and 0.52 FTP and \$44,800 in federal funds for a total of 1.00 FTP and \$86,200 ongoing. This request would fund a new position for a statewide interoperability coordinator (SWIC) and would be split 48% from the General Fund and 52% from federal funds. 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	41,400	0	44,800	86,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
8. Emergency Data Routers					
Military Management					
The division requests \$28,000 in onetime capital outlay from the Administration and Accounting Fund to purchase eight new emergency data network routers at \$3,500 each. Public Safety Communications currently has 23 emergency data network routers. If approved, the agency plans to strategically place these routers in the microwave path to provide data connection to state of Idaho agencies.					
Agency Request	0.00	0	28,000	0	28,000
Governor's Recommendation	0.00	0	28,000	0	28,000

Military Division

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
9. Family Support Positions - 13 FTP				Federal/State Agreements	
The division requests 13.00 FTP and \$978,100 in ongoing personnel costs from federal funds. The 13 positions include one family assistance center coordinator, eight family assistance center specialists, one lead child and youth coordinator, one child and youth coordinator, and two family readiness support assistants. The specialist positions would be located at various armories throughout the state to provide community outreach for service members. Currently, there is a federal program that has had complaints and has long lag times. The division would like to fund this through the Family Support Cooperative Agreement to better assist the service members and their families.					
Agency Request	13.00	0	0	978,100	978,100
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	13.00	0	0	979,700	979,700
10. Idaho STARBASE Program				Federal/State Agreements	
The division requests \$273,200 in ongoing federal funds for a STARBASE program. STARBASE is a five-day, 25 hour, Science, Technology, Engineering, Mathematics (STEM) program for fifth graders. The agency is requesting \$73,200 in personnel costs and \$200,000 in operating expenditures. Operating expenditures include contracting two teachers, funding supplies, and equipment. The goal of STARBASE is to motivate students to explore STEM as they continue their education. The program is meant to engage the students with "hands on, mind-on" activities. STARBASE academies work with the school districts to support their standards and learning objectives. According to the agency, if federal funding for the program is not available it will be discontinued.					
The division, through the noncognizable process, was approved 1.00 FTP on an ongoing basis for the STARBASE program; this request would fund that position.					
Agency Request	0.00	0	0	273,200	273,200
Recommended by the Governor with changes for benefits and compensation.					
Governor's Recommendation	0.00	0	0	273,400	273,400
11. Training Facility OCTC				Federal/State Agreements	
The division requests \$31,000,000 in onetime capital outlay from federal funds for construction projects. Of this request, \$22,000,000 would fund the training facility at the Orchard Combat Training Center (OCTC), and \$9,000,000 would fund the barracks at Gowen Field. The \$22,000,000 was requested and approved for FY 2018 but construction will not begin until FY 2019. Furthermore, the agency has spent the \$22,000,000 appropriated for FY 2018 on other projects. The appropriation for OCTC would be used for the building of a two-lane, 10,762 square foot, digital air/ground integration range that supports the training and testing requirements of the Army National Guard. The project includes a range control tower, latrines, and mess facility. This construction could lead to surrounding states conducting their training at this facility. The Gowen Field construction project would be used for a 24,000 square foot, two story, barracks to house transient active duty, and national guard units that will be training at Gowen Field and the OCTC; the current barracks were built during WWII.					
The agency intends to request carryover from FY 2019 to FY 2020 in its FY 2020 budget request, as the construction may not be completed in FY 2019.					
Agency Request	0.00	0	0	31,000,000	31,000,000
In addition to the recommended line item, the Governor recommends that the agency request reappropriation for FY 2020.					
Governor's Recommendation	0.00	0	0	31,000,000	31,000,000

Military Division

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. CFMO Positions- 6 FTP				Federal/State Agreements	
<p>The division requests 6.00 FTP and \$765,900 in ongoing personnel costs from federal funds. This request funds ten positions in the Construction and Facility Maintenance Office (CFMO). These positions include one master planner, one maintenance supervisor, one data information manager, three project managers, one locksmith, one equipment repair specialist, one facility maintenance technician, and one plumber. According to the agency, these positions will meet the demand and services that come with properly maintaining the growing number of facilities for which the CFMO is responsible. These positions will be housed at Gowen Field and support the Orchard Combat Training Center (OCTC).</p> <p>The division, through the noncognizable process, was approved 4.00 FTP on an ongoing basis for the CFMO area; this request would fund those positions.</p>					
Agency Request	6.00	0	0	765,900	765,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	6.00	0	0	767,500	767,500
13. Environmental Positions - 3 FTP				Federal/State Agreements	
<p>The division requests 3.00 FTP and \$245,300 in ongoing personnel costs from federal funds for a geographical information system (GIS) mapping specialist, a national Environmental policy act (NEPA) and environmental planning specialist, and a cultural resource specialist and archeologist. These positions would be part of the Environmental Management Office (EMO), and the positions will be paid through the Army Environmental Cooperative agreement. According to the agency, both the GIS mapping and the NEPA areas are experiencing issues with the existing workload.</p> <p>In the GIS mapping area, the agency reported that in 2016 there were 500 mapping requests in addition to required database maintenance, IT functions, along with other functions that needed to be completed. Of the 500 mapping requests, over half were not completed in the requested timeframe or were completed by other programs that had to absorb that time.</p> <p>In the NEPA area, which helps with environmental planning, public outreach, and scoping, current workload far exceeds the available personnel. In 2016 the EMO reviewed 230 projects and the numbers of projects are expected to increase. With the Orchard Combat Training Center (OCTC) growing it is expected that the sites monitored will double within the next five years, from 40 to 80 sites.</p>					
Agency Request	3.00	0	0	245,300	245,300
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	3.00	0	0	245,600	245,600
14. ITAM Positions - 3 FTP				Federal/State Agreements	
<p>The division requests 3.00 FTP and \$221,000 in ongoing personnel costs from federal funds for the Integrated Training Area Management (ITAM) section of the Military Division. The positions include a geographic information system (GIS) specialist, and two land rehabilitation and maintenance (LRAM) specialists. According to the agency, there is a surge in the amount of training units and personnel using the Orchard Combat Training Center (OCTC), as well as a 31,000 acre expansion to the training area.</p> <p>The ITAM program currently has a temporary employee performing the task of GIS specialist but that employee is expected to fully retire. With the continued growth, the agency believes that a full-time position is needed in this area. ITAM currently has an LRAM coordinator who is responsible for all maneuver land and trail maintenance, and rehabilitations. Maintenance of the additional 31,000 acres will be filled by these two specialists. These positions will be paid through the Range Training Land Program Cooperative Agreement.</p>					
Agency Request	3.00	0	0	221,000	221,000
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	3.00	0	0	221,400	221,400

Military Division

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
15. RTLP Positions - 23 FTP				Federal/State Agreements	

The division requests 23.00 FTP and \$2,087,900 in ongoing personnel costs from federal funds. This request would fund 31 positions. The 31.00 FTP include the addition of 23 range maintenance workers and eight range operations and safety technicians at the Orchard Combat Training Center (OCTC), which were approved through the noncognizable process for FY 2018. According to the agency, these additional positions are needed because of the increased mission requirements from the National Guard Bureau (NGB). The OCTC was selected as a maneuver center of excellence and it will conduct available year sustainment training for all five National Guard Armored Brigade Combat Teams. This increase will double the supported training days annually. These positions will be 100% federally funded through the Range Training Land Program (RTLP) Cooperative Agreement.

The range maintenance workers will be responsible for performing range maintenance duties of military gunnery ranges, supporting maintenance of target lifters, inspecting and testing sensor devices, troubleshooting and field testing target mechanisms, and hitting sensor devices, among other tasks.

The range operations and safety technicians will be responsible for maintaining constant awareness of all OCTC ranges, training areas, and restricted airspace, as well as using the range facility management support systems, and performing range safety and operations duties.

The division, through the noncognizable process, was approved 8.00 FTP on an ongoing basis for the RTLP program; this request would fund those positions.

Agency Request	23.00	0	0	2,087,900	2,087,900
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	23.00	0	0	2,093,600	2,093,600

16. Telecommunications Specialist Federal/State Agreements

The division requests 1.00 FTP and \$73,200 in ongoing personnel costs from federal funds. This request is for an Idaho Army National Guard (IDARNG) telecommunications specialist. According to the agency, the Idaho Army National Guard telecommunications equipment has become outdated and the newer equipment is complex to install, operate, and maintain. The telecommunication specialist will perform preventative maintenance, repair, and replacement of the equipment. This position will help to ensure that the equipment is fully operational and available for use. Currently, telecommunication equipment is located in 25 armories throughout Idaho, in 20 facilities at the Orchard Combat Training Center (OCTC), and in over 140 facilities at Gowen Field. It is expected that the number of facilities at OCTC will increase considerably.

Agency Request	1.00	0	0	73,200	73,200
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	0	73,400	73,400

17. Security Patrol Specialists

Agency Request	0.00	0	0	0	0
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The Governor recommends 6.00 FTP and \$342,400 in federal funds for security patrol specialists at the Orchard Combat Training Center.

Governor's Recommendation	6.00	0	0	342,400	342,400
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FY 2019 Total					
Agency Request	388.80	8,209,700	6,219,500	92,599,500	107,028,700
Governor's Recommendation	391.80	6,971,400	6,257,400	93,038,500	106,267,300

Agency Request					
Change from Original App	65.00	1,361,000	(156,900)	13,733,400	14,937,500
% Change from Original App	20.1%	19.9%	(2.5%)	17.4%	16.2%
Governor's Recommendation					
Change from Original App	68.00	122,700	(119,000)	14,172,400	14,176,100
% Change from Original App	21.0%	1.8%	(1.9%)	18.0%	15.4%

Public Employee Retirement System

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Retirement Administration	6,856,700	6,402,200	6,926,900	7,129,100	7,218,300
Portfolio Investment	969,100	924,300	1,021,000	882,400	893,400
Total:	7,825,800	7,326,500	7,947,900	8,011,500	8,111,700
BY FUND CATEGORY					
Dedicated	7,825,800	7,326,500	7,947,900	8,011,500	8,111,700
Percent Change:		(6.4%)	8.5%	0.8%	2.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,879,300	4,546,000	5,027,600	5,035,300	5,135,500
Operating Expenditures	2,723,600	2,549,300	2,733,800	2,805,700	2,805,700
Capital Outlay	222,900	231,200	186,500	170,500	170,500
Total:	7,825,800	7,326,500	7,947,900	8,011,500	8,111,700
Full-Time Positions (FTP)	66.00	66.00	67.00	68.00	68.00

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 with the State Treasurer. 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 PERSI Board of Directors 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 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: Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	67.00	0	7,947,900	67.00	0	7,947,900
Removal of Onetime Expenditures	0.00	0	(305,700)	0.00	0	(305,700)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	67.00	0	7,642,200	67.00	0	7,642,200
Benefit Costs	0.00	0	(103,500)	0.00	0	(93,700)
Replacement Items	0.00	0	317,700	0.00	0	317,700
Statewide Cost Allocation	0.00	0	38,900	0.00	0	38,900
Change in Employee Compensation	0.00	0	41,800	0.00	0	130,300
FY 2019 Program Maintenance	67.00	0	7,937,100	67.00	0	8,035,400
1. FTP for Purchasing Agent	1.00	0	74,400	1.00	0	76,300
FY 2019 Total	68.00	0	8,011,500	68.00	0	8,111,700
Change from Original Appropriation	1.00	0	63,600	1.00	0	163,800
% Change from Original Appropriation			0.8%			2.1%

Public Employee Retirement System

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	67.00	0	7,947,900	0	7,947,900

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for onetime replacement items (\$117,000 for annual software license renewals; \$163,500 for computer equipment and office furniture) and onetime line items (\$5,000 for a new employee's computer and workstation) for the Retirement Administration Program. It also removes amounts appropriated in FY 2018 for onetime replacement items (\$20,200 for software licenses and computer equipment) for the Portfolio Investment Program.

Agency Request	0.00	0	(305,700)	0	(305,700)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(305,700)</i>	<i>0</i>	<i>(305,700)</i>

Base Adjustments

The agency is requesting to transfer 2.00 FTP and the associated \$150,000 in personnel costs from the PERSI Special Fund under the Portfolio Investment Program to the PERSI Administrative Fund under the Retirement Administration Program. The two positions currently report to the fiscal officer in the Administration Program, so the agency would like to align the employees' program and funding source under the same division.

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 2019 Base					
Agency Request	67.00	0	7,642,200	0	7,642,200
<i>Governor's Recommendation</i>	<i>67.00</i>	<i>0</i>	<i>7,642,200</i>	<i>0</i>	<i>7,642,200</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	(103,500)	0	(103,500)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(93,700)</i>	<i>0</i>	<i>(93,700)</i>
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Replacement Items

The Retirement Administration Program requests a total of \$297,500 for replacement items including \$150,000 in onetime operating expenditures from the PERSI Administrative Fund for three software license agreements that are renewed annually. They also request \$147,500 in onetime capital outlay for servers (\$105,000), and other standard office equipment including computers, phone, printers, and a scanner (\$42,500).

The Portfolio Investment Program requests a total of \$20,200 for replacement items including \$2,200 in onetime 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 desktop computers, laptops, flat panel monitors, and one printer.

Agency Request	0.00	0	317,700	0	317,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>317,700</i>	<i>0</i>	<i>317,700</i>

Public Employee Retirement System

Analyst: Smith

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 \$39,600, risk management costs will decrease by \$1,400, State Controller fees will increase by \$2,400, and State Treasurer fees will decrease by \$1,700, for a net increase of \$38,900.					
Agency Request	0.00	0	38,900	0	38,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>38,900</i>	<i>0</i>	<i>38,900</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	0	41,800	0	41,800
<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 \$6,200 for that purpose.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>130,300</i>	<i>0</i>	<i>130,300</i>

FY 2019 Program Maintenance

Agency Request	67.00	0	7,937,100	0	7,937,100
<i>Governor's Recommendation</i>	<i>67.00</i>	<i>0</i>	<i>8,035,400</i>	<i>0</i>	<i>8,035,400</i>

1. FTP for Purchasing Agent

Retirement Administration

The agency requests 1.00 FTP and \$69,400 in ongoing personnel costs from the PERSI Administrative Fund to hire a purchasing agent. The agency also requests \$5,000 in onetime capital outlay for the new employee's computer and work station.

PERSI is requesting a dedicated position to act as liaison with the Department of Administration's Division of Purchasing to prepare and oversee bid or specification preparation for purchases, and monitor all contractual relationships for compliance with policy and state law. This classified position is requested at 80% of policy at pay grade L (\$47,700 in salary and \$21,700 in benefits). This position would be responsible for all purchasing activities within the agency. The purchasing agent would consult with staff to determine requirements, advise users of legal requirements for purchasing, review purchasing documents to ensure compliance, review operating budgets for adequate funding, determine contract terms and conditions, ensure correct language, and monitor all contracts for compliance to contractual relationships and state law.

Agency Request	1.00	0	74,400	0	74,400
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>76,300</i>	<i>0</i>	<i>76,300</i>

FY 2019 Total

Agency Request	68.00	0	8,011,500	0	8,011,500
<i>Governor's Recommendation</i>	<i>68.00</i>	<i>0</i>	<i>8,111,700</i>	<i>0</i>	<i>8,111,700</i>

Agency Request					
Change from Original App	1.00	0	63,600	0	63,600
% Change from Original App	1.5%		0.8%		0.8%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>0</i>	<i>163,800</i>	<i>0</i>	<i>163,800</i>
<i>% Change from Original App</i>	<i>1.5%</i>		<i>2.1%</i>		<i>2.1%</i>

Office of Species Conservation

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	538,100	531,200	1,288,400	1,386,900	1,397,200
Dedicated	515,000	434,300	15,000	15,000	15,000
Federal	12,825,300	7,381,300	12,828,100	12,822,800	12,832,800
Total:	13,878,400	8,346,800	14,131,500	14,224,700	14,245,000
Percent Change:		(39.9%)	69.3%	0.7%	0.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,101,900	1,087,100	1,105,300	1,262,700	1,283,400
Operating Expenditures	776,500	595,800	1,026,200	955,600	955,200
Capital Outlay	0	15,800	0	6,400	6,400
Trustee/Benefit	12,000,000	6,648,100	12,000,000	12,000,000	12,000,000
Total:	13,878,400	8,346,800	14,131,500	14,224,700	14,245,000
Full-Time Positions (FTP)	12.63	12.63	12.63	14.00	14.00

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: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	12.63	1,288,400	14,131,500	12.63	1,288,400	14,131,500
FY 2019 Base	12.63	1,288,400	14,131,500	12.63	1,288,400	14,131,500
Benefit Costs	0.00	(7,100)	(17,600)	0.00	(6,900)	(16,600)
Statewide Cost Allocation	0.00	400	400	0.00	400	0
Change in Employee Compensation	0.00	4,200	9,400	0.00	12,300	27,100
FY 2019 Program Maintenance	12.63	1,285,900	14,123,700	12.63	1,294,200	14,142,000
1. Financial Officer FTP	1.00	95,000	95,000	1.00	87,700	82,000
2. Increase FTP to Full-Time	0.37	0	0	0.37	0	0
3. Object Transfer OE to PC	0.00	0	0	0.00	0	0
4. IT/Telecommunications	0.00	6,000	6,000	0.00	6,000	6,000
5. Wildlife Policy Work	0.00	0	0	0.00	9,300	15,000
FY 2019 Total	14.00	1,386,900	14,224,700	14.00	1,397,200	14,245,000
Change from Original Appropriation	1.37	98,500	93,200	1.37	108,800	113,500
% Change from Original Appropriation		7.6%	0.7%		8.4%	0.8%

Office of Species Conservation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	12.63	1,288,400	15,000	12,828,100	14,131,500
FY 2019 Base					
Agency Request	12.63	1,288,400	15,000	12,828,100	14,131,500
Governor's Recommendation	12.63	1,288,400	15,000	12,828,100	14,131,500

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(7,100)	0	(10,500)	(17,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(6,900)	0	(9,700)	(16,600)
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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 costs will decrease by \$100 and State Controller fees will increase by \$500 for a net increase of \$400.

Agency Request	0.00	400	0	0	400
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The Governor's recommendation also includes fees for Legislative Audits, which will decrease by \$400.

Governor's Recommendation	0.00	400	0	(400)	0
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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	5,200	9,400
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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	12,300	0	14,800	27,100
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FY 2019 Program Maintenance					
Agency Request	12.63	1,285,900	15,000	12,822,800	14,123,700
Governor's Recommendation	12.63	1,294,200	15,000	12,832,800	14,142,000

1. Financial Officer FTP

The Office of Species Conservation (OSC) requests \$95,000 from the General Fund to hire a financial officer position, at paygrade O, to provide fiscal, payroll, budgetary, grant management, project, travel, and administrative oversight for the Office of Species Conservation's fiscal transactions. Accounting and bill paying services are currently being provided by the Division of Financial Management (DFM) at a rate of \$15,000 per year. However, the expansion of programs at the OSC is straining DFM resources. DFM does not typically provide budgeting or grant work, and grants are expected to grow in the future. Included in this request is funding for furniture, a computer, and requisite hardware and software. [\$4,400 Onetime]

Agency Request	1.00	95,000	0	0	95,000
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Recommended by the Governor with changes for benefits and compensation. The recommendation also includes a reduction of \$15,000 in operating expenditures that the agency currently utilizes to pay the Division of Financial Management for fiscal support.

Governor's Recommendation	1.00	87,700	0	(5,700)	82,000
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Office of Species Conservation

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Increase FTP to Full-Time					
The Office of Species Conservation (OSC) requests 0.37 FTP to increase a part-time employee to full-time. The employee is entirely federally funded through the Bonneville Power Administration for work on salmon and steelhead conservation and recovery projects, and converting this position to full-time would help distribute workload on projects. This position is out of the Salmon office and would be assigned a pay grade of L, and be eligible for benefits. Increasing this employee to full-time costs an additional \$14,200, paid out of the FY 2019 Base for federal funds.					
Agency Request	0.37	0	0	0	0
<i>The Governor recommends federally funded FTP to convert the part-time position to full-time.</i>					
Governor's Recommendation	0.37	0	0	0	0
3. Object Transfer OE to PC					
The OSC requests to transfer \$75,000 of General Fund operating expenditures to personnel costs. As the Sage Grouse and Sage Steppe Conservation program has grown, the staff member assigned to oversee and implement the program has been unable to charge time to the General Fund. The current base amount for operating expenditures is \$750,000 annually, of which, the agency is requesting a 10% shift to personnel. These funds will be allocated towards restructuring the duties of an existing FTP and shifting personnel costs to the General Fund as federal funding through Snake River Basin Adjudication (SRBA) grants wind down over the next two years. The current salary and benefits funding for this position is \$90,900, split approximately 65% SRBA funds and 35% 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
4. IT/Telecommunications					
The OSC requests \$6,000 from the General Fund to become compliant with the Department of Administration's phone replacement plan, as well as implement updates for cybersecurity. This funding would allow for the purchase of Voice Over Internet Provider (VOIP) phones (\$2,000), Microsoft 365 subscriptions for the office (\$2,300), IT network support (\$400), and cybersecurity fees (\$1,300). [\$2,000 onetime]					
Agency Request	0.00	6,000	0	0	6,000
Governor's Recommendation	0.00	6,000	0	0	6,000
5. Wildlife Policy Work					
Office of Species Conservation					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends the agency retain the \$15,000 ongoing General Fund and federal appropriation currently utilized to pay the Division of Financial Management (DFM) for services and assistance. The agency did not originally request the reduction of \$15,000 paid to DFM that was recommended in the first line item. This recommended line item has been added to retain funding for wildlife policy work in the program.</i>					
Governor's Recommendation	0.00	9,300	0	5,700	15,000
FY 2019 Total					
Agency Request	14.00	1,386,900	15,000	12,822,800	14,224,700
Governor's Recommendation	14.00	1,397,200	15,000	12,832,800	14,245,000
Agency Request					
Change from Original App	1.37	98,500	0	(5,300)	93,200
% Change from Original App	10.8%	7.6%	0.0%	0.0%	0.7%
<i>Governor's Recommendation</i>					
Change from Original App	1.37	108,800	0	4,700	113,500
% Change from Original App	10.8%	8.4%	0.0%	0.0%	0.8%

STEM Action Center

Analyst: Jessup

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	2,420,700	2,420,100	4,489,500	4,657,500	2,654,000
Dedicated	2,100,000	1,204,200	2,100,300	2,100,700	2,100,700
Total:	4,520,700	3,624,300	6,589,800	6,758,200	4,754,700
Percent Change:		(19.8%)	81.8%	2.6%	(27.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	329,700	329,300	395,300	552,300	563,800
Operating Expenditures	4,187,000	3,266,500	4,189,900	4,195,300	4,180,300
Capital Outlay	4,000	28,500	4,600	10,600	10,600
Trustee/Benefit	0	0	2,000,000	2,000,000	0
Total:	4,520,700	3,624,300	6,589,800	6,758,200	4,754,700
Full-Time Positions (FTP)	3.00	3.00	4.00	6.00	6.00

Division Description

The Science, Technology, Engineering, and Math (STEM) Action Center was created under the Office of the Governor through H302 of 2015 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. [Section 67-823, Idaho Code]

STEM Action Center

Agency Profile

Analyst: Jessup

Fund Name & Description

1. General Fund (0001)

The General Fund consists of, "moneys received into the treasury and not specially appropriated to any other fund" (Section 67-1205, Idaho Code). Moneys are used for personnel costs, operating expenditures, and as match for non-state funding opportunities.

2. STEM Education Fund (0240)

The STEM Education Fund serves to receive money from industry and other entities to support STEM and computer science opportunities and expand the reach and fund-raising abilities of the STEM Action Center.

3. Miscellaneous Revenue Fund (0349)

This fund has served primarily to support the INDEEDS (Industries Excellent Educators Dedicated to STEM) award by accepting industry sponsorships for this award.

Key Services and Activities

Pursuant to Section 67-823, Idaho Code, the STEM Action Center is directed to five broad areas of service including:

- Student learning and achievement (targeting underrepresented)
- Student access to STEM, including equity issues;
- Teacher professional development and opportunities;
- College and career STEM pathways; and
- Industry and workforce needs.

	FY2016	FY2017	FY2018 <i>Anticipated</i>
Students served through STEM AC opportunities	10,428	204,000	210,000
Educators who received support from STEM AC	1,200	4,800	5,000
Community STEM and Career Events	36	45	50
Total number of grant opportunities offered	3	7	10
Industry contributions and donations (cash)	\$ 72,000	\$ 205,000	\$ 350,000
Industry contributions and donations (in-kind)	\$ -	\$ 622,000	\$ 750,000
Number of newsletter subscribers	1,500	4,300	5,000
Percentage of applicants receiving funding	22%	70%	70%

STEM Action Center

Analyst: Jessup

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	4.00	4,489,500	6,589,800	4.00	4,489,500	6,589,800
Removal of Onetime Expenditures	0.00	(2,005,900)	(2,005,900)	0.00	(2,005,900)	(2,005,900)
FY 2019 Base	4.00	2,483,600	4,583,900	4.00	2,483,600	4,583,900
Benefit Costs	0.00	(5,600)	(5,600)	0.00	(5,600)	(5,600)
Statewide Cost Allocation	0.00	800	1,200	0.00	800	1,200
Change in Employee Compensation	0.00	3,400	3,400	0.00	10,200	10,200
FY 2019 Program Maintenance	4.00	2,482,200	4,582,900	4.00	2,489,000	4,589,700
1. Financial Officer Position	1.00	97,400	97,400	1.00	85,100	85,100
2. Senior Research Analyst	1.00	76,100	76,100	1.00	78,100	78,100
3. Computer Science Initiative	0.00	2,000,000	2,000,000	0.00	2,000,000	2,000,000
4. IT/Telecommunications	0.00	1,800	1,800	0.00	1,800	1,800
Revenue Adjustments	0.00	0	0	0.00	(2,000,000)	(2,000,000)
FY 2019 Total	6.00	4,657,500	6,758,200	6.00	2,654,000	4,754,700
Change from Original Appropriation	2.00	168,000	168,400	2.00	(1,835,500)	(1,835,100)
% Change from Original Appropriation		3.7%	2.6%		(40.9%)	(27.8%)

STEM Action Center

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	4.00	4,489,500	2,100,300	0	6,589,800

Removal of Onetime Expenditures

This decision unit removes onetime appropriated for FY 2018 line items for computer science grants and capital outlay.

Agency Request	0.00	(2,005,900)	0	0	(2,005,900)
Governor's Recommendation	0.00	(2,005,900)	0	0	(2,005,900)

FY 2019 Base					
Agency Request	4.00	2,483,600	2,100,300	0	4,583,900
Governor's Recommendation	4.00	2,483,600	2,100,300	0	4,583,900

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(5,600)	0	0	(5,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(5,600)	0	0	(5,600)
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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. State Controller fees will increase by \$800 and State Treasurer fees will increase by \$400, for a net increase of \$1,200.

Agency Request	0.00	800	400	0	1,200
Governor's Recommendation	0.00	800	400	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	3,400	0	0	3,400
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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	10,200	0	0	10,200
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FY 2019 Program Maintenance					
Agency Request	4.00	2,482,200	2,100,700	0	4,582,900
Governor's Recommendation	4.00	2,489,000	2,100,700	0	4,589,700

STEM Action Center

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Financial Officer Position					
The agency requests 1.00 FTP and \$97,400 from the General Fund for a financial officer who would be responsible for financial management of the STEM Action Center and associated STEM Action Center Foundation. At present, finance-related tasks are carried out by four different staff at the Division of Financial Management (DFM), with the agency budget, grants, and financial inquiries handled by different persons. The agency believes this process is disjointed and would improve with a consistent primary contact for the agency and grant recipients. According to the agency, this position would also have responsibilities over the management of funds related to the STEM Action Center Foundation. Of the request, \$90,800 is for ongoing personnel costs and operating expenditures, and \$6,600 is for onetime operating expenditures and capital outlay.					
Agency Request	1.00	97,400	0	0	97,400
<i>The Governor recommends a reduction in operating expenditures of \$14,000 from the General Fund, the amount of the contract with the Division of Financial Management, as these services will no longer be needed. This recommendation includes changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	85,100	0	0	85,100
2. Senior Research Analyst					
The agency requests 1.00 FTP and \$76,100 from the General Fund for a senior research analyst who would be responsible for data collection and analysis, management, and integrated research. Sections 67-823 and 33-1633, Idaho Code, direct the STEM Action Center to conduct research and develop best practices for STEM education in the state. The requested analyst would expand the agency's capacity to conduct research and review collected data. Of the request, \$70,400 is for ongoing personnel costs and operating expenditures and \$5,700 is for onetime capital outlay and operating expenditures.					
Agency Request	1.00	76,100	0	0	76,100
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	78,100	0	0	78,100
3. Computer Science Initiative					
The agency requests \$2,000,000 onetime from the General Fund to support the Computer Science (CS) Initiative pursuant to Section 33-1633, Idaho Code. This initiative promotes and supports increased CS activities in schools and communities, and will support the needs of educators and industry in the form of grants, outreach, and research. Opportunities supported by this initiative would include regional STEM fairs, grants to schools for CS related activities and projects, device grants for schools, scholarships for students to attend CS camps, and professional development for teachers.					
Agency Request	0.00	2,000,000	0	0	2,000,000
Governor's Recommendation	0.00	2,000,000	0	0	2,000,000
4. IT/Telecommunications					
The agency requests \$1,800 from the General Fund for the estimated increase in operating expenditures for IT and telecommunication support services provided by the Department of Administration. The agency does not have its own IT support and relies on the Department of Administration for these services. Specifically, the request includes \$900 for an additional office phone, \$400 for a Microsoft 365 subscription upgrade, \$300 for internet, security, and state network fees, and \$200 for general IT network support services. Of the request, \$900 is for ongoing operating expenditures and \$900 is for onetime capital outlay.					
Agency Request	0.00	1,800	0	0	1,800
Governor's Recommendation	0.00	1,800	0	0	1,800
Revenue Adjustments					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a revenue adjustment for a cash transfer to the STEM Education Fund for the agency's Computer Science Initiative line item.</i>					
Governor's Recommendation	0.00	(2,000,000)	0	0	(2,000,000)
FY 2019 Total					
Agency Request	6.00	4,657,500	2,100,700	0	6,758,200
Governor's Recommendation	6.00	2,654,000	2,100,700	0	4,754,700

STEM Action Center

Analyst: Jessup

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	2.00	168,000	400	0	168,400
% Change from Original App	50.0%	3.7%	0.0%		2.6%
Governor's Recommendation					
Change from Original App	2.00	(1,835,500)	400	0	(1,835,100)
% Change from Original App	50.0%	(40.9%)	0.0%		(27.8%)

Wolf Depredation Control Board

Analyst: Sepich

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	0	461,900	0	0	0
Percent Change:			(100.0%)		
BY OBJECT OF EXPENDITURE					
Operating Expenditures	0	461,900	0	0	0

Division Description

The Legislature passed H470 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. H470 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 onetime. There is no base budget.

Wolf Depredation Control Board

Analyst: Sepich

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	0	0	0.00	0	0
Noncognizable Funds and Transfers	0.00	0	744,300	0.00	0	744,300
FY 2018 Estimated Expenditures	0.00	0	744,300	0.00	0	744,300
Removal of Onetime Expenditures	0.00	0	(744,300)	0.00	0	(744,300)
FY 2019 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 2019 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: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	0	0	0	0

Noncognizable Funds and Transfers

H470 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, accounting for FY 2017 transfers of \$400,000 from the General Fund, \$94,300 from the livestock industry, and \$100,000 from sportsmen through fees collected by the Department of Fish and Game. After interest and expenditures are accounted for, the fund balance at the end of FY 2017 was \$744,000.

Agency Request	0.00	0	744,300	0	744,300
<i>Governor's Recommendation</i>	0.00	0	744,300	0	744,300

FY 2018 Estimated Expenditures					
Agency Request	0.00	0	744,300	0	744,300
<i>Governor's Recommendation</i>	0.00	0	744,300	0	744,300

Removal of Onetime Expenditures

This decision unit removes the estimated expenditures to reset the FY 2019 Base to zero.

Agency Request	0.00	0	(744,300)	0	(744,300)
<i>Governor's Recommendation</i>	0.00	0	(744,300)	0	(744,300)

FY 2019 Base					
Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	0.00	0	0	0	0

1. Wolf Control Program

The Wolf Depredation Control Board requests \$400,000 onetime from the General Fund for FY 2019. 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. [Onetime]

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

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).

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

FY 2019 Total					
Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	0.00	0	0	0	0

Agency Request

Change from Original App	0.00	0	0	0	0
% Change from Original App					

Governor's Recommendation

Change from Original App	0.00	0	0	0	0
% Change from Original App					

Idaho Legislative Budget Book

Legislative Branch

2018 Legislative Session

Legislature	6 - 115
Legislative Services Office	6 - 119
Performance Evaluations, Office of	6 - 123

Legislative Branch

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Legislature	6,880,000	6,755,000	7,255,000	6,755,000	6,755,000
Legislative Services Office	8,528,100	6,492,900	7,808,500	7,771,800	7,911,700
Performance Evaluations, Office of	889,200	888,900	886,200	881,100	899,500
Total:	16,297,300	14,136,800	15,949,700	15,407,900	15,566,200
BY FUND CATEGORY					
General	12,881,700	12,647,800	13,365,300	12,841,600	12,967,200
Dedicated	3,415,600	1,489,000	2,584,400	2,566,300	2,599,000
Total:	16,297,300	14,136,800	15,949,700	15,407,900	15,566,200
Percent Change:		(13.3%)	12.8%	(3.4%)	(2.4%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	7,679,300	6,932,500	7,294,800	7,291,600	7,449,900
Operating Expenditures	1,697,800	439,500	1,398,400	1,359,000	1,359,000
Capital Outlay	40,200	9,800	1,500	2,300	2,300
Lump Sum	6,880,000	6,755,000	7,255,000	6,755,000	6,755,000
Total:	16,297,300	14,136,800	15,949,700	15,407,900	15,566,200
Full-Time Positions (FTP)	72.00	72.00	73.00	73.00	73.00

Department Description

The Legislative Branch consists of the Senate, House of Representatives, and their nonpartisan staff offices overseen 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 body; 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: Headlee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	6,880,000	6,755,000	7,255,000	6,755,000	6,755,000
Percent Change:		(1.8%)	7.4%	(6.9%)	(6.9%)
BY OBJECT OF EXPENDITURE					
Lump Sum	6,880,000	6,755,000	7,255,000	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 continuous appropriation as provided for in Section 67-451, Idaho Code, which 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

Comparative Summary

Analyst: Headlee

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	7,255,000	7,255,000	0.00	7,255,000	7,255,000
Reappropriation	0.00	125,000	125,000	0.00	125,000	125,000
FY 2018 Total Appropriation	0.00	7,380,000	7,380,000	0.00	7,380,000	7,380,000
Removal of Onetime Expenditures	0.00	(625,000)	(625,000)	0.00	(625,000)	(625,000)
FY 2019 Base	0.00	6,755,000	6,755,000	0.00	6,755,000	6,755,000
FY 2019 Total	0.00	6,755,000	6,755,000	0.00	6,755,000	6,755,000
Change from Original Appropriation	0.00	(500,000)	(500,000)	0.00	(500,000)	(500,000)
% Change from Original Appropriation		(6.9%)	(6.9%)		(6.9%)	(6.9%)

Legislature

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	7,255,000	0	0	7,255,000

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation from the General Fund for the legislative interim committee on state employee group health insurance and benefits from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	125,000	0	0	125,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>125,000</i>	<i>0</i>	<i>0</i>	<i>125,000</i>

FY 2018 Total Appropriation					
Agency Request	0.00	7,380,000	0	0	7,380,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>7,380,000</i>	<i>0</i>	<i>0</i>	<i>7,380,000</i>

Removal of Onetime Expenditures

This action removes the onetime funding for the following interim committees: state employee group health insurance and benefits (\$125,000), commercial vehicle registration fees (\$100,000), and the public school funding formula (\$400,000).

Agency Request	0.00	(625,000)	0	0	(625,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(625,000)</i>	<i>0</i>	<i>0</i>	<i>(625,000)</i>

FY 2019 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 2019 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	(500,000)	0	0	(500,000)
% Change from Original App		(6.9%)			(6.9%)

Governor's Recommendation

Change from Original App	0.00	(500,000)	0	0	(500,000)
% Change from Original App		(6.9%)			(6.9%)

Legislative Services Office

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	5,112,500	5,003,900	5,224,100	5,205,500	5,312,700
Dedicated	3,415,600	1,489,000	2,584,400	2,566,300	2,599,000
Total:	8,528,100	6,492,900	7,808,500	7,771,800	7,911,700
Percent Change:		(23.9%)	20.3%	(0.5%)	1.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	6,888,400	6,143,600	6,500,500	6,471,900	6,611,800
Operating Expenditures	1,604,600	349,300	1,306,500	1,299,900	1,299,900
Capital Outlay	35,100	0	1,500	0	0
Total:	8,528,100	6,492,900	7,808,500	7,771,800	7,911,700
Full-Time Positions (FTP)	64.00	64.00	65.00	65.00	65.00

Division Description

Pursuant to Section 67-701 through 67-704, Idaho Code, 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: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	65.00	5,224,100	7,808,500	65.00	5,224,100	7,808,500
Reappropriation	0.00	0	1,003,600	0.00	0	1,003,600
FY 2018 Total Appropriation	65.00	5,224,100	8,812,100	65.00	5,224,100	8,812,100
Removal of Onetime Expenditures	0.00	(23,300)	(1,034,400)	0.00	(23,300)	(1,034,400)
FY 2019 Base	65.00	5,200,800	7,777,700	65.00	5,200,800	7,777,700
Benefit Costs	0.00	(90,400)	(120,300)	0.00	(67,900)	(90,400)
Replacement Items	0.00	6,000	12,000	0.00	6,000	12,000
Statewide Cost Allocation	0.00	1,000	1,200	0.00	1,000	1,200
Change in Employee Compensation	0.00	43,600	56,700	0.00	128,300	166,700
FY 2019 Program Maintenance	65.00	5,161,000	7,727,300	65.00	5,268,200	7,867,200
1. Info Center Staffing and Operations	0.00	44,500	44,500	0.00	44,500	44,500
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	65.00	5,205,500	7,771,800	65.00	5,312,700	7,911,700
Change from Original Appropriation	0.00	(18,600)	(36,700)	0.00	88,600	103,200
% Change from Original Appropriation		(0.4%)	(0.5%)		1.7%	1.3%

Legislative Services Office

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	65.00	5,224,100	2,584,400	0	7,808,500

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation from the Professional Services Fund, which receives revenue from audit billing fees to agencies supported by dedicated and federal funds, from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	1,003,600	0	1,003,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,003,600</i>	<i>0</i>	<i>1,003,600</i>

FY 2018 Total Appropriation					
Agency Request	65.00	5,224,100	3,588,000	0	8,812,100
<i>Governor's Recommendation</i>	<i>65.00</i>	<i>5,224,100</i>	<i>3,588,000</i>	<i>0</i>	<i>8,812,100</i>

Removal of Onetime Expenditures

This action removes onetime amounts for computers, printers, and onetime carryover of dedicated funding from FY 2017 into FY 2018.

Agency Request	0.00	(23,300)	(1,011,100)	0	(1,034,400)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(23,300)</i>	<i>(1,011,100)</i>	<i>0</i>	<i>(1,034,400)</i>

FY 2019 Base					
Agency Request	65.00	5,200,800	2,576,900	0	7,777,700
<i>Governor's Recommendation</i>	<i>65.00</i>	<i>5,200,800</i>	<i>2,576,900</i>	<i>0</i>	<i>7,777,700</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(90,400)	(29,900)	0	(120,300)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(67,900)</i>	<i>(22,500)</i>	<i>0</i>	<i>(90,400)</i>
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Replacement Items

Replacement items include eight laptops at \$1,500 each, totaling \$12,000. Of this amount, \$6,000 is from the General Fund and \$6,000 is from the Professional Services Fund.

Agency Request	0.00	6,000	6,000	0	12,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>6,000</i>	<i>6,000</i>	<i>0</i>	<i>12,000</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 costs will decrease by \$100 and State Controller fees will increase by \$1,300, for net increase of \$1,200.

Agency Request	0.00	1,000	200	0	1,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,000</i>	<i>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	43,600	13,100	0	56,700
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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>128,300</i>	<i>38,400</i>	<i>0</i>	<i>166,700</i>
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Legislative Services Office

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Program Maintenance					
Agency Request	65.00	5,161,000	2,566,300	0	7,727,300
Governor's Recommendation	65.00	5,268,200	2,599,000	0	7,867,200

1. Info Center Staffing and Operations

This request is for \$44,500 from the General Fund for the personnel costs and operating expenditures of the Legislative Information Center and Copy Center during the legislative session. Of this amount, \$35,000 is for temporary personnel and \$9,500 is for operating expenditures to cover the costs of the copy machines and supplies of the two centers. This appropriation would provide Legislative Services Office the fiscal responsibility and oversight of functions it currently manages. These centers serve as resources to the public and Legislature and provide information on the functions of the Legislature and the Capitol building, copying services, legislative calendars, legislative publications, and printed bills.

Agency Request	0.00	44,500	0	0	44,500
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As required by Section 67-3506, Idaho Code, the Governor makes no recommendation and is transmitting the budget request to the Legislature as it was submitted.

Governor's Recommendation	0.00	44,500	0	0	44,500
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Budget Law Exemptions

LUMP SUM: The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation between programs and among personnel costs, operating expenditures, capital outlay, and trustee and 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 2018 into FY 2019. Carryover requires legislative approval.

Agency Request	0.00	0	0	0	0
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As required by Section 67-3506, Idaho Code, the Governor makes no recommendation and is transmitting the budget request to the Legislature as it was submitted.

Governor's Recommendation	0.00	0	0	0	0
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FY 2019 Total					
Agency Request	65.00	5,205,500	2,566,300	0	7,771,800
Governor's Recommendation	65.00	5,312,700	2,599,000	0	7,911,700

Agency Request

Change from Original App	0.00	(18,600)	(18,100)	0	(36,700)
% Change from Original App	0.0%	(0.4%)	(0.7%)		(0.5%)

Governor's Recommendation

Change from Original App	0.00	88,600	14,600	0	103,200
% Change from Original App	0.0%	1.7%	0.6%		1.3%

Office of Performance Evaluations

Analyst: Headlee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	889,200	888,900	886,200	881,100	899,500
Percent Change:		0.0%	(0.3%)	(0.6%)	1.5%
BY OBJECT OF EXPENDITURE					
Personnel Costs	790,900	788,900	794,300	819,700	838,100
Operating Expenditures	93,200	90,200	91,900	59,100	59,100
Capital Outlay	5,100	9,800	0	2,300	2,300
Total:	889,200	888,900	886,200	881,100	899,500
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 report evaluation results and 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: Headlee

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	8.00	886,200	886,200	8.00	886,200	886,200
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2018 Estimated Expenditures	8.00	886,200	886,200	8.00	886,200	886,200
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	8.00	886,200	886,200	8.00	886,200	886,200
Benefit Costs	0.00	(14,900)	(14,900)	0.00	(11,200)	(11,200)
Replacement Items	0.00	2,300	2,300	0.00	2,300	2,300
Statewide Cost Allocation	0.00	200	200	0.00	200	200
Change in Employee Compensation	0.00	7,300	7,300	0.00	22,000	22,000
FY 2019 Program Maintenance	8.00	881,100	881,100	8.00	899,500	899,500
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	8.00	881,100	881,100	8.00	899,500	899,500
Change from Original Appropriation	0.00	(5,100)	(5,100)	0.00	13,300	13,300
% Change from Original Appropriation		(0.6%)	(0.6%)		1.5%	1.5%

Office of Performance Evaluations

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	8.00	886,200	0	0	886,200

Noncognizable Funds and Transfers

This transfer moves \$33,000 from the General Fund in operating expenditures previously used for professional consulting services into personnel costs in the current year on a onetime basis and nets to zero.

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 Estimated Expenditures					
Agency Request	8.00	886,200	0	0	886,200
Governor's Recommendation	8.00	886,200	0	0	886,200

Base Adjustments

This adjustment moves \$33,000 from the General Fund in operating expenditures previously used for professional consulting services into personnel costs on an ongoing basis and nets to zero.

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 2019 Base					
Agency Request	8.00	886,200	0	0	886,200
Governor's Recommendation	8.00	886,200	0	0	886,200

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(14,900)	0	0	(14,900)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund.

Governor's Recommendation	0.00	(11,200)	0	0	(11,200)
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Replacement Items

This request is to replace one laptop computer at \$2,300.

Agency Request	0.00	2,300	0	0	2,300
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Governor's Recommendation	0.00	2,300	0	0	2,300
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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 \$200.

Agency Request	0.00	200	0	0	200
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Governor's Recommendation	0.00	200	0	0	200
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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	7,300	0	0	7,300
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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	22,000	0	0	22,000
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FY 2019 Program Maintenance					
Agency Request	8.00	881,100	0	0	881,100
Governor's Recommendation	8.00	899,500	0	0	899,500

Office of Performance Evaluations

Analyst: Headlee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Budget Law Exemptions					
LUMP SUM: The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
<i>As required by Section 67-3506, Idaho Code, the Governor makes no recommendation and is transmitting the budget request to the Legislature as it was submitted.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	8.00	881,100	0	0	881,100
Governor's Recommendation	8.00	899,500	0	0	899,500
Agency Request					
Change from Original App	0.00	(5,100)	0	0	(5,100)
% Change from Original App	0.0%	(0.6%)			(0.6%)
Governor's Recommendation					
Change from Original App	0.00	13,300	0	0	13,300
% Change from Original App	0.0%	1.5%			1.5%

Lieutenant Governor

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	170,000	170,000	172,900	173,200	175,100
Percent Change:		0.0%	1.7%	0.2%	1.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	157,800	152,600	160,500	158,500	160,400
Operating Expenditures	12,200	17,400	12,400	14,000	14,000
Capital Outlay	0	0	0	700	700
Total:	170,000	170,000	172,900	173,200	175,100
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: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	3.00	172,900	172,900	3.00	172,900	172,900
FY 2019 Base	3.00	172,900	172,900	3.00	172,900	172,900
Benefit Costs	0.00	(3,200)	(3,200)	0.00	(2,800)	(2,800)
Statewide Cost Allocation	0.00	0	0	0.00	0	0
Annualizations	0.00	400	400	0.00	400	400
Change in Employee Compensation	0.00	800	800	0.00	2,300	2,300
FY 2019 Program Maintenance	3.00	170,900	170,900	3.00	172,800	172,800
1. IT/Telecommunications	0.00	2,300	2,300	0.00	2,300	2,300
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	3.00	173,200	173,200	3.00	175,100	175,100
Change from Original Appropriation	0.00	300	300	0.00	2,200	2,200
% Change from Original Appropriation		0.2%	0.2%		1.3%	1.3%

Lieutenant Governor

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	3.00	172,900	0	0	172,900
FY 2019 Base					
Agency Request	3.00	172,900	0	0	172,900
Governor's Recommendation	3.00	172,900	0	0	172,900

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(3,200)	0	0	(3,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(2,800)	0	0	(2,800)
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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 costs will decrease by \$100, and State Controller fees will increase by \$100, for a net change of zero.

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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Annualizations

Funding is requested for the constitutional officers' pay increase authorized by the 2014 Legislature in Session Laws, Chapter 356. The Lieutenant Governor's pay increased on January 1, 2018 by 1.5%, from \$43,553 to \$44,206 annually, and this adjustment funds the increase from July 1, 2018 through December 31, 2018.

Agency Request	0.00	400	0	0	400
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Governor's Recommendation	0.00	400	0	0	400
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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	800	0	0	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	2,300	0	0	2,300
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FY 2019 Program Maintenance					
Agency Request	3.00	170,900	0	0	170,900
Governor's Recommendation	3.00	172,800	0	0	172,800

1. IT/Telecommunications

The Lieutenant Governor requests \$2,300 from the General Fund for the following IT/Telecommunications upgrades recommended by the Department of Administration: \$700 in onetime capital outlay for a phone system replacement, \$1,300 ongoing for a Microsoft 365 subscription, and \$300 ongoing for network IT support.

Agency Request	0.00	2,300	0	0	2,300
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Governor's Recommendation	0.00	2,300	0	0	2,300
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Lieutenant Governor

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Budget Law Exemptions					
LUMP SUM: The agency requests an appropriation that is exempt from Section 67-3511, Idaho Code, which restricts the transfer of appropriation among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments. This authority requires legislative approval.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	3.00	173,200	0	0	173,200
Governor's Recommendation	3.00	175,100	0	0	175,100
Agency Request					
Change from Original App	0.00	300	0	0	300
% Change from Original App	0.0%	0.2%			0.2%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	2,200	0	0	2,200
% Change from Original App	0.0%	1.3%			1.3%

Idaho Legislative Budget Book

Department of Revenue and Taxation

2018 Legislative Session

Tax Appeals, Board of	6 - 133
Tax Commission, State	6 - 139

Department of Revenue and Taxation

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
Tax Appeals, Board of	565,300	516,700	606,700	600,200	608,600
Tax Commission, State	44,663,400	42,251,400	43,381,200	43,420,900	43,750,200
Total:	45,228,700	42,768,100	43,987,900	44,021,100	44,358,800
BY FUND CATEGORY					
General	37,727,900	35,582,700	36,405,000	36,480,000	36,763,200
Dedicated	7,492,800	7,185,400	7,574,900	7,533,100	7,587,600
Federal	8,000	0	8,000	8,000	8,000
Total:	45,228,700	42,768,100	43,987,900	44,021,100	44,358,800
Percent Change:		(5.4%)	2.9%	0.1%	0.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	31,791,800	31,493,300	32,263,300	32,141,900	32,685,200
Operating Expenditures	12,583,500	10,567,700	11,079,400	11,534,700	11,534,700
Capital Outlay	853,400	707,100	645,200	344,500	138,900
Total:	45,228,700	42,768,100	43,987,900	44,021,100	44,358,800
Full-Time Positions (FTP)	456.00	456.00	460.00	465.00	464.00

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 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	565,300	516,700	606,700	600,200	608,600
Percent Change:		(8.6%)	17.4%	(1.1%)	0.3%
BY OBJECT OF EXPENDITURE					
Personnel Costs	488,100	439,500	517,100	514,000	522,400
Operating Expenditures	77,200	77,200	86,700	81,900	81,900
Capital Outlay	0	0	2,900	4,300	4,300
Total:	565,300	516,700	606,700	600,200	608,600
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

Analyst: Bybee

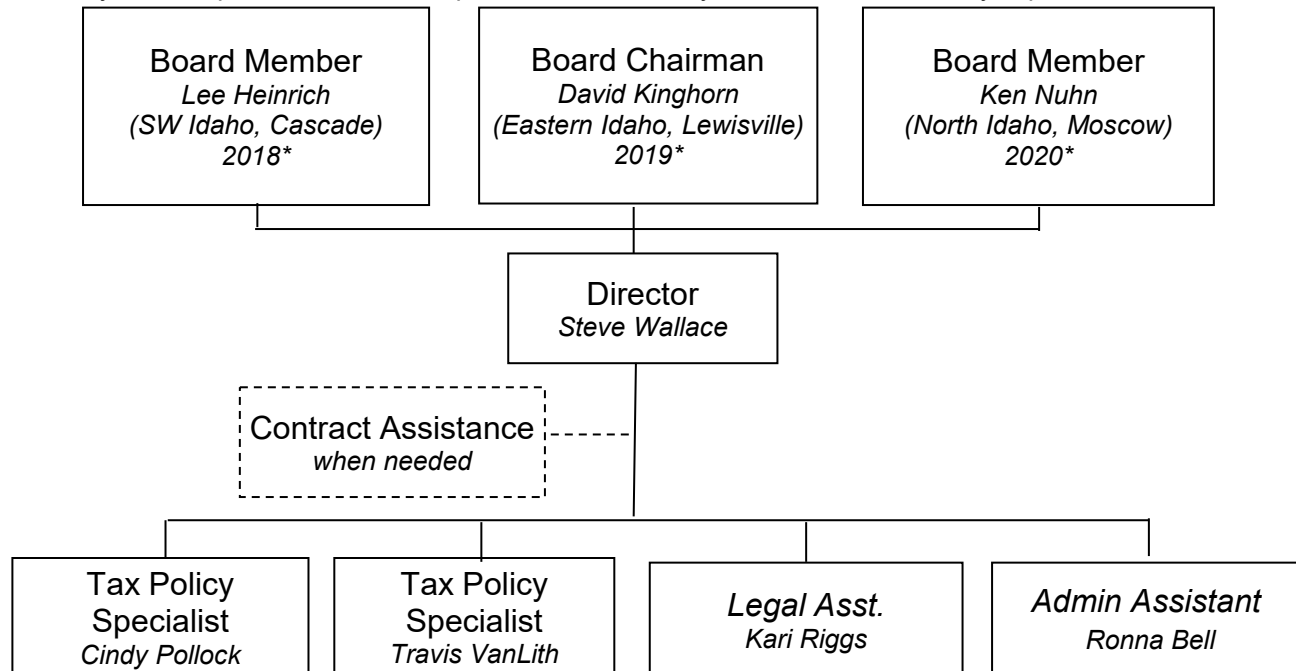
Agency Profile

	FY 2014	FY 2015	FY 2016	FY 2017
Key Services Provided				
1. Number of Tax Appeals Filed	277	205	293	230
2. Appeals Settled/Withdrawn/Dismissed	158	95	174	115
3. Decisions Rendered	119	110	119	92
4. Reconsideration Motions Filed	14	7	15	8
5. Appeals taken to District Court	7	1	4	2

Selected Performance Measures				
6. Hearings held within 90 days of appeal benchmark is 100%	92%	97%	94%	79%
7. Decisions issued within 105 days of hearing benchmark is 100%	46%	39%	52%	21%
8. Tax Com. related decisions within 180 days benchmark is 100%	43%	43%	83%	44%
9. Ad valorem related decisions by May 1 benchmark is 100%	100%	97%	99%	100%

Organizational Chart

* 3 yr term expires June 30. Compensation is \$200/day + actual and necessary expenses



Board of Tax Appeals

Comparative Summary

Analyst: Bybee

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	5.00	606,700	606,700	5.00	606,700	606,700
Removal of Onetime Expenditures	0.00	(2,900)	(2,900)	0.00	(2,900)	(2,900)
FY 2019 Base	5.00	603,800	603,800	5.00	603,800	603,800
Benefit Costs	0.00	(7,500)	(7,500)	0.00	(7,100)	(7,100)
Inflationary Adjustments	0.00	500	500	0.00	500	500
Replacement Items	0.00	4,300	4,300	0.00	4,300	4,300
Statewide Cost Allocation	0.00	(5,300)	(5,300)	0.00	(5,300)	(5,300)
Change in Employee Compensation	0.00	4,400	4,400	0.00	12,400	12,400
FY 2019 Total	5.00	600,200	600,200	5.00	608,600	608,600
Change from Original Appropriation	0.00	(6,500)	(6,500)	0.00	1,900	1,900
% Change from Original Appropriation		(1.1%)	(1.1%)		0.3%	0.3%

Board of Tax Appeals

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation					
	5.00	606,700	0	0	606,700
Removal of Onetime Expenditures					
This request removes onetime funding for capital outlay in FY 2018 which included digital hearing recorders and a laser printer.					
Agency Request	0.00	(2,900)	0	0	(2,900)
Governor's Recommendation	0.00	(2,900)	0	0	(2,900)
FY 2019 Base					
Agency Request	5.00	603,800	0	0	603,800
Governor's Recommendation	5.00	603,800	0	0	603,800
Benefit Costs					
Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	(7,500)	0	0	(7,500)
<i>The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.</i>					
Governor's Recommendation	0.00	(7,100)	0	0	(7,100)
Inflationary Adjustments					
This request is for contract inflation for rent. This is a 2% increase based on historical increases as the board is negotiating a new contract over the course of FY 2018. The board currently estimates an annual cost of \$26,252 for leased office space.					
Agency Request	0.00	500	0	0	500
Governor's Recommendation	0.00	500	0	0	500
Replacement Items					
This request includes six VOIP phones (\$1,300), one network router (\$1,500), and one network switch (\$1,500).					
Agency Request	0.00	4,300	0	0	4,300
Governor's Recommendation	0.00	4,300	0	0	4,300
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 \$5,300, risk management costs will decrease by \$100, and State Controller fees will increase by \$100, for a net reduction of \$5,300.					
Agency Request	0.00	(5,300)	0	0	(5,300)
Governor's Recommendation	0.00	(5,300)	0	0	(5,300)
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	4,400	0	0	4,400
<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	12,400	0	0	12,400
FY 2019 Total					
Agency Request	5.00	600,200	0	0	600,200
Governor's Recommendation	5.00	608,600	0	0	608,600

Board of Tax Appeals

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	0.00	(6,500)	0	0	(6,500)
% Change from Original App	0.0%	(1.1%)			(1.1%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	1,900	0	0	1,900
% Change from Original App	0.0%	0.3%			0.3%

State Tax Commission

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
General Services	13,479,100	11,713,100	12,536,500	12,436,200	12,271,600
Audit Division	12,447,300	11,831,700	12,700,700	12,617,000	12,834,000
Collections Division	8,178,200	8,230,500	7,494,000	7,544,200	7,675,300
Revenue Operations	6,846,600	6,842,600	6,851,800	7,052,800	7,138,200
Property Tax	3,712,200	3,633,500	3,798,200	3,770,700	3,831,100
Total:	44,663,400	42,251,400	43,381,200	43,420,900	43,750,200
BY FUND CATEGORY					
General	37,162,600	35,066,000	35,798,300	35,879,800	36,154,600
Dedicated	7,492,800	7,185,400	7,574,900	7,533,100	7,587,600
Federal	8,000	0	8,000	8,000	8,000
Total:	44,663,400	42,251,400	43,381,200	43,420,900	43,750,200
Percent Change:		(5.4%)	2.7%	0.1%	0.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	31,303,700	31,053,800	31,746,200	31,627,900	32,162,800
Operating Expenditures	12,506,300	10,490,500	10,992,700	11,452,800	11,452,800
Capital Outlay	853,400	707,100	642,300	340,200	134,600
Total:	44,663,400	42,251,400	43,381,200	43,420,900	43,750,200
Full-Time Positions (FTP)	451.00	451.00	455.00	460.00	459.00

Division Description

The State Tax Commission 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, Taxpayer Resources (Communications, Tax Policy, and Taxpayer Services), Information Technology Section, Human Resources, 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; and fraud and identity theft mitigation.

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 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 administer property tax relief through the Circuit Breaker Program.

State Tax Commission

Agency Profile

Analyst: Bybee

Sources of Funds

	FY 2017 Expenditures	Percent of Total	FY 2018 Appropriation	FY 2019 Request
1. General Fund 0001-00	\$35,066,000	83.0%	\$35,798,300	\$35,879,400
The General Fund sources are the individual income tax, corporate income tax, sales tax, cigarette tax, beer tax, wine tax, liquor profits, kilowatt hour tax, mine license tax, treasurer's interest on investments of certain idle funds, court fees and fines, insurance premium tax, and agency receipts.				
2. Multistate Tax Compact 0276-00	2,409,100	5.7%	2,660,500	2,590,100
Moneys collected as a direct result of audits conducted by the Multistate Tax Commission (on behalf of the state of Idaho) are paid by the State Tax Commission into the Multistate Tax Compact Fund. The Multistate Tax Compact was formed to determine the tax liability of multistate taxpayers, promote uniformity or compatibility in tax systems, and facilitate taxpayer convenience and compliance in the filing of tax returns and avoid duplicative taxation across states (Section 63-3709, Idaho Code).				
3. Administration and Accounting Fund 0338-01	195,800	0.5%	227,000	273,700
The State Tax Commission is directed to retain funds for the Commission's cost of collecting and administering the moneys of certain income tax "Check Off" trust funds. For the following trust funds the annual amount is three thousand dollars (\$3,000) or twenty percent (20%), whichever is less (Section 63-3067A&B(d), Idaho Code): 1) the Fish and Game Trust Fund; 2) the Children's Trust Fund; 3) the Special Olympics Fund; 4) the Veterans' Support Fund; 5) the Red Cross Check-off Account; 6) the Guard and Reserve Family Support Fund; and 7) the Cooperative Welfare Fund.				
On other taxes, the State Tax Commission is authorized to retain an amount of money equal to the cost of collecting and administering them. The amount retained cannot exceed the amount authorized to be expended by appropriation. Those taxes are: 1) Idaho Travel and Convention Tax (0212) (Section 67-4718, Idaho Code); 2) Illegal Drug Tax (0281) (Section 63-4209, Idaho Code); 3) Boise Auditorium District (0630) (Section 67-4917C, Idaho Code); 4) Petroleum Clean Water Trust Fund (0130) (Section 41-4909, Idaho Code); 5) Local Option Sales Tax (0630) (Section 63-2605, Idaho Code); 6) Wine Direct Shippers Fees (0630); and 7) Emergency Communications (Section 31-4818, Idaho Code).				
4. Admin Services for Transportation Fund 0338-02	4,416,900	10.5%	4,502,100	4,482,500
The State Tax Commission retains funds from gasoline tax and special fuels tax receipts equal to the cost of collecting, administering, and enforcing the gasoline tax requirements. However, the amount cannot exceed the amount authorized to be expended by appropriation (gasoline: Sections 63-2402 and 63-2405, Idaho Code; special fuels: Section 63-2416 - Section 63-2417, Idaho Code).				
5. Seminars and Publications Fund 0401-00	163,600	0.4%	185,300	186,800
Fees, sales of educational materials, tax regulations and printed material, fees for copies, supplies, bad check charges, postage reimbursement, sales of maps, and sales to the public.				
6. Federal Grant Fund	0	0.0%	8,000	8,000
The Tax Commission receives intermittent grants from the federal government for project-specific work.				
Total	\$42,251,400	100.0%	\$43,381,200	\$43,420,500

State Tax Commission

Comparative Summary

Analyst: Bybee

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	455.00	35,798,300	43,381,200	455.00	35,798,300	43,381,200
Reappropriation	0.00	2,000,000	2,000,000	0.00	2,000,000	2,000,000
FY 2018 Total Appropriation	455.00	37,798,300	45,381,200	455.00	37,798,300	45,381,200
Removal of Onetime Expenditures	0.00	(2,511,600)	(2,708,200)	0.00	(2,511,600)	(2,708,200)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2019 Base	455.00	35,286,700	42,673,000	455.00	35,286,700	42,673,000
Benefit Costs	0.00	(593,400)	(695,600)	0.00	(530,000)	(621,900)
Replacement Items	0.00	505,300	627,900	0.00	328,000	422,300
Statewide Cost Allocation	0.00	163,100	192,300	0.00	163,100	192,300
Change in Employee Compensation	0.00	217,300	257,700	0.00	664,000	782,200
FY 2019 Program Maintenance	455.00	35,579,000	43,055,300	455.00	35,911,800	43,447,900
1. Automated Systems Coordinator	1.00	58,900	69,300	1.00	60,500	71,200
2. Tax Compliance Positions	3.00	166,500	166,500	3.00	171,100	171,100
3. Taxpayer Resources Manager	1.00	75,400	83,800	0.00	0	0
4. Adjust Admin Fund	0.00	0	46,000	0.00	0	46,000
5. Commissioner CEC	0.00	0	0	0.00	11,200	14,000
Request for Reappropriation	0.00	0	0	0.00	0	0
FY 2019 Total	460.00	35,879,800	43,420,900	459.00	36,154,600	43,750,200
Change from Original Appropriation	5.00	81,500	39,700	4.00	356,300	369,000
% Change from Original Appropriation		0.2%	0.1%		1.0%	0.9%

State Tax Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	455.00	35,798,300	7,574,900	8,000	43,381,200

Reappropriation

The agency was authorized to reappropriate or carryover its unencumbered and unspent appropriation for relocating the Tax Commission from FY 2017 into FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

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>

FY 2018 Total Appropriation					
Agency Request	455.00	37,798,300	7,574,900	8,000	45,381,200
<i>Governor's Recommendation</i>	<i>455.00</i>	<i>37,798,300</i>	<i>7,574,900</i>	<i>8,000</i>	<i>45,381,200</i>

Removal of Onetime Expenditures

This request removes the \$2,000,000 onetime funding from the General Fund that was carried over from FY 2017 into FY 2018 for the Tax Commission's relocation to the HP Complex on Chinden Boulevard and for replacement items.

Agency Request	0.00	(2,511,600)	(196,600)	0	(2,708,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(2,511,600)</i>	<i>(196,600)</i>	<i>0</i>	<i>(2,708,200)</i>

Base Adjustments

This base adjustment moves 1.00 FTP and \$58,200 in personnel costs from Revenue Operations to the Audit Division to address additional fraud functions.

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 2019 Base					
Agency Request	455.00	35,286,700	7,378,300	8,000	42,673,000
<i>Governor's Recommendation</i>	<i>455.00</i>	<i>35,286,700</i>	<i>7,378,300</i>	<i>8,000</i>	<i>42,673,000</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(593,400)	(102,200)	0	(695,600)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(530,000)</i>	<i>(91,900)</i>	<i>0</i>	<i>(621,900)</i>
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State Tax Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Replacement Items

This request includes the following by program by fund:

GENERAL SERVICES: Software upgrades for \$50,000, 110 desktop computers for \$89,200, 36 laptop computers for \$46,500, four network switches for \$22,000, ten laser printers for \$15,000, and three vehicles for \$69,900 for a total of \$292,600. Of the total amount, \$230,300 is from the General Fund, \$13,700 is from the Multistate Tax Compact Fund, and \$48,600 is from the Administrative Services for Transportation Fund.

REVENUE OPERATIONS: Imaging software for reading W-2 information for \$250,000 and three rapid extraction mail openers for \$75,000 for a total of \$325,000. Of the total amount, \$275,000 is from the General Fund and \$50,000 is from the Administrative Services for Transportation Fund.

PROPERTY TAX: Eight laptops for \$10,300 for local trainings from the Property Tax Training Fund.

Agency Request	0.00	505,300	122,600	0	627,900
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In General Services, the Governor does not recommend replacing the personal computers, laptop computers, or three vehicles.

Governor's Recommendation	0.00	328,000	94,300	0	422,300
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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 increase by \$188,000, risk management costs will increase by \$500, State Controller fees will increase by \$12,700, and State Treasurer fees will decrease by \$8,900, for a net increase of \$192,300.

Agency Request	0.00	163,100	29,200	0	192,300
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Governor's Recommendation	0.00	163,100	29,200	0	192,300
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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	217,300	40,400	0	257,700
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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	664,000	118,200	0	782,200
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FY 2019 Program Maintenance

Agency Request	455.00	35,579,000	7,468,300	8,000	43,055,300
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Governor's Recommendation	455.00	35,911,800	7,528,100	8,000	43,447,900
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1. Automated Systems Coordinator

General Services

This request includes 1.00 FTP and \$69,300 in personnel costs for an automated systems coordinator. The position's funding will be split 85% General Fund, 10% Administrative Services for Transportation Fund, and 5% from the Multistate Tax Compact Fund. This position is requested at 82% of policy at paygrade L (\$47,700 in salary and \$21,600 in benefits). This position will help address increasing technical needs related to security updates, and tax and accounting software updates and enhancements. The position will spend a significant portion of time reviewing and testing changes and revisions to the GenTax software to make sure that distributions of revenue, including refunds, are working properly.

Agency Request	1.00	58,900	10,400	0	69,300
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Recommended by the Governor with changes for benefits and compensation.

Governor's Recommendation	1.00	60,500	10,700	0	71,200
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State Tax Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Tax Compliance Positions					Collections Division
This request includes 3.00 FTP and \$166,500 in personnel costs from the General Fund to reduce accounts receivable. These positions include two tax compliance technicians and one tax compliance officer. The tax compliance technicians are requested at 83% of policy at pay grade I (\$33,500 for salary and \$18,500 for benefits) while the tax compliance officer is requested at 82% of policy at pay grade K (\$42,200 for salary and \$20,400 for benefits). These positions are meant to address the growing accounts receivable balances for all tax types.					
Agency Request	3.00	166,500	0	0	166,500
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	3.00	171,100	0	0	171,100
3. Taxpayer Resources Manager					General Services
This request includes 1.00 FTP and \$75,500 in personnel costs for a taxpayer resources manager. The position's funding will be split 90% General Fund and 10% Administrative Services for Transportation Fund. This position is requested at 82% of policy at paygrade N (\$59,600 in salary and \$24,100 in benefits). This position will report to the taxpayer resources division manager, and will manage taxpayer resources personnel which answer questions from the public and help increase understanding of tax requirements, which increases voluntary tax filing compliance.					
Agency Request	1.00	75,400	8,400	0	83,800
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
4. Adjust Admin Fund					Revenue Operations
This request reduces the ongoing appropriation for the Administration and Accounting Fund by \$16,000 to account for several state and non-state revenue generating agencies for which the Tax Commission collects revenues. Expenditures for the cost of collecting the E911 tax have not been meeting the estimated \$80,000 appropriation and this adjustment brings those costs in line with actual expenditures. Additionally, a onetime appropriation of \$62,000 is requested for GenTax programming and reporting for the Department of Commerce, and adding the Idaho Falls Auditorium District to the list of state and local agencies for which the Tax Commission collects taxes. The net impact is a \$46,000 increase in FY 2019 but a reduction of \$16,000 in FY 2020.					
Agency Request	0.00	0	46,000	0	46,000
Governor's Recommendation	0.00	0	46,000	0	46,000
5. Commissioner CEC					General Services, Audit Division
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a 3% salary increase for commissioners, increasing their annual salary to \$99,077. Legislation is required to make this change.</i>					
Governor's Recommendation	0.00	11,200	2,800	0	14,000
Request for Reappropriation					
The Tax Commission requests the ability to reappropriate or carryover its unencumbered and unspent appropriation for costs associated with moving from FY 2018 into FY 2019.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	460.00	35,879,800	7,533,100	8,000	43,420,900
Governor's Recommendation	459.00	36,154,600	7,587,600	8,000	43,750,200

State Tax Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	5.00	81,500	(41,800)	0	39,700
% Change from Original App	1.1%	0.2%	(0.6%)	0.0%	0.1%
Governor's Recommendation					
Change from Original App	4.00	356,300	12,700	0	369,000
% Change from Original App	0.9%	1.0%	0.2%	0.0%	0.9%

Secretary of State

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY PROGRAM					
Administration	5,608,100	3,872,900	3,171,200	5,505,900	5,101,400
Commission on Uniform State Laws	47,700	47,700	49,600	48,600	48,600
Total:	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
BY FUND CATEGORY					
General	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
Percent Change:		(30.7%)	(17.8%)	72.5%	59.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,999,600	1,911,100	2,167,800	2,308,900	2,274,400
Operating Expenditures	3,656,200	1,980,700	1,053,000	3,245,600	2,875,600
Capital Outlay	0	28,800	0	0	0
Total:	5,655,800	3,920,600	3,220,800	5,554,500	5,150,000
Full-Time Positions (FTP)	28.00	28.00	29.00	31.00	30.00

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: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	29.00	3,220,800	3,220,800	29.00	3,220,800	3,220,800
Reappropriation	0.00	1,726,500	1,726,500	0.00	1,726,500	1,726,500
1. Increase Operating Expenditures	0.00	180,000	180,000	0.00	0	0
FY 2018 Total Appropriation	29.00	5,127,300	5,127,300	29.00	4,947,300	4,947,300
Removal of Onetime Expenditures	0.00	(1,775,100)	(1,775,100)	0.00	(1,775,100)	(1,775,100)
FY 2019 Base	29.00	3,352,200	3,352,200	29.00	3,172,200	3,172,200
Benefit Costs	0.00	(44,800)	(44,800)	0.00	(40,700)	(40,700)
Statewide Cost Allocation	0.00	5,600	5,600	0.00	5,600	5,600
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	16,800	16,800	0.00	50,100	50,100
FY 2019 Program Maintenance	29.00	3,330,800	3,330,800	29.00	3,188,200	3,188,200
1. Business Entities IT Maintenance	0.00	208,000	208,000	0.00	208,000	208,000
2. Elections System Upgrade	0.00	1,290,000	1,290,000	0.00	1,290,000	1,290,000
3. Additional Online Services	0.00	250,000	250,000	0.00	60,000	60,000
4. Cybersecurity Analyst FTP	1.00	96,200	96,200	1.00	96,200	96,200
5. Communications FTP	1.00	71,900	71,900	0.00	0	0
6. Elections Costs	0.00	300,000	300,000	0.00	300,000	300,000
7. Conference Costs	0.00	7,600	7,600	0.00	7,600	7,600
FY 2019 Total	31.00	5,554,500	5,554,500	30.00	5,150,000	5,150,000
Change from Original Appropriation	2.00	2,333,700	2,333,700	1.00	1,929,200	1,929,200
% Change from Original Appropriation		72.5%	72.5%		59.9%	59.9%

Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	29.00	3,220,800	0	0	3,220,800

Reappropriation

Secretary of State

Pursuant to S1020 of 2017, the Secretary of State received a supplemental appropriation of \$2,222,200 to upgrade its business entities IT system. S1137 of 2017 authorized the agency to reappropriate or carryover its unencumbered and unspent supplemental appropriation from FY 2017 into FY 2018. Of the total amount, \$1,726,500 in operating expenditures was reappropriated for FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	1,726,500	0	0	1,726,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>1,726,500</i>	<i>0</i>	<i>0</i>	<i>1,726,500</i>

1. Increase Operating Expenditures

Secretary of State

The Secretary of State requests a supplemental appropriation of \$180,000 in ongoing operating expenditures to cover a projected shortfall in its FY 2018 operating budget based on FY 2017 actual expenditures and increased costs from the recent filling of vacant positions. In prior years, it has been typical for the Secretary of State to have two to three vacant positions resulting in excess personnel budget, which has been transferred to its operating budget to cover additional operating expenditures. In FY 2018, all vacant positions have been filled. In addition, the Secretary of State has historically had continuously appropriated federal funds from the Democracy Fund created by the Help America Vote Act of 2002 that were available to cover portions of election-related expenses. These funds are no longer available.

The Secretary's office reports that during the years that federal funds were able to absorb a portion of operating expenditures, operational cost increases were not requested from the General Fund. For example, \$217,000 was spent on postage in FY 2017 while only \$100,000 had been internally budgeted for that purpose from the Secretary's General Fund appropriation for operating expenditures. Based on the agency's analysis of its FY 2017 actual expenditures and FY 2018 projected costs, the agency anticipates expenditures in the following cost categories to exceed the current operating budget: \$120,500 for communications (including postage), \$9,500 for employee development and training, \$15,000 for printing, \$5,000 for computer services, \$15,000 for staff travel, and \$15,000 for office supplies, for a total of \$180,000.

Agency Request	0.00	180,000	0	0	180,000
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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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FY 2018 Total Appropriation

Agency Request	29.00	5,127,300	0	0	5,127,300
<i>Governor's Recommendation</i>	<i>29.00</i>	<i>4,947,300</i>	<i>0</i>	<i>0</i>	<i>4,947,300</i>

Removal of Onetime Expenditures

This decision unit removes amounts appropriated in FY 2018 for a onetime line item (\$40,000 for the publication of the Idaho Blue Book), and authorized carryover of \$1,726,500 for the business entities IT system upgrade.

Agency Request	0.00	(1,775,100)	0	0	(1,775,100)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(1,775,100)</i>	<i>0</i>	<i>0</i>	<i>(1,775,100)</i>

FY 2019 Base

Agency Request	29.00	3,352,200	0	0	3,352,200
<i>Governor's Recommendation</i>	<i>29.00</i>	<i>3,172,200</i>	<i>0</i>	<i>0</i>	<i>3,172,200</i>

Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(44,800)	0	0	(44,800)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	(40,700)	0	0	(40,700)
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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 costs will increase by \$5,200, State Controller fees will increase by \$500, and State Treasurer fees will decrease by \$100, for a net increase of \$5,600.

Agency Request	0.00	5,600	0	0	5,600
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Governor's Recommendation	0.00	5,600	0	0	5,600
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Annualizations

Funding is 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, 2018 by 1.5%, from \$105,771 to \$107,357 annually, and this adjustment funds the increase from July 1, 2018 through December 31, 2018.

Agency Request	0.00	1,000	0	0	1,000
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Governor's Recommendation	0.00	1,000	0	0	1,000
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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	16,800	0	0	16,800
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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	50,100	0	0	50,100
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FY 2019 Program Maintenance

Agency Request	29.00	3,330,800	0	0	3,330,800
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Governor's Recommendation	29.00	3,188,200	0	0	3,188,200
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1. Business Entities IT Maintenance

Secretary of State

This request includes \$208,000 for ongoing operating expenditures from the General Fund for the maintenance and operating costs associated with the Business Entities IT system, which was funded by a supplemental appropriation of \$2,222,200 (\$39,400 ongoing, and \$2,182,800 onetime) in FY 2017. At that time, the annual ongoing portion of the costs for the new system were estimated to be: \$84,200 for system maintenance, \$71,200 for web hosting, \$52,800 for infrastructure management, and \$6,500 for licensing, for a total of \$214,700. In FY 2018, only \$18,500 of this amount was appropriated (ongoing) for maintenance since the upgrade was in process and not expected to be completed until midway through the year. The remaining \$196,200 was expected to be included as an annualized cost in the Secretary of State's FY 2019 budget. The agency now requests \$208,000 for additional ongoing maintenance in FY 2019 due to an increase of approximately 6% in contracted rates.

Agency Request	0.00	208,000	0	0	208,000
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Governor's Recommendation	0.00	208,000	0	0	208,000
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Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Elections System Upgrade					Secretary of State
<p>The Secretary of State requests \$1,290,000 (\$1,200,000 onetime; \$90,000 ongoing) from the General Fund to upgrade the agency's elections system. This request is phase one of a system upgrade that is estimated to cost \$4,000,000-\$5,000,000 over a five-year period. Pursuant to S1418 of 2016, the Secretary of State was appropriated \$258,000 in onetime operating expenditures from the General Fund in FY 2016 to implement an online voter registration (OVR) system, as authorized by S1297 of 2016. Implementation of the system was completed in December 2017. With the implementation of OVR, the agency is exploring options to modernize other functions of its elections division by replacing its existing software. The first three components proposed for phase one are campaign finance reporting, lobbyist registration, and overall elections management. According to the agency, the existing software was developed in-house, whereas the new systems would be configurable, off-the-shelf products that would decrease turnaround time on reporting and data entry, while increasing online access and transparency for Idaho residents. Additionally, the 2017 Campaign Finance Reform Legislative Work Group requested that the Secretary of State research the cost of modernizing the current online systems for campaign finance reporting and lobbyist registration, and to include it in the agency's FY 2019 budget request. Of the total amount requested in FY 2019 for phase one, \$1,200,000 is onetime for implementation of the three additional modules for campaign finance reporting (\$400,000), lobbyist registration (\$400,000), and overall elections management (\$400,000), and \$90,000 is ongoing for hosting, management, maintenance, and security.</p> <p>It is estimated that the Secretary of State will request an additional \$800,000 onetime from the General Fund in FY 2020 for phase two of the system implementation to continue development of additional functions. The system functions may vary depending on which vendor is selected, but are expected to include: GIS mapping, voting district management, election set-up, candidate management and registration, election night reporting, polling place and worker management, elections history tracking, conflict of interest disclosure, absentee ballot management, and petition management. According to the agency, the proposed changes have been requested by county clerks throughout the state to lessen administrative burden and costs associated with elections. In FY 2020 and beyond, the Secretary of State proposes to fund the remaining \$2,000,000-\$3,000,000 cost of the system by utilizing the existing \$627,000 in the agency's ongoing base appropriation for maintenance of the current elections system.</p>					
Agency Request	0.00	1,290,000	0	0	1,290,000
<i>The Governor recommends reappropriation authority for the agency to carryover its unencumbered and unspent appropriation balances for its elections system upgrade from FY 2019 into FY 2020.</i>					
Governor's Recommendation	0.00	1,290,000	0	0	1,290,000
3. Additional Online Services					Secretary of State
<p>The Secretary of State requests \$250,000 ongoing from the General Fund for operating expenditures to expand services and to provide training materials and communication to both internal staff and the public regarding new online services. These services include: online voter registration, online business registrations and amendments, will registry, health care directives, and other services.</p> <p>Specifically, the request includes: \$60,000 for additional credit card fees for the increased volume of credit card processing with the launch of online corporate division services; \$80,000 for a communications budget for training materials, media production, distribution costs, and associated costs to increase public awareness of new functionalities offered by the corporate and elections divisions; \$20,600 in personal computer hardware and software to guarantee a five-year cycle on desktop equipment for the full office (previously handled as onetime expenses); \$15,400 for repair and maintenance services; \$9,000 in employee training and development funds; \$3,000 to the Small Business Development Center annually for IdahoBizHelp.gov services; \$38,500 for temporary personnel, contract, and/or professional advisory services; \$4,500 for dues, memberships, fees, and subscriptions; \$10,000 for employee travel costs; \$3,500 for phone expenses (cellular, long distance); and \$5,500 for printing costs, for a total of \$250,000.</p>					
Agency Request	0.00	250,000	0	0	250,000
<i>The Governor recommends funding for increased credit card fees due to the volume of credit card processing from the launch of online corporate division services. The Governor does not recommend funding for other operating expenditures.</i>					
Governor's Recommendation	0.00	60,000	0	0	60,000

Secretary of State

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Cybersecurity Analyst FTP					Secretary of State
This request includes 1.00 FTP and \$96,200 from the General Fund for ongoing personnel costs to hire a senior cybersecurity analyst. According to the agency, elections security concerns and the threat of cyber attacks have increased following the 2016 presidential election. The individual in this position would be tasked with developing, implementing, administering, and maintaining cybersecurity specific policies for ensuring the integrity, confidentiality, and availability of agency data, including critical infrastructure data for both the elections and corporate divisions within the Secretary of State's Office. This individual would obtain a high level of national security clearance to gather and act upon cyber-related intelligence in conjunction with official federal agencies such as the Federal Bureau of Investigation and Department of Homeland Security.					
Agency Request	1.00	96,200	0	0	96,200
Governor's Recommendation	1.00	96,200	0	0	96,200
5. Communications FTP					Secretary of State
This request includes 1.00 FTP and \$71,900 from the General Fund for ongoing personnel costs to hire a communications coordinator/analyst. The individual in this position would be tasked with implementing the Secretary of State's public education, media relations, and communications goals. The position would address public concerns about elections security which, according to the agency, have increased following the 2016 presidential election. In addition, the position would manage consumer and corporate education regarding the new services offered by the agency's corporate division.					
Agency Request	1.00	71,900	0	0	71,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Elections Costs					Secretary of State
The Secretary of State requests \$300,000 onetime from the General Fund to pay for elections costs. Section 34-1812C, Idaho Code, requires the printing and mailing of initiatives and referendums to every household; Section 67-913, Idaho Code, requires that all proposed constitutional amendments be published in every newspaper in the state three times; and Section 67-453, Idaho Code, requires that all proposed constitutional amendments be mailed to every household. Estimated costs are \$300,000 in operating expenditures. This was the amount appropriated to the Secretary of State for elections in FY 2015 and FY					
Agency Request	0.00	300,000	0	0	300,000
Governor's Recommendation	0.00	300,000	0	0	300,000
7. Conference Costs					Commission on Uniform State Laws
The Secretary of State requests \$7,600 in onetime 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 Louisville, KY. Total costs of attendance include: \$2,400 for registration, \$2,000 for meals, \$4,700 for hotel, \$2,800 for airfare, \$400 for ground transportation, \$36,200 for annual dues, and \$100 for workers compensation, for a total of \$48,600. The commission has a base budget appropriation of \$41,000 for annual conference costs, so this request reflects the additional \$7,600 to meet the total projected costs to attend this year's conference.					
Agency Request	0.00	7,600	0	0	7,600
Governor's Recommendation	0.00	7,600	0	0	7,600
FY 2019 Total					
Agency Request	31.00	5,554,500	0	0	5,554,500
Governor's Recommendation	30.00	5,150,000	0	0	5,150,000
Agency Request					
Change from Original App	2.00	2,333,700	0	0	2,333,700
% Change from Original App	6.9%	72.5%			72.5%
Governor's Recommendation					
Change from Original App	1.00	1,929,200	0	0	1,929,200
% Change from Original App	3.4%	59.9%			59.9%

Idaho Legislative Budget Book

State Treasurer

2018 Legislative Session

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State Treasurer

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY DIVISION					
State Treasurer	4,082,200	3,807,800	4,203,500	4,190,700	4,232,100
Idaho Millennium Fund	2,588,200	2,588,200	2,691,500	0	0
Total:	6,670,400	6,396,000	6,895,000	4,190,700	4,232,100
BY FUND CATEGORY					
General	1,405,600	1,363,300	1,413,600	1,411,200	1,424,200
Dedicated	5,264,800	5,032,700	5,481,400	2,779,500	2,807,900
Total:	6,670,400	6,396,000	6,895,000	4,190,700	4,232,100
Percent Change:		(4.1%)	7.8%	(39.2%)	(38.6%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,470,700	2,295,300	2,466,200	2,451,000	2,492,400
Operating Expenditures	1,609,900	1,504,700	1,737,300	1,739,700	1,739,700
Capital Outlay	1,600	7,800	0	0	0
Lump Sum	2,588,200	2,588,200	2,691,500	0	0
Total:	6,670,400	6,396,000	6,895,000	4,190,700	4,232,100
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. 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]

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 Fund.

(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: Smith

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	1,405,600	1,363,300	1,413,600	1,411,200	1,424,200
Dedicated	2,676,600	2,444,500	2,789,900	2,779,500	2,807,900
Total:	4,082,200	3,807,800	4,203,500	4,190,700	4,232,100
Percent Change:		(6.7%)	10.4%	(0.3%)	0.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,470,700	2,295,300	2,466,200	2,451,000	2,492,400
Operating Expenditures	1,609,900	1,504,700	1,737,300	1,739,700	1,739,700
Capital Outlay	1,600	7,800	0	0	0
Total:	4,082,200	3,807,800	4,203,500	4,190,700	4,232,100
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; (5) maintaining a pooled investment program for the benefit of public agencies; and (6) administering Idaho's unclaimed property statutes. [Statutory Authority: Section 67-1201 et seq., Idaho Code]

State Treasurer

Comparative Summary

Analyst: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	26.00	1,413,600	4,203,500	26.00	1,413,600	4,203,500
Reappropriation	0.00	0	71,800	0.00	0	71,800
FY 2018 Total Appropriation	26.00	1,413,600	4,275,300	26.00	1,413,600	4,275,300
Removal of Onetime Expenditures	0.00	0	(71,800)	0.00	0	(71,800)
FY 2019 Base	26.00	1,413,600	4,203,500	26.00	1,413,600	4,203,500
Benefit Costs	0.00	(10,400)	(36,200)	0.00	(10,600)	(34,700)
Statewide Cost Allocation	0.00	400	2,400	0.00	400	2,400
Annualizations	0.00	1,000	1,000	0.00	1,000	1,000
Change in Employee Compensation	0.00	6,600	20,000	0.00	19,800	59,900
FY 2019 Program Maintenance	26.00	1,411,200	4,190,700	26.00	1,424,200	4,232,100
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2019 Total	26.00	1,411,200	4,190,700	26.00	1,424,200	4,232,100
Change from Original Appropriation	0.00	(2,400)	(12,800)	0.00	10,600	28,600
% Change from Original Appropriation		(0.2%)	(0.3%)		0.7%	0.7%

State Treasurer

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	26.00	1,413,600	2,789,900	0	4,203,500

Reappropriation

The State Treasurer was authorized to reappropriate or carryover its unencumbered and unspent appropriation balance in the Local Government Investment Pool (LGIP) Fund from FY 2017 into FY 2018, pursuant to Section 3 of H304 of 2017. Of the total amount, \$27,600 in personnel costs, \$43,700 in operating expenditures, and \$500 in capital outlay was reappropriated for FY 2018. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2019 Base.

Agency Request	0.00	0	71,800	0	71,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>71,800</i>	<i>0</i>	<i>71,800</i>

FY 2018 Total Appropriation					
Agency Request	26.00	1,413,600	2,861,700	0	4,275,300
<i>Governor's Recommendation</i>	<i>26.00</i>	<i>1,413,600</i>	<i>2,861,700</i>	<i>0</i>	<i>4,275,300</i>

Removal of Onetime Expenditures

State Treasurer

This decision unit removes the authorized carryover of \$71,800 from FY 2017 to FY 2018 for the Local Government Investment Pool Fund.

Agency Request	0.00	0	(71,800)	0	(71,800)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(71,800)</i>	<i>0</i>	<i>(71,800)</i>

FY 2019 Base					
Agency Request	26.00	1,413,600	2,789,900	0	4,203,500
<i>Governor's Recommendation</i>	<i>26.00</i>	<i>1,413,600</i>	<i>2,789,900</i>	<i>0</i>	<i>4,203,500</i>

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(10,400)	(25,800)	0	(36,200)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(10,600)</i>	<i>(24,100)</i>	<i>0</i>	<i>(34,700)</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 costs will increase by \$700, State Controller fees will increase by \$2,000, and State Treasurer fees will decrease by \$300, for a net increase of \$2,400.

Agency Request	0.00	400	2,000	0	2,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>400</i>	<i>2,000</i>	<i>0</i>	<i>2,400</i>

Annualizations

State Treasurer

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, 2018 by 1.5%, from \$105,771 to \$107,357 annually, and this adjustment funds the increase from July 1, 2018 through December 31, 2018.

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>

State Treasurer

Analyst: Smith

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	6,600	13,400	0	20,000
<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	19,800	40,100	0	59,900
FY 2019 Program Maintenance					
Agency Request	26.00	1,411,200	2,779,500	0	4,190,700
Governor's Recommendation	26.00	1,424,200	2,807,900	0	4,232,100

Budget Law Exemptions

The agency requests the following legislative intent language to be included in its FY 2019 appropriation bill:

STATE TREASURER LOCAL GOVERNMENT INVESTMENT POOL (LGIP) FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Treasurer any unexpended and unencumbered balances of moneys in the State Treasurer LGIP Fund as appropriated for fiscal year 2018, to be used for nonrecurring expenditures, for the period July 1, 2018, through June 30, 2019.

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, 2018, through June 30, 2019.

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

FY 2019 Total					
Agency Request	26.00	1,411,200	2,779,500	0	4,190,700
Governor's Recommendation	26.00	1,424,200	2,807,900	0	4,232,100
Agency Request					
Change from Original App	0.00	(2,400)	(10,400)	0	(12,800)
% Change from Original App	0.0%	(0.2%)	(0.4%)		(0.3%)
<i>Governor's Recommendation</i>					
Change from Original App	0.00	10,600	18,000	0	28,600
% Change from Original App	0.0%	0.7%	0.6%		0.7%

Idaho Millennium Fund

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
Dedicated	2,588,200	2,588,200	2,691,500	0	0
Percent Change:		0.0%	4.0%	(100.0%)	(100.0%)
BY OBJECT OF EXPENDITURE					
Lump Sum	2,588,200	2,588,200	2,691,500	0	0

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.

IDAHO 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 endowment fund and mandated that 80% of future tobacco settlement payments be placed into the Idaho Millennium 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

H486 of 2002 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, through the Joint Finance-Appropriations Committee (JFAC). There is no specification in law with regard to how the moneys in the Millennium Income Fund shall be used, but the Joint Legislative 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. For FY 2019, the committee voted to not solicit or accept grant applications. Decisions related to the Millennium Income Fund will be made by JFAC. Further, JFAC appropriated ongoing funding for the Public Health Districts for tobacco cessation programs, and to the Department of Health and Welfare for Project Filter, a tobacco cessation program, starting in FY 2018.

APPROPRIATIONS/ACTUAL EXPENDITURES

The appropriated amount in the Millennium Fund Program represents moneys appropriated to and expended by non-state organizations. Millennium Income Fund moneys appropriated to state entities 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	18,370,633	488,724	(11,478,493)	33,757,548	301,377,888
2018 *	279,069,133	20,000,000	0	(11,837,572)	11,970,805	321,511,121
2019 *	298,293,472	20,000,000	0	(13,571,022)	12,726,434	340,666,532
2020 *	317,132,984	20,000,000	0	(15,047,394)	13,451,810	359,070,948
2021 *	335,761,010	20,000,000	0	(15,987,856)	14,166,570	377,249,661
2022 *	354,188,533	20,000,000	0	(16,891,447)	14,873,509	395,231,723
2023 *	372,418,152	20,000,000	0	(17,783,957)	15,572,850	413,020,616
2024 *	390,452,018	20,000,000	0	(18,666,812)	16,264,681	430,618,485
2025 *	408,292,232	20,000,000	0	(19,540,183)	16,949,082	448,027,385
TOTAL		385,344,950	17,140,867	(179,023,952)	224,565,520	

*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 2018 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	4,592,658	0	(1,047,813)	252,651	33,584,086
2018	* 33,584,086	5,000,000	0	(1,296,388)	333,788	37,621,486
2019	* 37,621,486	5,000,000	0	(1,500,448)	372,469	41,493,507
2020	* 41,493,507	5,000,000	0	(1,685,763)	409,662	45,217,406
2021	* 45,217,406	5,000,000	0	(1,878,480)	445,298	48,784,224
2022	* 48,784,224	5,000,000	0	(2,063,824)	479,424	52,199,824
2023	* 52,199,824	5,000,000	0	(2,241,351)	512,103	55,470,576
2024	* 55,470,576	5,000,000	0	(2,411,351)	543,396	58,602,621
2025	* 58,602,621	5,000,000	0	(2,574,141)	573,362	61,601,841
TOTAL		269,490,270	(167,633,213)	(52,098,087)	10,859,255	

*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 2018 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

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	0.00	0	2,691,500	0.00	0	2,691,500
Removal of Onetime Expenditures	0.00	0	(2,691,500)	0.00	0	(2,691,500)
FY 2019 Base	0.00	0	0	0.00	0	0
FY 2019 Total	0.00	0	0	0.00	0	0
Change from Original Appropriation	0.00	0	(2,691,500)	0.00	0	(2,691,500)
% Change from Original Appropriation			(100.0%)			(100.0%)

Idaho Millennium Fund

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	0.00	0	2,691,500	0	2,691,500

Removal of Onetime Expenditures

This decision unit removes \$2,691,500 of onetime appropriations that were made to non-state entities.

On July 26, 2017, the Joint Legislative Millennium Fund Committee reaffirmed its vote from March 2017, to not solicit or request grant applications from the Millennium Income Fund for FY 2019.

Ongoing appropriations were made to the Department of Health and Welfare and the Public Health Districts and those amounts can be found in the agency budget requests.

Agency Request	0.00	0	(2,691,500)	0	(2,691,500)
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The Governor recommends other uses for the Millennium Income Fund. This includes additional funding for the Department of Health and Welfare and for the Office of the Attorney General.

Governor's Recommendation	0.00	0	(2,691,500)	0	(2,691,500)
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FY 2019 Base					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

Agency Request					
Change from Original App	0.00	0	(2,691,500)	0	(2,691,500)
% Change from Original App			(100.0%)		(100.0%)
Governor's Recommendation					
Change from Original App	0.00	0	(2,691,500)	0	(2,691,500)
% Change from Original App			(100.0%)		(100.0%)

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.