

Senate Finance Committee

Minutes
2009



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(208) 334-3531

MINUTES

SENATE FINANCE COMMITTEE

DATE: March 18, 2009

TIME: 10:10 A.M.

PLACE: Room 316, Capitol Annex

Present: Chairman Cameron, Keough, Broadsword, Bair, Hammond, Brackett, Siddoway, Mortimer, Bilyeu, LeFavour

**Absent/
Excused:** None

Vice Chairman Keough called the meeting to order at 10:10 a.m.

RS 18870 **Revisions to the Idaho Medically Indigent Health Care Program**
Senator Cameron, explained that RS 18870 made numerous revisions and additions to the program that provides indigents with access to medical care and allows hospitals to obtain compensation for services rendered to indigents. A group of legislators, county officials, various providers and the Department of Health and Welfare met for several weeks to revise the indigent program that had become dysfunctional. The Governor recommended that the county deductible be increased from \$10,000 to \$15,000 which could have raised property taxes.

The proposed bill would implement the following: 1) increase the county deductible from \$10,000 to \$11,000, 2) involve the Department of Health and Welfare on the front end of the process, 3) institute claims review and utilization management, 4) amend and clarify the eligibility process, 5) expand the CAT Fund Board from 7 to 12 members to include four legislators and one member from the Department of Health and Welfare, 6) establish a “medical home,” and 7) review the legislation three years after implementation.

It is anticipated that the increased change in the county deductible from \$10,000 to \$11,000 will reduce general fund expenditures by \$1,000,000; however, the indigent program will still require \$5,200,000 (on going) in state funds.

MOTION: Senator Bair moved that RS 18870 be sent to print. The motion was seconded by Senator Bilyeu and approved by voice vote.

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 10:20 A.M.

Respectfully submitted,

Shawn Keough, Vice Chair
Senate Finance Committee

Peggy Moyer, Committee Secretary

MINUTES

SENATE FINANCE COMMITTEE

DATE: April 29, 2009

TIME: 9:00 A.M.

PLACE: Room 316, Capitol Annex

Present: Chairman Cameron, Keough, Broadsword, Bair, Hammond, Brackett, Mortimer, Bilyeu, LeFavour

Excused: Siddoway

H199 **Board of Education – Establish Deferred Compensation Program**
Dr. Mike Rush, Executive Director, State Board of Education, introduced H199 which would allow the Idaho State Board of Education to establish deferred compensation plans for certain employees of Idaho's public institutions of higher education. The purpose of the legislation is to ensure that the Board has at its disposal all available tools to design deferred compensation plans in accordance with Internal Revenue Code requirements to enhance its ability to retain and recruit highly sought after employees. This legislation would be specifically for the four Idaho universities and the State Board of Education would approve every deferred plan.

Kevin Satterlee, General Counsel for Boise State University, spoke in support of H199 and explained that this legislation allows for specialized plans and would not be offered to all employees. Each individual plan would have to receive approval from the State Board of Education.

Bruce Newcomb, Director for Government Affairs at Boise State University, explained that risk forfeiture is negotiated when a contract is written. Deferred compensation is owned by the employer not the employee so if employees leave before the end of the contract, they forfeit the entire amount. Mr. Newcomb thinks universities can already enter into deferred compensation contracts but some attorneys believe legislation is needed to better define the issue so it is explicitly set forth.

Dr. Rush indicated the State Board of Education would establish policies to guide implementation of deferred compensation plans. When asked about possible tax consequences to Idaho, Dr. Rush said he does not have enough information on individual variables to provide a dollar figure. Experience has shown that people do retire in Idaho, but there are no guarantees.

Senator Brent Hill, a CPA who is also Chairman of the Senate Local Government and Taxation Committee, discussed qualified and non-qualified deferred compensation plans. He indicated it appeared to him that all of the plans specifically listed in Subsection (2) of H199 are considered qualified plans. In a qualified plan, when a person retires he receives a Form 1099R and the money received is taxed only in the state of residency as non-business income. It was Senator Hill's opinion that these types of deferred compensation plans are already allowed in Idaho since Idaho has adopted the Internal Revenue code and he was not sure why this legislation was needed.

MOTION: Senator Hammond moved, seconded by Senator Mortimer, that H199 be sent to the Floor with a Do Pass recommendation.

ROLL CALL

VOTE: AYES: Cameron, Keough, Broadsword, Bair, Hammond, Brackett, Mortimer, Bilyeu

NAYS: LeFavour

EXCUSED: Siddoway

VOTE: 8-1-1

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

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 9:35 A.M.

Respectfully submitted,

Dean L. Cameron, Chairman
Senate Finance Committee

Peggy Moyer, Committee Secretary

MINUTES

SENATE FINANCE COMMITTEE

DATE: May 4, 2009

TIME: 2:00 P.M.

PLACE: Room 316, Capitol Annex

PRESENT: Chairman Cameron, Keough, Broadsword (for Broadsword), Bair, Hammond, Brackett, Siddoway, Welker (for Mortimer), Bilyeu, LeFavour

ABSENT: None

H355 **FY10 Appropriation – Commission for Blind/Visually Impaired**
H356 **FY10 Appropriation – Capitol Commission Education**
H357 **FY10 Appropriation – Idaho Historical Society**
H358 **FY10 Appropriation – Division of Vocational Rehabilitation**
H359 **FY10 Appropriation – Commission for Libraries**
H360 **FY10 Appropriation – Educational Public Broadcasting**
H361 **FY10 Appropriation – Idaho State Police**
H362 **FY10 Appropriation – OSBE/Agricultural Research**
H363 **FY10 Appropriation – Human Rights Commission**
H364 **FY10 Appropriation – Appellate Public Defender**
H365 **FY10 Appropriation – Department of Correction**
H366 **FY10 Appropriation – Medical and Regulatory Boards**
H367 **FY10 Appropriation – Liquor Dispensary**
H368 **FY10 Appropriation – Parks & Rec + Trailer to H213 (Invasive Species Fees/Stickers)**

Discussion:

The above bills were previously assigned Senate bill numbers. The bills were re-drafted as House bills after action was taken by the House Appropriations Committee when that Committee met on April 28, 2009.

Chairman Cameron indicated there are a number of rules that govern the actions of the House and Senate as well as the Joint Finance-Appropriations Committee. An important rule that requires consideration at this time is Rule #11 of the Rules Governing the Joint Finance Appropriations Committee wherein it states, “An action formally taken by the Joint Committee may thereafter be altered only by formal action of the Joint Committee.” In the Chairman’s judgment, passing the above-listed duplicate bills after the Joint Committee had acted upon them would be a violation of that rule, or at least the spirit of it.

Because of statutory authority, there are also two laws in Idaho Code that require discussion. Chairman Cameron referred to Title 67, Chapter 35 regarding the state budget specifically referencing Section 67-3513 and 67-3514. It states in Section 67-3513:

(1) The standing committees of the house of representatives and of the senate in charge of appropriation measures shall sit jointly in open sessions while considering the budget. (underline added)

In Section 67-3514 entitled, “Appropriation Bills to be Prepared by Joint Finance-Appropriations Committee” it states:

The joint committees of the legislature in charge of appropriation measures, after considering the budget requests required by section 67-3502, Idaho Code, and the executive budget as required by section 67-3506, Idaho Code, shall prepare and introduce appropriation bills covering the requirements of the various departments, offices and institutions of the state. (underline added)

Chairman Cameron indicated that it was evident the only place in State law that allowed for the origination of appropriation bills was the Joint Finance-Appropriations Committee. Having appropriations bills originate from any other source would be outside State statutes as well as the Rules of the Joint Committee. He explained that the bills listed above technically remain alive until the Senate Finance Committee acts on them.

MOTION: Senator Keough moved, seconded by Senator Siddoway, that H355, H356, H357, H358, H359, H360, H361, H362, H363, H364, H365, H366, H367, and H 368 be held in Committee.

Further discussion and comment:

Senator LeFavour spoke in support of the motion stating Idaho’s Joint Finance-Appropriations Committee process is one to be admired. The process of budgeting by consensus upfront creates less contention and the possibility of delay. She supported the process as it currently stands.

Senator Hammond also spoke in support of the motion and expressed appreciation for a review of the rules and statutes to help committee members understand why the above bills were inappropriate. This action by the Senate Finance Committee to hold the bills in Committee will preserve the sanctity of the Joint Finance and Appropriations Committee process. The current budgeting process is very effective and efficient.

ROLL CALL

VOTE: AYES: Cameron, Keough, Broadsword, Bair, Hammond, Brackett, Siddoway, Welker, Bilyeu, LeFavour

NAYS: None

VOTE: 10-0-0

The majority having voted in the affirmative, the motion has passed and the **bills listed above will be held in Committee**

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 2:10 P.M.

Respectfully submitted,

Dean L. Cameron, Chairman
Senate Finance Committee

Peggy Moyer, Committee Secretary