

# Sine Die Report

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## 2010 Session Summary

Legislative Services Office

April 2010

**IDAHO LEGISLATURE**



# Contents

Legislative Leadership.....	3
Committee Chairs .....	4
Introduction.....	5
Volume of Legislation and Length of Session .....	6
Rules Review.....	7
Legislative Action on Major Issues.....	8
Budget Summary .....	18
FY 2010 General Fund Budget Update.....	20
FY 2011 General Fund Budget Update.....	21
FY 2010 General Fund Pie Charts.....	22
FY 2011 General Fund Pie Charts.....	23
General Fund Comparison of JFAC Action .....	24
Budget Highlights.....	25
American Recovery and Reinvestment Act of 2009.....	31

This report and a complete listing of all legislation are available on the Idaho Legislature's website. Full text of all bills is included, along with statements of purpose, fiscal notes and legislative action. The Legislature's website is:

**[www.legislature.idaho.gov](http://www.legislature.idaho.gov)**



# **2010 Leadership**

## **Senate**

Robert L. Geddes, President Pro Tempore

Bart Davis, Majority Leader

Joe Stegner, Assistant Majority Leader

Russell Fulcher, Majority Caucus Chair

Kate Kelly, Minority Leader

Elliot Werk, Assistant Minority Leader

Edgar Malepeai, Minority Caucus Chair

## **House of Representatives**

Lawerence Denney, Speaker

Mike Moyle, Majority Leader

Scott Bedke, Assistant Majority Leader

Ken Roberts, Majority Caucus Chair

John Rusche, Minority Leader

James Ruchti, Assistant Minority Leader

Bill Killen, Minority Caucus Chair

# 2010 Committee Chairs

## Senate

Tim Corder, Chair  
Agricultural Affairs Committee

Denton Darrington, Chair  
Judiciary and Rules Committee

John Andreason, Chair  
Commerce and Human Resources Committee

Brent Hill, Chair  
Local Government and Taxation Committee

John Goedde, Chair  
Education Committee

Gary Schroeder, Chair  
Resources and Environment Committee

Dean Cameron, Chair  
Finance Committee

Curt McKenzie, Chair  
State Affairs Committee

Patti Anne Lodge, Chair  
Health and Welfare Committee

John McGee, Chair  
Transportation Committee

## House of Representatives

Tom Trail, Chair  
Agricultural Affairs Committee

Jim Clark, Chair  
Judiciary, Rules and Administration Committee

Maxine Bell, Chair  
Appropriations Committee

Lenore Barrett, Chair  
Local Government Committee

Max Black, Chair  
Business Committee

Bert Stevenson, Chair  
Resources and Conservation Committee

Robert Schaefer, Chair  
Commerce and Human Resources Committee

Dennis Lake, Chair  
Revenue and Taxation Committee

Bob Nonini, Chair  
Education Committee

Thomas Loertscher, Chair  
State Affairs Committee

Dell Raybould, Chair  
Environment, Energy and Technology Committee

JoAn Wood, Chair  
Transportation and Defense Committee

Sharon Block, Chair  
Health and Welfare Committee

Rich Wills, Chair  
Ways and Means Committee

# Introduction

The 2<sup>nd</sup> Regular Session of the 60<sup>th</sup> Idaho Legislature convened back in the newly restored and expanded Capitol Building after a 30-month absence during this historic project. The grand reopening of the Capitol Building took place on Saturday, January 9<sup>th</sup>, and saw thousands of visitors streaming through our beautifully restored center of state government. The \$122.5 million project, funded with cigarette taxes, was finished on time and within budget.

The Idaho Legislature also found itself engulfed in history of another sort—the continuation of a record-setting economic downturn that has presented budget challenges to the Governor and Legislature not seen in 75 years. Fiscal year 2009 revenues dropped 15.3 percent from the previous year, fiscal year 2010 revenues were projected to drop another 7.5 percent, and fiscal year 2011 revenues were projected to be flat. Amidst this 23 percent overall drop in revenues, the Legislature faced increasing school enrollments, growing Medicaid caseloads, and increasing prison inmate growth. The accomplishments of the Legislature in navigating the state through this difficult economic storm by making extremely difficult budget cuts, coupled with judicious use of cash reserves over time, should not be overlooked in light of where many other states find themselves.

The efforts of leadership to keep the legislative session focused and geared toward finishing in March kept the overall number of bills down compared to the last several years; however, the depth and breadth of public policy issues the Legislature addressed was still far reaching. The Legislature weighed in on the national health care policy debate, set up a new stabilization fund for higher education, provided new election and voting reform measures, improved childhood immunization procedures, authorized three new proposed constitutional amendments, refined confidentiality statutes on public records, authorized new programs to battle invasive species, reformed endowment land processes, and developed a fund source for aquifer management, to name just a few.

During the interim between sessions, legislators will continue their work on interim committees studying energy and natural resource issues. The Health Care Task Force and the Idaho Council on Indian Affairs will also be meeting during the interim.

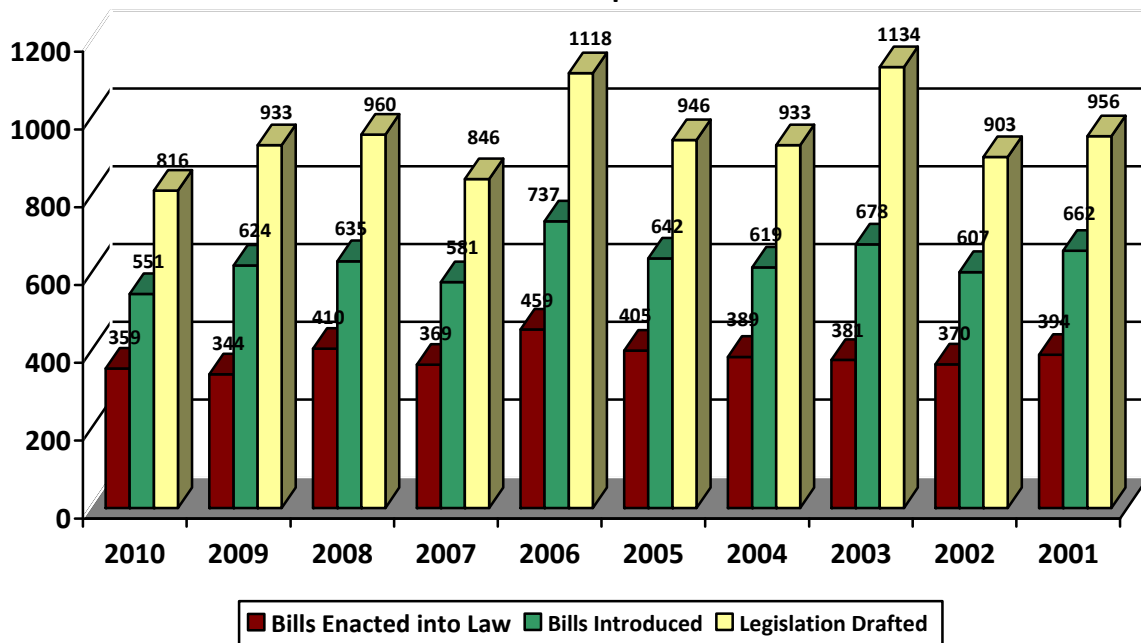
As legislators prepare for the 2011 legislative session, all of the interim action will be detailed on the Legislature's website at [www.legislature.idaho.gov](http://www.legislature.idaho.gov).

## Volume of Legislation and Length of Session

During the 2010 legislative session, 816 proposed pieces of legislation were prepared for legislative committees and individual legislators. From that initial group of draft proposals, 551 bills were actually introduced, along with another 69 resolutions, memorials and proclamations. By the end of the session, 359 bills had been passed. After final legislative action and following the Governor's review, all 359 introduced bills became law, with the majority of the new laws to become effective July 1, 2010.

### From Drafting to Enactment

10-Year Comparison



### Length of Session

When the Legislature adjourned sine die on March 29, it had been in session for 78 days. The 2010 legislative session, the shortest since 2004, was 39 days shorter than the previous session.

Length of Recent Sessions (Days)

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
78	117	87	82	93	87	69	118	68	82



# Rules Review

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At the beginning of each legislative session, the Legislature takes up the important task of reviewing the pending, pending fee and temporary rules that have been promulgated by the administrative agencies. The Legislature can prevent pending rules from going into effect by rejecting them. Pending fee rules only go into effect if the Legislature approves them. Temporary rules die at the end of the legislative session if not approved by the Legislature.

During the 2010 Legislative session, the Senate and the House of Representatives and were each asked to review 273 individual rulemaking dockets, totaling 2,524 pages. This is up from the 264 dockets reviewed in the 2009 session and the 244 dockets reviewed in 2008. In the Senate, the Health and Welfare Committee once again did the heavy lifting with 75 dockets, followed by the Commerce and Human Resources Committee with 67. In the House, the Health and Welfare Committee reviewed 68 dockets, followed by the Business Committee with 42 dockets.

Of the 217 pending rule dockets submitted, the Senate and the House adopted concurrent resolutions rejecting nine in whole or in part:

- A Department of Insurance rule dealing with a continuing education requirement;
- Thirteen Department of Lands rules dealing with grazing leases and cropland leases;
- A Department of Transportation rule dealing with business logo license plates;
- A Division of Building Safety rule docket governing plumbing safety licensing;
- A Division of Building Safety rule docket on rules of building safety;
- An Office of the Governor, Military Division, Bureau of Homeland Security hazardous substance response rule dealing with regional response teams;
- An Idaho Fish and Game Commission rule dealing with fishing methods and gear;
- A State Board of Education rule docket on rules governing uniformity; and
- A State Tax Commission rule on rebates paid to certain real estate developers.

Four of the 42 pending fee rule dockets were rejected in whole or in part:

- Two Department of Lands fees dealing with the regulation of beds, waters and airspace over navigable lakes;
- A Department of Lands fee dealing with leases on state-owned submerged and formerly submerged lands;
- A Department of Health and Welfare rule docket dealing with standards for child care licensing; and
- An Endowment Fund Investment Board rule docket dealing with the credit enhancement program for school districts.

None of the 14 temporary rule dockets reviewed were rejected.

## 2010 Legislative Action on Major Issues

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### Agriculture

**H 456** – Requires first time seed buyer license applicants to submit audited financial statements and exempts the Seed Indemnity Fund from liability for uninsurable perils.

**H 464** – Eliminates the ability of applicants to retake the North American Veterinary Licensing Examination for an unlimited number of times.

**H 465** – Allows veterinarians to pay a civil penalty for recordkeeping or continuing education violations in lieu of undergoing disciplinary proceedings under specified conditions.

**H 466** – Removes the requirement that an employer-employee relationship exist between a licensed supervising veterinarian and a certified veterinary technician, assistant or others.

**H 467** – If the Board of Veterinary Medicine finds that there is an immediate danger to the public health, safety or welfare, the board is authorized to commence emergency proceedings for a license revocation or other action.

**H 556aa** – Clarifies that irrigation ditches and drains are not floodways and that the operation, cleaning, maintenance or repair of irrigation or drainage works does not constitute development under the provisions of state law.

**H 557** – Allows trusts to vote in irrigation district elections.

**H 558aa** – Contributions to the public employee retirement system do not have to be made for seasonal irrigation employees in positions not exceeding eight consecutive months in a calendar year, where the employer certifies that the position is seasonal or casual and affected by weather and the growing season.

**H 559** – Provides that a landowner, subject to a prescriptive overflow easement, may not unreasonably interfere with the storage of water.

**H 598aaS** – If an irrigation district obtains a surety bond, blanket surety bond or crime insurance coverage, the district directors are not required to post bond.

**H 611** – Standardizes audit requirements for agricultural commodity commissions.

**H 675** – Allows for the acquisition of raw milk and raw milk products from cows, sheep or goats by their owners and allows for the acquisition of raw milk and raw milk products from a registered farm or dairy by owners of cow shares, sheep shares and goat shares provided certain conditions are met.

**S 1345aa** – Establishes the “Livestock Immunity Act” which limits liability for various livestock activities such as livestock shows, fairs, competitions, performances, races and parades. The Act also provides numerous exceptions to the immunity provisions.

**S 1346aa** – Gives the Department of Agriculture authority to administer all laws to protect water quality within the confines of a beef cattle animal feeding operation that is not under permit issued by the EPA and provides that the nutrient management plan, and all information generated by the operation as a result of the plan, is confidential.

### Business and Economic Development

**H 430** – Repeals existing laws governing third party administrators (TPAs) and replaces them with a model law adopted by the National Association of Insurance Commissioners that allows nonresident TPAs whose home states have also adopted the model law to obtain licensing in Idaho by submitting a uniform application and relevant financial information.

**H 490** – Provides a Board of County Commissioners the authority to declare that all or a

portion of the market value of a defined project based on investment in new plant and building facilities meeting certain tax incentive criteria shall be exempt from property taxation.

**H 525** – Provides additional sources of funding for the Film and Television Production Business Rebate Fund including grants, federal moneys, donations and funds from any other source.

## **Constitutional Amendments, Proposed**

**HJR 4** – Proposes an amendment to the Constitution of the State of Idaho to authorize public hospitals to incur indebtedness or liability to purchase, contract, lease or construct or otherwise acquire facilities, equipment, technology and real property for health care operations, provided that no ad valorem tax revenues are used for such activities.

**HJR 5** – Proposes an amendment to the Constitution of the State of Idaho to allow political subdivisions and regional airport authorities to incur debt without voter approval, as long as the debt is payable solely from airport revenues and not from tax funds.

**HJR 7** – Proposes an amendment to the Constitution of the State of Idaho to authorize cities owning municipal power systems to enter into long-term power supply, transmission and other agreements with power suppliers, without the need for an authorizing election.

## **Criminal Justice**

**H 422** – Repeals existing law that makes it a misdemeanor for law enforcement officers and prosecutors to refuse or neglect to enforce gambling laws.

**H 498** – Eliminates the one-year time limit for filing a post-conviction petition for fingerprint or DNA testing, specifies that a petitioner who pleaded guilty in the underlying case may file a petition for post-conviction fingerprint or DNA

testing and allows the petitioner to choose a board accredited DNA testing laboratory to perform the post-conviction DNA testing at the petitioner's expense.

**H 543** – Establishes that it is a felony to intentionally cause a reasonable person to be in fear of serious bodily injury or death by engaging in specified conduct involving a hoax destructive device, which is any object that, under the circumstances, reasonably appears to be a destructive device but is an inoperative imitation of a destructive device, or is proclaimed to contain a destructive device, but does not in fact contain a destructive device.

**H 631aa** – Grants the Idaho State Police the authority to transmit certain court records to the Federal Bureau of Investigation for inclusion in the National Instant Criminal Background Check System Database for the purpose of determining eligibility to receive or possess a firearm under state or federal law and establishes a petition process for the removal of a person's firearms-related disabilities.

**H 687** – Imposes a temporary fee on all convictions, starting April 15th through June 30, 2013, to help fund court operations. Every felony offense would have a \$100 surcharge added; every misdemeanor, \$50; and every infraction, \$10.

**S 1383aa** – Extends the length of time a prisoner can be ordered into the custody of the Department of Correction from 180 days to 365 days, during which time the Department of Correction is responsible for determining the placement of the prisoner and the appropriate education, programming and treatment needs of the prisoner, and revises provisions relating to the amendment of judgment.

**S 1384** – Clarifies the authority and duties of the director of the Department of Correction with regard to serious disturbances including riots, escapes, affrays or insurrections at a pri-

vately operated correctional facility under contract with the State Board of Correction.

**S 1385** – Revises the definition of what is commonly known as “statutory rape,” which previously included defined sexual relations between a female who has not reached the age of 18 and a male. This bill amends the definition of statutory rape to include defined sexual relations where the perpetrator is 18 years or older and the female is under the age of 16, and where the female is 16 or 17 and the perpetrator is 3 or more years older than the female. Such revisions were also made to the male rape statute.

**S 1398** – Specifies that a person who is convicted and placed on probation or receives a withheld judgment for felony driving under the influence and whose case is dismissed after successfully completing probation can be guilty of another felony if, within 15 years, the person is convicted of a further violation of driving under the influence.

### **Education: Colleges and Universities**

**H 544** – Creates the Higher Education Stabilization Fund to provide a strategic reserve to minimize the impact of economic downturns on higher education in Idaho.

**H 596aa** – Allows certain improvements on state college and university lands to be included on the new construction roll and exempts such improvements from property taxation.

**H 615** – Permits an Idaho taxpayer to make a donation to the Idaho Opportunity Scholarship Program through a designation on the Idaho tax return.

**H 688** – Provides certain colleges and universities with the discretion to procure and purchase property with approval of the State Board of Education, unless the state enters into

an open contract, then colleges and universities will utilize the open contract.

**S 1338** – Establishes the relationship between the State Board of Education and the Interstate Compact on Educational Opportunities, so that graduating high school seniors are not disadvantaged because of school attendance in multiple states or countries.

**S 1367** – Expands residency requirements relating to veterans for tuition purposes at public institutions of higher education.

### **Education: Public Schools**

**H 400aaS** – Provides specifically that the State Board of Education may delegate certain powers and duties to the Superintendent of Public Instruction and to the Presidents of Idaho’s colleges and universities.

**H 493aaS** – Creates the Master Advancement Pilot Project (MAPP). This six-year pilot project will provide school districts and students the opportunity and incentive to move more rapidly through the educational curriculum.

**H 579** – Allows a junior high student, who takes a high school class, to have the grade and credit hours for that class transferred to the student’s high school transcript.

**H 601** – Defines who is eligible to do a public school building plan review and that such plan reviews should include building structural and nonstructural, mechanical, fuel gas, plumbing, electrical, accessibility, elevators, boilers, and energy conservation matters.

**H 624** – Allows release time for religious instruction in grades 9 through 12 in school districts that operate on a trimester schedule. This type of release time is currently allowed in districts using the semester system. However, trimester districts are currently limited by the maximum hour requirement in state law. This law does not relieve students of the require-

ment to meet any state or school district graduation requirements.

**H 636** – Requires each local school district in the state to adopt and file an Internet use policy with the State Superintendent of Public Instruction that requires filtering technology to block materials that are harmful to minors and establish disciplinary measures for violators.

**H 640aa** – Recognizes tribal schools and tribal education authorities through definition.

**H 644** – Excludes from the definition of “employee” under the Public Employees Retirement System any person not under contract with a school district or charter school who on a day-to-day basis works as a substitute teacher replacing a contracted teacher and is paid a substitute wage or who, on a day-to-day basis, works as a substitute assistant and is paid a substitute wage.

**H 662** – Clarifies the responsibilities of the Idaho Bureau of Educational Services for the Deaf and the Blind and of its board.

**H 699aaS** – Requires school districts with more than 300 students to develop and maintain a publicly available website and, by the end of 2011, to post their expenditures in either a pdf format, a spreadsheet or in a database format.

**H 727** – Revises oversight of the Idaho Education Network by making administrative oversight the responsibility of the Idaho Education Network Program and Resource Advisory Council, with the Superintendent of Public Instruction serving as chairman of the Council and the director of the Department of Administration serving as vice chairman.

**S 1305aa** – Provides that a professionally prepared legal property description is required in petitions to change school district boundaries.

**S 1306** – Authorizes a market value process whereby a local school board may sell real property to the highest bidder.

**S 1354aaH** – Authorizes school districts to build and operate thermal energy systems to make hot and chilled water for heating school facilities; allows schools to sell excess thermal energy and use the revenue for general operating expenses within a local school district; and amends existing statute adding the thermal energy facilities as a school bonding purpose.

**S 1422** – Provides school districts with four areas of additional flexibility for FY 2011 to help them meet district needs:

- Plant Facilities Levy – school districts with a previously approved plant facilities levy may convert the levy to a supplemental levy with a majority vote of the patrons;
- Plant Facilities Reserve Fund – School districts may transfer any plant facilities reserve funds to their general fund to be used for one-time, non-personnel costs, if the moneys were not raised by a plant facilities levy, and are not needed to fix unsafe school buildings;
- Local Maintenance Match Dollars – school districts may use moneys from their FY 2011 local maintenance match requirement for any one-time, non-personnel costs, if they are not needed to fix unsafe school buildings; and
- “Use It or Lose It” – increases the percentage of state funded instructional positions that can be shifted to federal funds from 2.63% to 5.00% for FY 2011.

## Elections

**H 379** – Repeals the campaign funding checkoff option on individual income tax returns, which, unlike other checkoff options, diverts funds from the General Fund.

**H 496** – Requires each elector to show photo identification before receiving a ballot at the

polls or sign an affidavit in lieu of personal identification.

## **General Government**

**H 412** – Allows the Idaho Administrative Code to be published electronically.

**H 413** – Allows the Idaho Administrative Bulletin to be published electronically.

**H 414** – Revises the publication format for a public notice of proposed rulemaking.

**H 433aa** – Increases the time for a potential candidate to declare as a write-in candidate from 14 days to 28 days and gives county election officials more time to test ballots.

**H453** – Increases the percentage of the total state revolving loan fund that may be used for certain nonpoint source pollution control projects by cities or counties.

**H 458** – Clarifies when a retired member of the Public Employee Retirement System (PERSI) receiving a disability retirement allowance may return to work.

**H 514** – Removes the County Clerk from the requirement to supervise the destruction of records and gives the responsibility to the official with custody of the records.

**H 516** – Allows a Board of County Commissioners to set fees for issuing warrants of distraint, collection, levy and return of the same.

**H 522** – Provides that an emergency responder who enters Idaho in response to an emergency will not be liable for damages or injury arising from rendering services in response to an emergency unless the emergency responder is reckless, grossly negligent or engaged in intentional misconduct.

**H 548aa** – Allows nonelected public servants to receive an award with economic significance of \$500 or less from a nonprofit organization whose membership is limited to public servants

as part of a program to recognize innovation and achievement in the workplace.

**H 576aaS** – Amends provisions of the Soil Conservation District law relating to the local soil and water conservation districts and the State Soil and Water Conservation Commission.

**H 581** – Grandfathers in a mobile home that was in compliance prior to the adoption of a mobile home park rule that would prohibit such home from being located in the park.

**H 588** – Allows public officers to close their offices on regular business days when closure is due to mandatory leave without pay.

**H 589aaS** – The Idaho Firearms Freedom Act declares that personal firearms, firearm accessories and ammunition that is manufactured commercially or privately in Idaho and that remains within the borders of Idaho are not within interstate commerce and thus are not subject to federal regulation.

**H 603** – Transfers the Human Rights Commission to the Department of Labor.

**H 604aa** – Prohibits the use of severance pay to include payment by an employer toward the purchase of membership services into the Public Employee Retirement System (PERSI).

**H 605** – Requires that all final decisions regarding land use include notice of the right for judicial review by the District Court with regard to a regulatory taking analysis.

**H 614aaS** – Requires an economic impact statement to be included in proposed agency rules that charge a fee or charge and mandates notice of and access to materials that are incorporated into the agency rule by reference.

**H 692aa** – Reduces compensation for statewide elected officials by 4 percent in 2011, restores it in 2012 to the 2010 level, and sets the Governor's compensation for 2013 and 2014 and gives elected officials increases based on a per-

centage of the Governor's compensation.

**S 1252aa** – Allows the administrator of the Division of Human Resources to expand, through rule, the list of eligible applicants from the current 10 most qualified to 50.

**S 1257** – Removes obsolete provisions of law relating to justice courts and police courts.

**S 1330aa** – Removes certain archaic language, including "mentally retarded," "mentally deficient," "handicapped," "lunatic," and "idiot," from the Idaho Code, and replaces that language with more modern terminology.

**S 1371** – Provides the director of the Idaho Department of Insurance with the exclusive authority to license bail bond agents in Idaho and requires the director to regulate bail agent.

**S 1378aa** – Provides for the confidentiality of an Idaho residential street address and telephone number of an eligible law enforcement officer and such officer's residing household member(s).

## Health and Human Services

**H 391aa** – The Idaho Health Freedom Act codifies as state policy that every person in the state of Idaho is and shall continue to be free from government compulsion in the selection of health insurance options, and that such liberty is protected by the constitutions of the United States and the state of Idaho. The Act prohibits any state official or employee from enforcing any penalty that violates the policy and requires the Attorney General to seek injunctive or other appropriate relief and to defend the state of Idaho and its officials and employees against laws enacted by any government that violates the policy.

**H 432** – Creates a board to assess all health insurance carriers based on the number of insured children and creates a fund in the State Treasurer's Office to be used by the state of

Idaho to purchase vaccines for insured children, allowing them and the state of Idaho to benefit from the vaccine purchasing discount available through the federal Centers for Disease Control.

**H 470** – Requires an applicant for licensure as a physical therapist or physical therapist assistant who has been educated outside of the United States to provide proof of English proficiency.

**H 480aa** – Allows certain faxed prescription drug orders requested by a pharmacy to be filled by the practitioner's agent after approval by the practitioner.

**H 481** – Increases to seven days the time in which a business that is not a pharmacy must orally receive confirmations of a drug order by a veterinarian.

**H 483** – The Board of Pharmacy must require all applicants for original licensure or registration and for reinstatement of licenses or registrations to submit to a fingerprint based criminal history background check.

**H 492** – Increases death certificate fees and requires newly elected or appointed county coroners to attend a coroner's school sponsored or endorsed by the Idaho State Association of County Coroners within one year of taking office.

**H 495aa** – Creates the Idaho Childhood Immunizations Policy Commission and grants it the authority to review existing Idaho Code and rules provisions and to make recommendations to the Legislature, public agencies and health care providers regarding childhood immunization.

**H 529** – Prohibits an insurer from requiring a dental service provider to adopt fees for services that are not covered by the contract.

**H 534aaS** – Requires a pharmacist to provide certain notice to the patient and prescriber of a substitution of generic anti-epileptic drugs.

**H 599** – Allows the Idaho Department of Environmental Quality to review, approve and issue research, development and demonstration permits with a specified timeline for design, construction and operation of bioreactor land-fill operations consistent with federal law.

**H 602aa** – Provides immunity to a volunteer member of a search and rescue operation for actions or omissions unless the volunteer's actions or omissions were not done in good faith or if they were grossly negligent.

**H 610** – Provides priority placement of a child with a fit and willing relative under the Child Protective Act.

**H 653** – Revises the duties and responsibilities of a guardian ad litem (GAL) in Child Protective Act cases to confirm current practice and explicitly states that the GAL has a duty to advocate for the best interests of the child. Requires the GAL to provide a report to the court prior to any adjudicatory, review or permanency hearing; requires the GAL, when possible, to obtain the child's wishes regarding permanency and communicate those wishes to the court; and provides authority for the GAL to confer with any person or entity having relevant information in order to make recommendations regarding the best interests of the child.

**H 656** – Temporarily allows additional assessments on certain private hospitals in order to maintain adequate state funds, subject to certain limitations, and temporarily draws down additional federal matching funds by maximizing reimbursement for allowable costs available through the state Medicaid plan.

**H 667aa** – Amends existing law to curtail the rulemaking authority of public health districts.

**H 681** – Permits a county to suspend an initial determination to deny an application for financial assistance, if the sole basis for the denial is that the applicant may be eligible for certain other health care payment sources. If the ap-

plicant is eligible, then the application is denied; if the applicant is not so eligible, the application is approved. Also, provides that drugs, devices or procedures primarily utilized for weight reduction and complications are not deemed necessary medical services.

**H 691** – Reduces the maximum levy request that can be submitted to the voters of a county in support of an ambulance service district with specified features.

**H 708** – Contains Medicaid costs by reducing reimbursement, by cutting incentives that are unaffordable in the current economic environment and by requiring pharmacies to participate in cost surveys in order to obtain accurate and current prices.

**S 1301** – Allows a licensed practical or professional nurse employed by a public health district to engage in the labeling and delivery of refills of certain properly prescribed prepackaged items.

**S 1310** – Distinguishes personal care services (PCS) for children provided by PCS family alternate care providers from personal assistance services for adults and establishes annual uniform reimbursement rates for agencies and providers.

**S 1312** – Allows the Department of Health and Welfare not to seek reunification with the parent under the Child Protective Act if the parent has committed felony injury to the child.

**S 1312** – Adds felony injury to a child to the list of offenses for which the Department of Health and Welfare need not seek reunification with the parent but can instead seek foster care placement.

**S 1314** – Clarifies and expands the provisions for licensure, regulation and physician supervision, creates a physician assistant advisory committee and permits physician assistants to independently own a medical practice.



**S 1315** – Establishes a process for applicants and for the courts to follow in making changes to vital records.

**S 1320aa** – Clarifies the Idaho Legend Drug Act to provide that drugs that have been previously dispensed by a pharmacy in unit dose packaging may be donated, provided that the drug is in the manufacturer's original sealed and tamper-evident packaging and properly labeled.

**S 1321** – Permits the Department of Health and Welfare to file a Request for Notice of Transfer and Encumbrance on real property owned by a person receiving public assistance, requires a title insurance company to disclose the Request in any commitment to offer a title insurance product insuring title to such real property and requires notification to the department by the individual or his family if such property is subsequently transferred or encumbered.

**S 1335aaH** – Expands the use of the Immunization Reminder Information System (IRIS) by physicians and other health care providers, changing the IRIS registry to an "opt out" program and providing parents who do not wish to have their children's data included the right to opt out of the system.

**S 1339** – Permits a properly accredited hospice home to operate in Idaho without being licensed or certified by the state of Idaho.

**S 1353** – Provides that no health care professional shall be required to provide certain health care services that violate his or her conscience and provides immunity for employment, civil or administrative action related to that decision.

**S 1390** – Removes a requirement for maintaining a defibrillator as a prerequisite to civil suit immunity.

**S 1399** – Provides that no physician-patient relationship is created for a consulted physician where the consulted physician does not already

have a physician-patient relationship with the patient and there is no charge for the consultation.

**HCR 39** – Encourages the Health Quality Planning Commission to study stroke systems of care in Idaho and develop a plan to address stroke identification and management.

**HCR 55** – Requests the Department of Health and Welfare to undertake a study of the cost of implementing a random drug testing program of adults receiving public assistance.

**SJM 106** – Urges Congress to amend the United States Constitution to provide that Congress shall make no law requiring citizens of the United States to enroll in, participate in or secure health care insurance or to penalize any citizen who declines to purchase or participate in any health care insurance program.

## **Natural Resources**

**H 408** – Allows lease terms of up to twenty years for grazing, farming, conservation, non-commercial recreation and communication site uses and provides that conservation leases shall be considered to include lands enrolled in such federal conservation programs as the Conservation Reserve Enhancement Program.

**H 416** – Prohibits the waste of edible portions of game animals with the exception of mountain lion, black bear and gray wolf. "Game animal" is defined as game birds, big game animals, upland game animals and game fish.

**H 417** – Establishes a three-day nonresident small game hunting license.

**H 451** – Revises the definition of "public water supply" to align the statute with definitions in the Department of Environmental Quality's Rules for Public Drinking Water Systems and the EPA's Safe Drinking Water Act.

**H 463** – Allows the Fish and Game Commission to promulgate rules to allow nonresident deer

and elk tags to be used to hunt and kill a bear, wolf or mountain lion, instead of deer or elk, during open season.

**H 531aa** – Information related to Idaho fish and game licenses, permits and tags, such as names, addresses, telephone numbers and any identifying numbers, such as social security numbers, are now confidential unless written consent is obtained from the affected person.

**H 533** – Fees will now be assessed on sailboats and increased for motorized vessels registered outside the state and nonmotorized vessels. A portion of the fees will be retained by local vendors, a portion will go to the Department of Parks and Recreation for costs associated with administering the invasive species program and the remainder will be used to support activities related to the prevention, detection, control and management of invasive species in Idaho.

**H 561** – Replacement of an existing navigational encroachment, such as a dock, does not require a permit if the existing encroachment is covered by a valid permit.

**S 1266** – Outfitter and guide licenses will now expire on March 31 of the year following issuance.

**S 1285** – Allows youth who are nine years of age to purchase a hunting license so they may apply for a controlled turkey hunt, provided they will be ten years of age at the time of the hunt.

**S 1344aa** – Requires persons, while towing, carrying or transporting any conveyance, such as a terrestrial or aquatic vehicle or a vehicle part that may carry or contain an invasive species or plant pest, to present themselves for inspection as they travel by inspection stations and provides that peace officers in the state have the duty to enforce the Idaho Invasive Species Act.

**S 1355** – Assessments on the scale of forest products shall be levied twice in an equal

amount, once against the timber owner and once against the timber purchaser.

**S 1407aaH** – Creates a secondary aquifer planning, management and implementation fund to consist of moneys appropriated, moneys voluntarily contributed by water users or through water delivery entities or districts, or through other contributions, gifts or grants and provides for continuous appropriation of the moneys to the Water Resource Board for the payment of costs, expenditures and water projects associated with the statewide aquifer planning and management effort.

## **Taxation**

**H 381** – Clarifies the definition of "net operating loss" and provides that net operating losses of a corporation will survive a merger subject to certain conditions.

**H 386aa** – Revises how withdrawals from the state college savings account are added to taxable income; revises the income tax credit for research activity; and provides that the additional income tax credit for capital investment shall be calculated on the amount of qualified investment made during the project period.

**H 471** – Limits the scope of Idaho source income to that portion of the income from a resident estate or resident trust that does in fact have an Idaho source.

**H 490** – Provides that a Board of County Commissioners may declare that all or a portion of the market value of a defined project, based on investment in new plant and building facilities meeting certain tax incentive criteria, shall be exempt from property taxation.

**H 513** – Brings Idaho into compliance with the Federal Food Stamp Act administered by the U.S. Department of Agriculture that is funding the Federal Food Conservation and Energy Act Coupons. Without the provisions of this bill,

federal funds to Idaho recipients would be withheld.

**H 596aa** – Provides that certain improvements on state college and state university lands may be included on the new construction roll and that such improvements shall be exempt from property taxation.

**H 630** – Temporarily increases the maximum amount of the income tax credit that individual and corporate taxpayers may receive for donations to schools, Idaho Public Television, Idaho State Historical Society, libraries, museums, Commission on Hispanic Affairs, Commission for the Blind and Visually Impaired, Idaho Council on Developmental Disabilities, Idaho State Independent Living Council, and the Idaho Council for the Deaf and Hard of Hearing.

**H 645aa** – Revises provisions in law as to what may be placed on the new construction roll, provides for corrections to the roll, and revises how the 3 percent increase in property tax budgets is calculated.

**H 665aa** – Clarifies that donations to foundations or organizations which are not a formal organization of an elementary or secondary school but which still directly support such schools are eligible for an income tax credit.

## **Transportation**

**H 438** – Increases the Hazardous Material endorsement \$3 fee and the \$5 fee to a single fee of \$10.00, to provide funding to meet current needs of Professional Technical Education, and also to fund the personnel and equipment costs of 5 Idaho State Police Hazardous Materials Specialists for a full 12 months of the year.

**H 486** – Establishes an Idaho Mountain Biking special license plate with proceeds to go to the Idaho Department of Parks and Recreation for the purpose of preserving, maintaining and expanding recreational trails in Idaho on which mountain biking is permitted.

**H 540** – Establishes a Selway-Bitterroot Wilderness special license plate with proceeds to go to the Selway-Bitterroot Foundation for the purpose of assisting in the stewardship of the Idaho Selway-Bitterroot wilderness and surrounding wildlands of north central Idaho.

**H 564** – Requires that the driving businesses licensure board adopt rules providing for continuing education and requires applicants for a private driver training business license to submit to a fingerprint-based criminal history check.

**H 600** – Authorizes the Idaho Transportation Department to solicit and award contracts using design-build or construction manager/ general contractor methods of procurement for highway projects.

**S 1296** – Aligns Idaho law with federal provisions relating to commercial motor vehicle driving privileges.

**S 1297** – Modifies Idaho Code to accommodate both an application for duplicate title and transfer to a new owner in a single transaction, for vehicles that either are at least 10 years old, are over 16,000 pounds GVW, or have no odometer device, and for all vessels.

**S 1311aa** – Provides for a permit in lieu of a registration for certain combinations of vehicles where such combinations include more than one unregistered vehicle.

# Budget Summary

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## Fiscal Year 2010

Just as the FY 2010 executive revenue forecast was adjusted downward in January for the fourth time since the original forecast was published last year, monthly targets also slipped throughout this spring. As a consequence, the revenue gap contributed to a budget shortfall of \$172.6 million and needed to be addressed before the end of the fiscal year. Signs of trouble were apparent early when actual collections underperformed at the end of FY 2009 by \$95 million. The September revenue projection was then adjusted downward by \$161.3 million to \$2,377.2 million. A variable holdback was issued by the Governor in the fall of 2009 equal to an overall 4 percent reduction for state agencies and public schools and required agencies to temporarily reduce General Fund appropriations by \$98.9 million. The Governor wanted public schools to be held harmless and recommended that \$49.3 million from the Public Education Stabilization Fund be used, resulting in a net holdback of \$49.6 million.

The Governor's budget released this January for FY 2010 was balanced using a revenue projection of \$2,349.1 million, or 4.7 percent below FY 2009 actual collections. This projection was also \$28.1 million less than the forecast made in September 2009. In order to accommodate deficiency warrants, supplemental requests and declining revenues, the Governor recommended that the original holdback be made permanent (with some adjustments) and that an additional rescission of \$49.3 million be applied to state agency budgets. This time the recommendation included public schools. He also recommended a \$20 million transfer from the Economic Recovery and Reserve Fund to the General Fund.

On January 20, 2010, the Joint Legislative Economic Outlook and Revenue Assessment Committee (EO-RAC) recommended that the revenue projection used to reconcile the FY 2010 budget be reduced by an additional \$69.1 million to \$2,280.0 million. The revenue gap now grew to \$241.5 million. It was closed by increasing the rescissions to state government to 7.1 percent, reducing the amounts provided for supplemental appropriations, using more state reserve funds, transferring money from other dedicated funds, and appropriating FY 2010 education stimulus funding intended for FY 2011. Public schools did not experience the impact of the budget cuts in FY 2010. They were held harmless by using Public Education Stabilization Funds, federal stimulus funding intended for education, and Budget Stabilization Funds in place of General Funds.

## Deficiency Warrants and Supplementals

The largest deficiency warrant was for fire suppression at \$7.2 million. Pest control in the Department of Agriculture totaled \$456,700 and hazardous material cleanup in the Military Division totaled \$67,800. Supplemental appropriations were limited to \$14 million for the Medically Indigent Program (CAT Fund) and \$3.4 million for the Department of Correction. By substituting federal stimulus moneys, there was a one-time fund shift between public schools, colleges and universities, and professional-technical education that resulted in General Fund savings of \$1.1 million. A total of \$7.8 million, appropriated on a one-time basis to mitigate the impact of anticipated rescissions for this fiscal year, benefits Health Education Programs, CAT Fund, special programs in higher education, Department of Correction, Judicial Branch, Idaho State Police, State Controller, and the State Tax Commission.

## **Fiscal Year 2011**

The executive forecast prepared by the Division of Financial Management for FY 2011 was \$2,432.9 million, or \$152.9 million more than the amount used for budgeting in FY 2010. The Governor's recommended level of spending for FY 2011 was \$2,349.1 million, which was \$83.8 million less than his executive forecast suggested was available. The Governor took a cautious approach by not increasing his recommended spending target more than he had recommended be spent in FY 2010.

Just as the reduced revenue projection by the Economic Outlook and Revenue Assessment Committee (EORAC) was used by the Legislature to adjust the FY 2010 budget, the Legislature also accepted the committee's FY 2011 recommendation to use a lower amount to set the FY 2011 budget. The EORAC projected a \$10 million increase in revenue for FY 2011, and eventually that was the spending target used by the Joint Finance-Appropriations Committee to craft budgets. This revenue projection was \$59.1 million less than the revenue projection the Governor used to build his recommendation. It required the Legislature to make significant cuts to state agencies and to the public schools base budgets.

Most of the rescissions made in FY 2010 became permanent. All new funding for line items originally in the Governor's recommendation and increases for the cost of employee health insurance were eliminated. Statutory increases for programs in public schools for early retirement and enrollment growth for the Idaho Digital Learning Academy were capped, as were non-federally mandated pricing increases for the Medicaid program. To compensate for these reductions and to provide flexibility, funding was transferred from line items in public schools to discretionary spending, and many agencies were granted lump-sum spending authority for FY 2011, which allows agencies to transfer appropriations between expense classes and programs in excess of current statutory authority.

STATE OF IDAHO - 2010 LEGISLATIVE SESSION  
**GENERAL FUND BUDGET UPDATE**  
*Prepared by Legislative Services Office, Budget & Policy Analysis*

**FISCAL YEAR 2010**

	<b><u>Governor's</u></b>	<b><u>Legislative</u></b>
<b><u>REVENUES</u></b>	<b><u>Recommendation</u></b>	<b><u>Action</u></b>
Beginning Cash Balance	\$ 13,400	\$ 13,400
Health and Welfare, DEQ Reappropriation from FY 2009	5,097,900	5,097,900
Adjusted Beginning Balance	\$ 5,111,300	\$ 5,111,300
FY 2010 Revenue Estimate -4.7% from FY 2009	2,349,120,000	2,349,120,000
FY 2010 JFAC Adjust Budget to EORAC Projection	0	(69,120,000)
Canceled Encumbrances	1,027,400	932,400
H 386aa Three Minor Income Tax Updates	0	(25,000)
H 471 Excluding Certain Estate Trust Income from Double Taxation	0	(55,000)
<b>TOTAL REVENUES</b>	<b>2,350,147,400</b>	<b>2,280,852,400</b>
<b>TOTAL REVENUES &amp; BEGINNING BALANCES</b>	<b>2,355,258,700</b>	<b>2,285,963,700</b>
<b><u>TRANSFERS</u></b>		
S 1227 Transfer in from Budget Stabilization Fund	54,993,300	54,993,300
S 1227 Transfer in from Public Education Stabilization Fund	24,993,300	24,993,300
H 378 Transfer to Public Education Stabilization Fund	(85,097,600)	(85,097,600)
2009 Session Transfers in from Dedicated Funds	14,960,900	13,788,800
Transfer in from Aquifer Management & Dept of Labor	766,000	0
Deficiency Warrants	(7,727,400)	(7,727,400)
Legal Settlements/Civil Penalties	7,782,400	7,782,400
Transfer in from Public Education Stabilization Fund	49,255,500	0
Transfer in from Economic Recovery Reserve Fund	20,000,000	20,000,000
Transfer in from Budget Stabilization Fund	0	33,505,000
Transfer in from Dedicated Funds	0	1,105,000
<b>NET TRANSFERS IN (OUT)</b>	<b>79,926,400</b>	<b>63,342,800</b>
<b><u>APPROPRIATIONS</u></b>		
FY 2010 Original Appropriations	2,506,580,100	2,506,580,100
Reappropriations	6,399,200	6,399,200
Supplementals	22,272,700	27,941,100
Rescissions including Livestock Center	(97,255,200)	(104,807,200)
Appropriate from Public Education Stabilization Fund	0	(49,255,500)
Appropriate from Public School Stimulus	0	(33,515,800)
<b>TOTAL LEGISLATIVE APPROPRIATIONS</b>	<b>2,437,996,800</b>	<b>2,353,341,900</b>
Budgeted Reversions	(3,826,000)	(4,626,000)
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>2,434,170,800</b>	<b>2,348,715,900</b>
<b>TOTAL ESTIMATED ENDING BALANCE</b>	<b>\$ 1,014,300</b>	<b>\$ 590,600</b>

	Major Reserve Funds	Beginning Balance	Gov Rec Ending	JFAC Action Ending
Budget Stabilization		\$ 128,224,640	\$ 64,325,040	\$ 30,820,040
Public Education Stabilization		\$ 17,979,390	\$ 17,598,713	\$ 17,598,713
Economic Recovery Reserve		\$ 68,100,563	\$ 49,462,574	\$ 49,462,574
Total		\$ 214,304,593	\$ 131,386,327	\$ 97,881,327

STATE OF IDAHO - 2010 LEGISLATIVE SESSION  
**GENERAL FUND BUDGET UPDATE**  
*Prepared by Legislative Services Office, Budget & Policy Analysis*

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**FISCAL YEAR 2011**

<b><u>REVENUES</u></b>	<b><u>Governor's Recommendation</u></b>	<b><u>Legislative Action</u></b>
Beginning Balance	\$ 1,014,300	\$ 590,600
FY 2011 Revenue Estimate 3.57% from FY 2010	2,432,940,000	2,432,940,000
Reduce FY 2011 Revenue Estimate to 0%	(83,820,000)	(83,820,000)
Reduce FY 2011 Revenue Estimate to EORAC \$2.29 Billion	0	(59,120,000)
Sell Parks & Recreation Headquarters	5,000,000	0
Tax Compliance Initiative in Tax Commission Budget	0	16,445,000
H 379 Election Campaign Fund Repealed	0	34,000
H 386a Three Minor Income Tax Updates	0	(25,000)
H 407aa Navigational Encroachment Rates	0	34,000
H 471 Excluding Certain Estate Trust Income from Double Taxation	0	(110,000)
H 544 Higher Education Stabilization Fund	0	(114,000)
H 561 Certain Dock Permits not Required	0	(5,000)
H 665aa Credit for Educational Donations	0	(10,000)
S 1418 Amount for Bond Levy Equalization from Cig Tax	0	(1,000,000)
<b>TOTAL REVENUES</b>	<b>2,354,120,000</b>	<b>2,305,249,000</b>
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>2,355,134,300</b>	<b>2,305,839,600</b>

**TRANSFERS**

Transfer in from Budget Stabilization Fund	51,250,000	30,134,600
Transfer in from Economic Recovery Reserve Fund	48,863,700	49,500,000
<b>NET TRANSFERS IN (OUT)</b>	<b>100,113,700</b>	<b>79,634,600</b>

**APPROPRIATIONS**

FY 2011 Original Appropriations	2,455,226,000	2,383,836,000
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**ESTIMATED ENDING BALANCE**

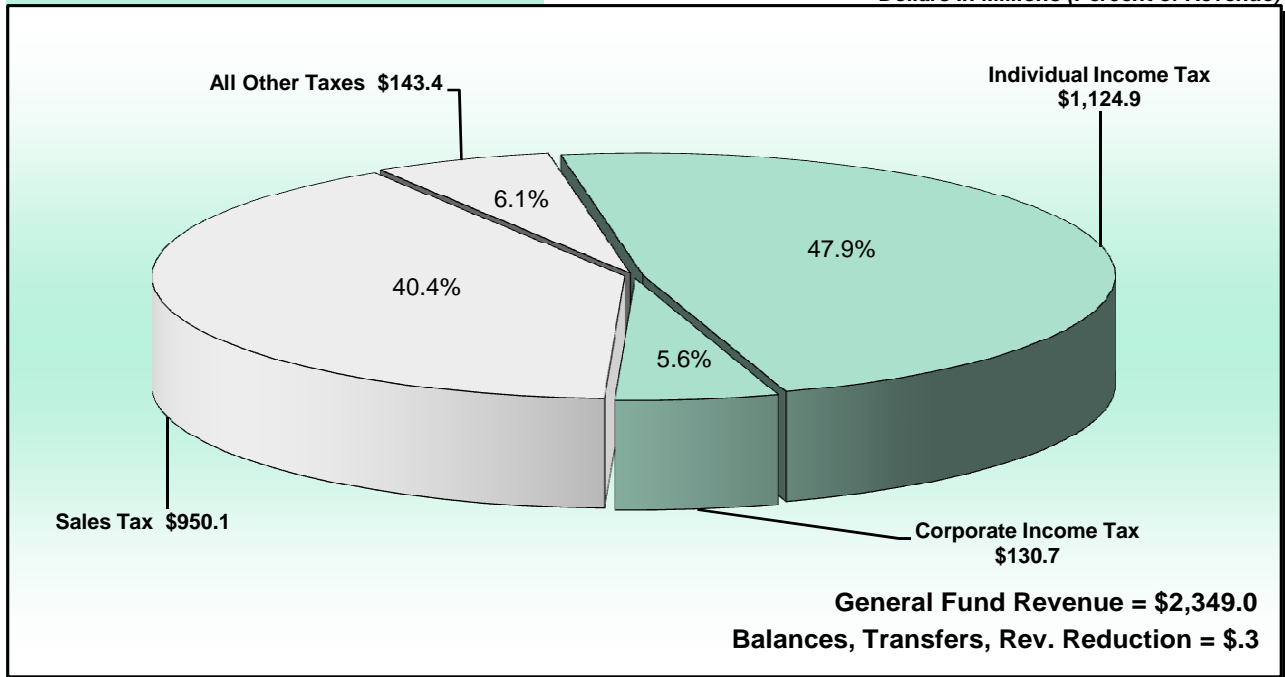
<b>TOTAL ESTIMATED ENDING BALANCE</b>	<b>\$ 22,000</b>	<b>\$ 1,638,200</b>
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Major Reserve Funds	Gov Rec Ending	JFAC Action Ending
Budget Stabilization	\$ 9,907,140	\$ 40
Public Education Stabilization	\$ 17,950,687	\$ 17,950,687
Economic Recovery Reserve	\$ 1,588,126	\$ 0
<b>Total</b>	<b>\$ 29,445,953</b>	<b>\$ 17,950,727</b>

# FY 2010 General Fund Revenue & Appropriations

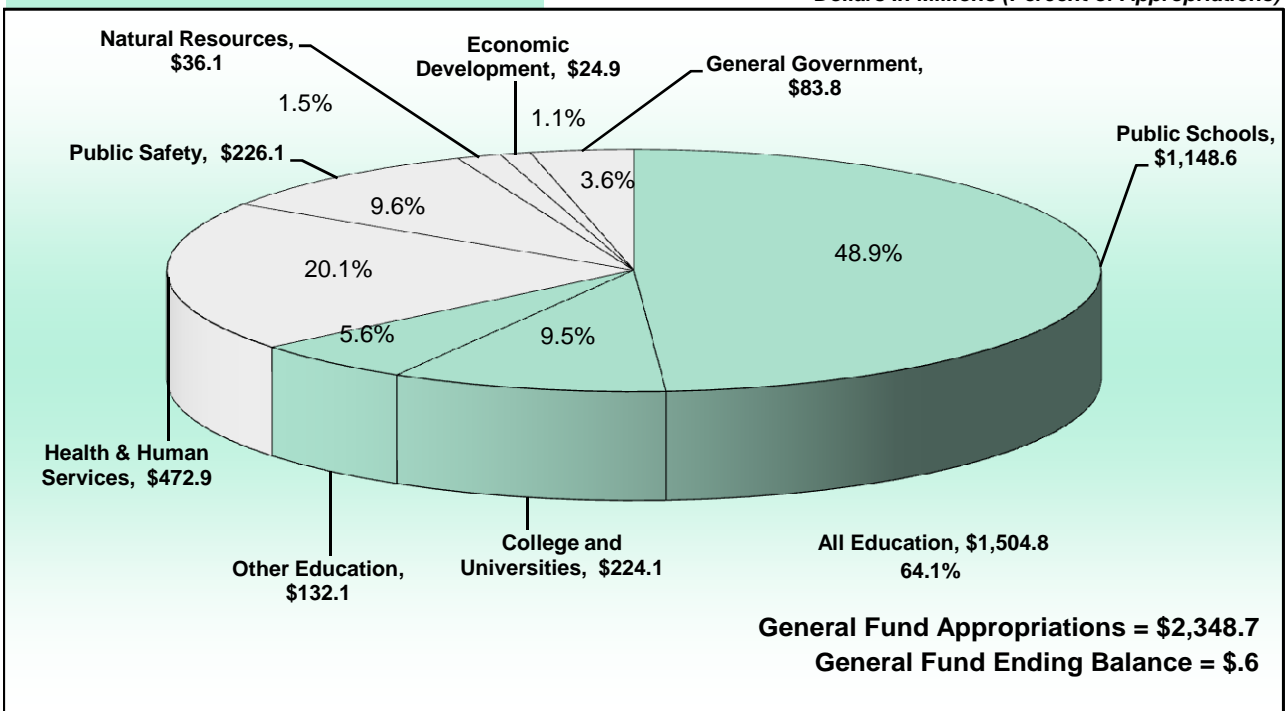
*"Where the money comes from . . ."*

*Dollars In Millions (Percent of Revenue)*



*"Where the money goes . . ."*

*Dollars In Millions (Percent of Appropriations)*



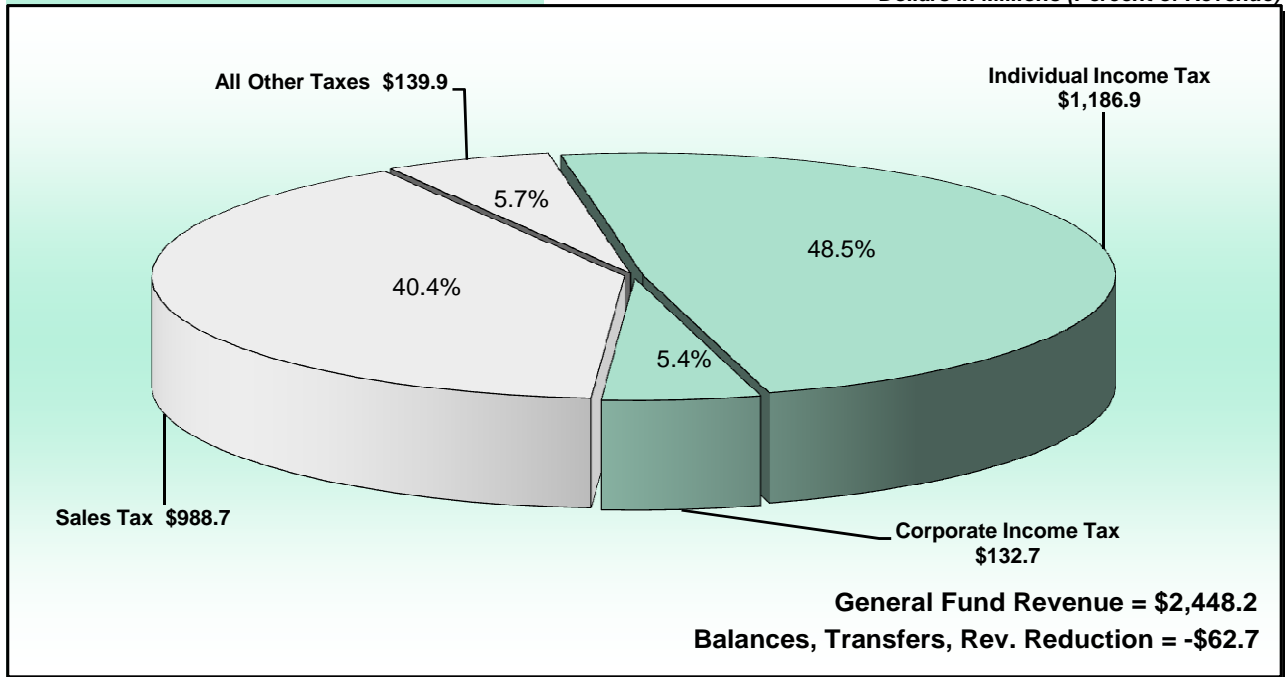
*Revenue & Balances less  
Appropriations & Transfers = \$0*



# FY 2011 General Fund Revenue & Appropriations

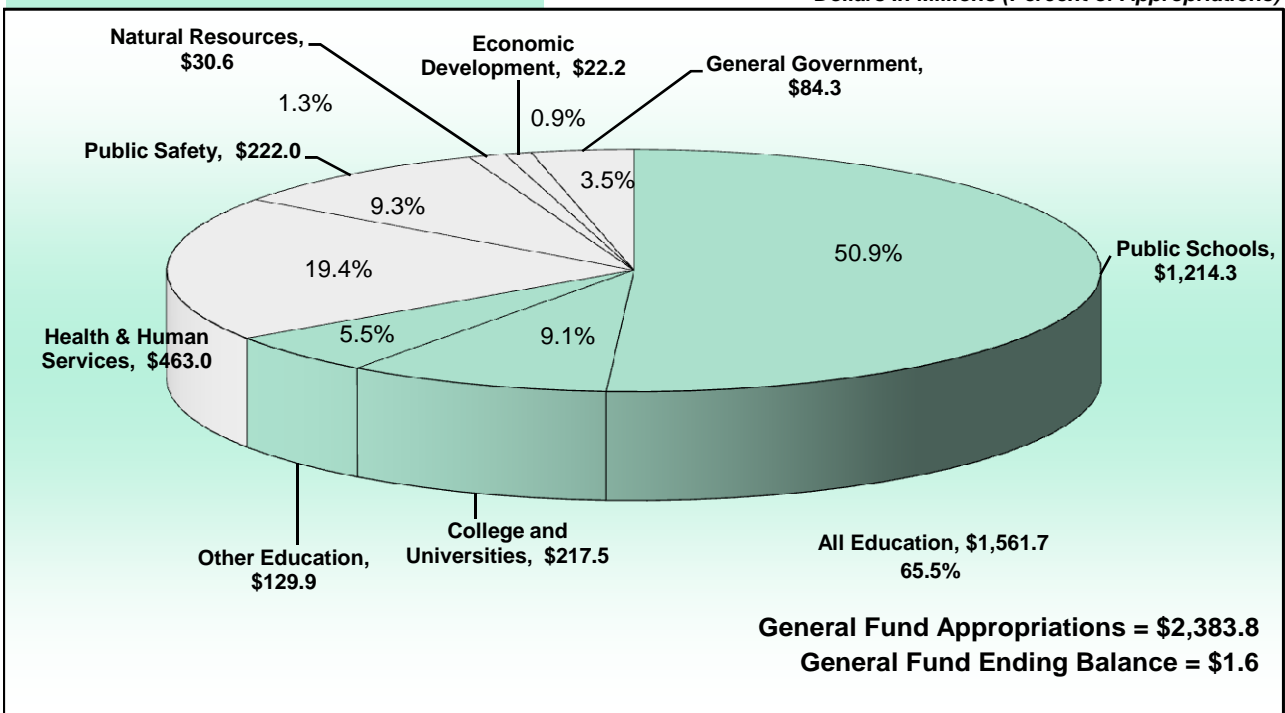
*"Where the money comes from . . ."*

*Dollars In Millions (Percent of Revenue)*



*"Where the money goes . . ."*

*Dollars In Millions (Percent of Appropriations)*



**General Fund Comparison  
JFAC Action to Prior Year's Budget**

Department/Agency	FY 2010 Orig. Approp.	FY 2010 Total Approp.	Dollar Diff. Orig.	Change from 2010 Orig.	FY 2011 Orig Approp.	Dollar Difference	Chg from 2010 Total
<b>Education</b>							
Public School Support	1,231,386,600	1,148,615,300	(82,771,300)	(6.7%)	1,214,280,400	65,665,100	5.7%
Ag Research & Extension Service	24,989,900	23,054,000	(1,935,900)	(7.7%)	22,559,000	(495,000)	(2.1%)
College and Universities	253,278,100	224,071,500	(29,206,600)	(11.5%)	217,510,800	(6,560,700)	(2.9%)
Community Colleges	26,407,000	24,433,900	(1,973,100)	(7.5%)	23,966,800	(467,100)	(1.9%)
Education, Office of the State Board of	2,246,400	2,047,700	(198,700)	(8.8%)	2,025,200	(22,500)	(1.1%)
Health Education Programs	9,939,300	9,901,300	(38,000)	(0.4%)	9,960,600	59,300	0.6%
Professional Technical Education	51,599,900	48,349,100	(3,250,800)	(6.3%)	47,577,400	(771,700)	(1.6%)
Public Broadcasting System	1,659,800	1,518,800	(141,000)	(8.5%)	1,390,500	(128,300)	(8.4%)
Special Programs	9,407,900	9,046,200	(361,700)	(3.8%)	8,690,100	(356,100)	(3.9%)
Superintendent of Public Instruction	7,176,300	6,674,000	(502,300)	(7.0%)	6,558,100	(115,900)	(1.7%)
Vocational Rehabilitation	7,725,000	7,113,600	(611,400)	(7.9%)	7,198,900	85,300	1.2%
<b>Health &amp; Human Services</b>							
Medically Indigent Health Care	19,771,700	33,771,700	14,000,000	70.8%	18,271,200	(15,500,500)	(45.9%)
Health & Welfare, Department of	153,112,900	143,967,700	(9,145,200)	(6.0%)	138,098,800	(5,868,900)	(4.1%)
Medical Assistance Services	309,178,200	290,910,300	(18,267,900)	(5.9%)	298,236,300	7,326,000	2.5%
Public Health Districts	9,305,100	8,601,600	(703,500)	(7.6%)	8,319,500	(282,100)	(3.3%)
Independent Living Council, State	113,800	103,900	(9,900)	(8.7%)	102,000	(1,900)	(1.8%)
<b>Public Safety</b>							
Correction, Department of	150,678,400	147,621,200	(3,057,200)	(2.0%)	147,851,200	230,000	0.2%
Judicial Branch	30,183,200	28,570,400	(1,612,800)	(5.3%)	27,668,900	(901,500)	(3.2%)
Juvenile Corrections, Department of	36,097,600	33,538,500	(2,559,100)	(7.1%)	32,847,200	(691,300)	(2.1%)
Police, Idaho State	17,493,900	16,419,200	(1,074,700)	(6.1%)	13,663,900	(2,755,300)	(16.8%)
<b>Natural Resources</b>							
Environmental Quality, Department of	15,660,400	14,415,800	(1,244,600)	(7.9%)	14,278,100	(137,700)	(1.0%)
Lands, Department of	4,614,700	4,212,400	(402,300)	(8.7%)	4,106,400	(106,000)	(2.5%)
Parks & Recreation, Department of	6,762,000	6,347,600	(414,400)	(6.1%)	1,395,700	(4,951,900)	(78.0%)
Water Resources, Department of	12,373,200	11,293,300	(1,079,900)	(8.7%)	10,781,000	(512,300)	(4.5%)
<b>Economic Development</b>							
Agriculture, Department of	11,258,700	11,488,300	229,600	2.0%	8,957,200	(2,531,100)	(22.0%)
Commerce, Department of	4,598,800	4,276,900	(321,900)	(7.0%)	4,143,700	(133,200)	(3.1%)
Labor, Department of	511,100	311,100	(200,000)	(39.1%)	702,200	391,100	125.7%
Self-Governing Agencies							
General Boards (Hispanic Comm)	106,800	97,000	(9,800)	(9.2%)	94,800	(2,200)	(2.3%)
Historical Society	2,456,400	2,244,600	(211,800)	(8.6%)	2,170,000	(74,600)	(3.3%)
Libraries, State Commission for	3,426,000	3,134,300	(291,700)	(8.5%)	2,796,400	(337,900)	(10.8%)
State Appellate Public Defender	2,145,700	1,986,400	(159,300)	(7.4%)	1,954,800	(31,600)	(1.6%)
Veterans Services, Division of	1,530,800	1,382,500	(148,300)	(9.7%)	1,357,300	(25,200)	(1.8%)
<b>General Government</b>							
Administration, Department of	7,519,600	6,993,200	(526,400)	(7.0%)	6,949,700	(43,500)	(0.6%)
Attorney General	17,329,000	16,116,000	(1,213,000)	(7.0%)	15,777,500	(338,500)	(2.1%)
Controller, State	6,462,100	6,059,800	(402,300)	(6.2%)	6,000,600	(59,200)	(1.0%)
Office of the Governor							
Aging, Commission on	5,020,200	4,633,700	(386,500)	(7.7%)	4,621,400	(12,300)	(0.3%)
Arts, Commission on the	787,600	721,800	(65,800)	(8.4%)	715,600	(6,200)	(0.9%)
Blind, Commission for the	1,405,400	1,287,800	(117,600)	(8.4%)	1,277,300	(10,500)	(0.8%)
Financial Management, Division of	1,508,100	1,390,300	(117,800)	(7.8%)	1,364,500	(25,800)	(1.9%)
Governor, Executive Office of the	1,947,000	1,810,700	(136,300)	(7.0%)	1,869,800	59,100	3.3%
Human Rights Commission	596,400	541,700	(54,700)	(9.2%)	0	(541,700)	(100.0%)
Military Division	5,336,600	4,963,000	(373,600)	(7.0%)	4,861,800	(101,200)	(2.0%)
Species Conservation, Office of	532,900	484,500	(48,400)	(9.1%)	477,500	(7,000)	(1.4%)
Legislative Transfer (House & Senate)	6,349,600	5,905,100	(444,500)	(7.0%)	5,905,100	0	0.0%
LSO, Technology, OPE	5,220,400	4,809,000	(411,400)	(7.9%)	4,733,900	(75,100)	(1.6%)
Lieutenant Governor	150,000	139,500	(10,500)	(7.0%)	135,500	(4,000)	(2.9%)
Board of Tax Appeals	506,500	459,900	(46,600)	(9.2%)	450,800	(9,100)	(2.0%)
State Tax Commission	25,163,400	24,202,000	(961,400)	(3.8%)	25,943,000	1,741,000	7.2%
Secretary of State	2,048,200	1,907,400	(140,800)	(6.9%)	1,859,200	(48,200)	(2.5%)
Treasurer, State	1,501,500	1,396,400	(105,100)	(7.0%)	1,378,400	(18,000)	(1.3%)
<b>STATEWIDE TOTAL</b>	<b>2,506,580,100</b>	<b>2,353,341,900</b>	<b>(152,276,800)</b>	<b>(6.1%)</b>	<b>2,383,836,000</b>	<b>30,494,100</b>	<b>1.3%</b>

# Budget Highlights

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## Education

### Public Schools

Nearly all of the American Recovery and Reinvestment Act (ARRA) and Public Education Stabilization Fund (PESF) moneys were used in FY 2009 and FY 2010 to avoid significant public school budget reductions. The result of using these one-time reserve funds, coupled with continued weak revenues, is that significant reductions were necessary for FY 2011. Specifically, the FY 2011 appropriation is \$128,525,800 less than the previous year. The table below shows this is a 1.4% reduction from the General Fund and a 7.5% reduction in all funds.

<b>Sources of Funds:</b>	<b>FY 2010 Original Appropriation</b>	<b>FY 2011 Original Appropriation</b>
General Fund	\$1,231,386,600	\$1,214,280,400
Dedicated Funds	\$64,146,200	\$91,054,700
Title 14 ARRA Federal Stimulus Funds	\$145,733,000	\$7,406,300
Federal Funds	\$269,588,500	\$269,587,100
<b>TOTAL APPROPRIATION</b>	<b>\$1,710,854,300</b>	<b>\$1,582,328,500</b>
<b>General Fund Percent Change:</b>		-1.4%
<b>Combined General Fund &amp; Title 14 ARRA % Change</b>		-11.2%
<b>Total Funds Percent Change:</b>		-7.5%

In developing this budget, lawmakers transferred nearly \$63 million of new and existing moneys into discretionary funds and included intent language that provided school districts and charter schools flexibility to use these funds for their most pressing needs. The public schools budget was crafted with two primary goals in mind: preserving student achievement through teacher/student contact time and providing as much flexibility as practical to school districts to meet their unique needs.

This approach included decreasing base salaries only in the amounts required when the one-time ARRA funds were removed; redirecting \$63 million to discretionary funds within the Operations Division; and providing moneys for ISAT remediation, the Idaho Reading Initiative, and the Math Initiative.

S 1418 includes all six divisions of the public schools budget:

- \$76,573,400 to the Division of Administrators. This division includes the salaries and benefits for district and school administrators (superintendents, assistant superintendents, principals,

assistant principals, supervisors, and coordinators). The Administrators Division base salary was reduced by 6.5% as a result of the removal of one-time ARRA funds.

- \$718,615,900 to the Division of Teachers. This division includes funding for teacher salaries and benefits and the Early Retirement Incentive Program. The Teachers Division base salary was reduced by 4% as a result of the removal of one-time ARRA funds.
- \$504,587,500 to the Division of Operations. This division includes funding for salaries and benefits for classified staff such as IT staff, business managers, and custodial support; transportation funding; and discretionary funds.
- \$257,085,900 to the Division of Children's Programs. This division includes programs directed to the classroom, including the Idaho Digital Learning Academy, the Idaho Reading Initiative, ISAT remediation, and the Math Initiative. The majority of federal funds are directed to this division, including the \$54 million of one-time Title 8 ARRA funds that are passed through to school districts for federal programs such as the Individuals with Disabilities Education Act (IDEA) and Title I programs for disadvantaged students.
- \$17,900,000 to the Division of Facilities for the Bond Levy Equalization program. This is the same amount appropriated in the current year.
- \$7,565,800 to the Educational Services for the Deaf and the Blind for both their campus program in Gooding and the outreach program in seven regions around the state.

S 1422 provides school districts with four areas of additional flexibility for FY 2011:

- Plant Facilities Levy – school districts with a previously approved plant facilities levy may convert the levy to a supplemental levy with a majority vote of the patrons;
- Plant Facilities Reserve Fund – School districts may transfer any plant facilities reserve funds to their general fund to be used for one-time, non-personnel costs, if the moneys were not raised by a plant facilities levy, and are not needed to fix unsafe school buildings;
- Local Maintenance Match Dollars – school districts may use moneys from their FY 2011 local maintenance match requirement for any one-time, non-personnel costs, if they are not needed to fix unsafe school buildings; and
- “Use It or Lose It” – increases the percentage of state funded instructional positions that can be shifted to federal funds from 2.63% to 5.00% for FY 2011.

## **College and Universities**

The FY 2011 appropriation for the college and universities is \$377,686,300, and reflects a 14.1% General Fund reduction and an overall reduction of 7.8% in all funds. The relatively large decrease in General Funds is due to removing a one-time \$10 million appropriation to the University of Idaho for development of a livestock center. This budget includes \$4,305,900 of the remaining ARRA funds that are allocated to college and universities.

## **Community Colleges**

The FY 2011 appropriation for community colleges is \$25,027,800, and includes \$461,000 of the remaining allocation of ARRA funding. This budget reflects a 9.2% General Fund reduction and a 12.6% reduction in all fund sources.

## **Educational Public Broadcasting System (Idaho Public Television)**

The FY 2011 appropriation to the Educational Public Broadcasting System at \$2,413,900 is a 16.2% reduction from the General Fund and an 8.3% reduction in all fund sources. Funding was provided for one line item, a one-time \$97,200 federal grant. This line item also includes a one-time General Fund reduction of \$97,200 that is necessary for budget balancing purposes.

## **Public Safety**

### **Department of Correction**

The FY 2011 appropriation for the Department of Correction is \$168,759,400, and reflects a 1.9% General Fund reduction and an overall reduction of 0.6% in all funds. Additional funding approved for the department in FY 2011 includes \$2,000,000 of one-time American Recovery and Reinvestment Act (ARRA) moneys to be used for critical staffing needs; \$25,000 to support the Special Assistant U.S. Attorney (SAUSA) Project; \$1,493,600 to cover a 3% per diem increase and to annualize the cost of new beds added at the private prison; \$400,000 to restore county jail per diem that was funded with one-time federal money in FY 2010; and \$3,968,300 to cover expenses related to the 400-bed Correctional Alternative Placement Program (CAPP) facility to be opened soon.

### **Idaho State Police**

The FY 2011 appropriation for the Idaho State Police is \$66,223,800, and reflects a 21.9% General Fund reduction and an overall reduction of 0.4% in all funds. Approximately \$2.2 million in General Funds was shifted to Project Choice moneys in the Idaho Law Enforcement Fund due to current economic conditions. In addition, another \$1.1 million was shifted from another dedicated fund source to Project Choice dollars that were envisioned for pay raises for ongoing personnel costs in FY 2011.

## **Natural Resources**

### **Department of Parks and Recreation**

The appropriation for the Department of Parks and Recreation was \$30,430,800 for FY 2011. This budget lost 79.4% in General Fund support, for a total cut of 20.8% in all funds compared to the FY 2010 original appropriation. The agency also lost 25 FTPs. Every attempt was made to give as much flexibility to the Parks and Recreation budget as possible and, despite the loss of General Fund appropriation, a significant number of projects were approved with dedicated and federal funding including: \$1,940,100 for park maintenance and replacement items; \$75,000 for the Heyburn Marina preliminary design; \$300,000 for improvements to the registration system; \$21,500 to staff the Old Mission Visitor Center; \$200,000 for boat safety grants; \$350,000 for the recreational trails program; and \$22,500 for

the Children in Nature Program. It also includes \$106,900 from the Enterprise Fund and \$108,100 from the Park Fees Fund to provide additional spending authority for park maintenance.

The Management Services budget was reduced by \$4,537,400, and the Park Operations budget was reduced by \$1,324,300 from the General Fund as part of the Governor's Initiative to realign funding sources. The appropriation is \$1,395,700 from the General Fund, \$23,874,000 from dedicated funds and \$5,161,100 from federal funds for a total of \$30,430,800, a reduction of \$8 million from the budget set during the 2009 session. In order to help deal with the budget cuts the department was given lump sum authority and will also have the ability to add spending authority for donations.

## **Health and Human Services**

### **Department of Health and Welfare**

During the 2010 legislative session the Legislature reduced the Department of Health and Welfare's FY 2010 appropriation by \$32,359,000 or 7% in General Funds, and then added back \$25,470,500 in dedicated and federal fund spending authority. The 7% General Fund rescission was across all programs and expense classes.

No additional across-the-board reductions were included in the Department of Health and Welfare's budget for FY 2011. The General Fund appropriation for the department is \$436,335,100, of which \$298,236,300 or 68% is for the Division of Medicaid. The General Fund appropriation for FY 2011 is \$25,956,000 or 5.6% less than the FY 2010 appropriation. When including dedicated and federal funds, the entire appropriation to Health and Welfare is \$1,999,836,100. This is \$3,060,400, or 0.2% less than last year.

### **Medicaid Funding**

The FY 2011 Medicaid budget was set at \$1,554,829,900. This includes a mix of General Funds at \$298,236,300; dedicated funds \$105,454,300; and federal funds \$1,151,139,300. The amounts represent a 3.5% decrease to the General Fund, but an overall increase of 3.1% compared to the FY 2010 appropriation. In developing this budget, lawmakers included funding for caseload growth and for federally mandated pricing increases. Funding for discretionary pricing increases and higher utilization of Medicaid services were not included for FY 2011. The appropriation includes intent language that freezes all discretionary pricing increases for one year and creates flexibility for the Governor and the department to work with stakeholders of the Idaho Medicaid Program on plan design changes that meet the appropriated funding level.

### **Statewide Substance Abuse Funding**

The FY 2011 Substance Abuse Treatment and Prevention budget was set at \$28,745,700. This includes a mix of General Funds at \$12,558,200; dedicated funds at \$6,274,500; and federal funds at \$9,913,000. This is a reduction of 7.1% from the General Fund, and 7.2% overall. Of the total appropriated, \$23.5 million is dedicated to prevention and treatment services throughout the state. In FY 2009, Idaho spent \$24.5 million on prevention and treatment services. The FY 2011 appropriation is 4.1% less than FY 2009 expenditures.

## **Economic Development**

### **Department of Agriculture**

The appropriation to the Department of Agriculture for FY 2011 includes \$6,615,000 from the General Fund and \$28,057,100 in other dedicated and federal funding sources, for a total of \$34,672,100. This budget represents a 9.5% reduction in General Funds, but is an increase of 0.3%, or \$88,300 in total funds from FY 2010. This budget includes a transfer of \$350,000 from the REDIFIT Loan Fund to provide a total of \$900,000 for the aquatic weed program. To date, the aquatic weed program has received a total of \$11,400,000 from the General Fund since FY 2007. The state continues to fund the invasive species program with receipts from the invasive species sticker. It is estimated that the sticker will generate roughly \$900,000 for the program. In addition, the department will continue to utilize deficiency warrants to cover the rest of the \$1.5 million program.

### **Soil and Water Conservation Commission**

The appropriation to the Soil and Water Conservation Commission for FY 2011 includes \$2,342,200 from the General Fund and \$215,200 from dedicated funds, for a total of \$2,557,400. This budget represents a 40.6% reduction or \$1,604,100 from General Funds, and a total decrease of 44.3%. Savings in this budget were achieved by cutting five FTPs and \$311,100 in personnel costs; reducing operating expenditures by \$318,700; and cutting \$670,200 from the water quality program for agriculture which provides grants to landowners. In addition, the federal grants for the Upper Salmon River Basin Watershed and the Clearwater Focus Conservation Districts were moved to the Office of Species Conservation for administration and implementation purposes. These changes match with the Governor's budget recommendation and the recommendations from the Soil Conservation Commission Interim Committee.

### **Idaho Transportation Department**

The Idaho Transportation Department was appropriated \$483.6 million for FY 2011 and \$12 million for the Grant Anticipation Revenue Vehicle (GARVEE) bonding authority. This represents a decrease from the FY 2010 appropriation due to the removal of ARRA stimulus money and the delay of shifting the Department of Parks and Recreation and Idaho State Police from the Highway Distribution Account (H 457). Included in this appropriation is \$3.5 million to fund the second year of the DMV Information Technology modernization; \$300,000 to develop and enhance the financial planning system; \$979,000 for ongoing maintenance and licensing fees for the maintenance management, pavement management and project scheduling system; and \$5.204 million for Contract Construction. The appropriation for Contract Construction and Right-of-Way Acquisition was reduced by \$18,550,800 as compared to the department's request, due to the one-year delay in removing the Department of Parks and Recreation and the Idaho State Police from the Highway Distribution Account. Finally, the Legislature provided the fifth consecutive year of bonding authority for the issuance of GARVEE bonds to finance an additional \$12 million that includes right-of-way acquisition for State Highway 16.

## **General Government**

### **State Tax Commission**

H 698 appropriates \$32.6 million to the State Tax Commission for FY 2011. Of that amount, \$3.3 million is to restore and enhance collection staff to reduce the tax gap. The Tax Commission estimates the amount of uncollected taxes due to be \$255 million, of which they estimate \$67 million is collectible. Additional revenue from this tax compliance initiative is estimated at \$16.4 million in FY 2011, resulting in a net increase to the General Fund of \$13.1 million.

### **Benefit Changes for State Employees**

For FY 2011, the Governor recommended an increase of \$860 per employee for health insurance increases. In addition, he recommended providing two months of premium holidays valued at \$1,550 per employee to be paid out of the Group Insurance reserves. The net impact of this recommendation saved the state \$8.9 million, of which \$6.3 million was from the General Fund.

The Legislature did not fund the Governor's recommended increase per employee, and reduced the base by \$1,400 per employee on a one-time basis, for the equivalent of two months of premium holidays. This action saved the state \$25.1 million, of which \$14.7 million was from the General Fund. Furthermore, through legislative intent, the Legislature directed the Office of Group Insurance to provide the same total health benefit package as FY 2010 for state employees and to fund any premium increases with reserves in the Group Insurance Fund.

Finally, the Legislature directed the Office of Group Insurance to implement a 90-day waiting period for new employees hired on or after July 1, 2010. The Office of Group Insurance estimates this will create additional savings of \$5 million.

### **Millennium Fund**

The Legislature supported the following distribution of \$5,842,300 from the Idaho Millennium Income Fund on a one-time basis:

- \$500,000 – Idaho Meth Project;
- \$150,000 – Idaho Drug Free Youth i2i Program;
- \$192,900 – American Lung Association Tobacco Prevention Education & T.A.T.U. Program;
- \$94,000 – Idaho State Police Tobacco Compliance Inspections;
- \$1,300,000 – Idaho Department of Health & Welfare for Project Filter & Nicotine Replacement Therapy;
- \$500,000 – Public Health Districts Tobacco Cessation Programs;
- \$1,859,200 – Substance Abuse Treatment under the Interagency Substance Abuse Committee;
- \$420,000 – Idaho Supreme Court for Youth Courts and Status Offenses;
- \$150,000 – American Cancer Society for Women's Health Checks;
- \$60,000 – Idaho Academy of Family Physicians for Tar Wars;
- \$395,400 – Office of Drug Policy; and
- \$220,800 – to be transferred back to the non-endowed Idaho Millennium Fund.



## Federal American Recovery and Reinvestment Act of 2009

**Title 14 Education Funding** – The table below shows how all of the \$246,576,500 of ARRA, Title 14, funding for education was appropriated during fiscal years 2009, 2010, and 2011. For example, the funds allocated for public schools were all appropriated in FY 2010, while the general government funds were appropriated over three fiscal years.

Dollars	Public Schools	College and Universities	Community Colleges	General Government	TOTAL
Available Funds	\$179,248,800	\$20,349,600	\$2,101,200	\$44,876,900	\$246,576,500

### FY 2009 Appropriation

S 1227, sec 12, ITD for Local Highways				(17,471,100)	(17,471,100)
Estimate June 30, 2009	179,248,800	20,349,600	2,101,200	27,405,800	229,105,400

### FY 2010 Appropriation

H 309 Community Colleges			(1,640,200)		(1,640,200)
H 378 Public Schools	(145,733,000)				(145,733,000)
S 1418 Public Schools, FY 2010 Supplemental	(33,515,800)				(33,515,800)
S 1207 College and Universities		(15,313,800)			(15,313,800)
S 1444 College and Universities, FY 2010 Supplemental		(729,900)			(729,900)
S 1227, sec 7, DEQ Drinking Water Systems				(5,000,000)	(5,000,000)
S 1227, sec 8, DEQ Wastewater Systems				(10,000,000)	(10,000,000)
S 1227, sec 9, Dept. Admin/ Idaho Education Network				(2,999,500)	(2,999,500)
Estimate June 30, 2010		4,305,900	461,000	9,406,300	14,173,200

### FY 2011 Appropriation

H 679 Dept. of Correction				(2,000,000)	(2,000,000)
S 1418 Public Schools				(7,406,300)	(7,406,300)
S 1419 College and Universities		(4,305,900)			(4,305,900)
S 1415 Community Colleges			(461,000)		(461,000)
Estimate June 30, 2011					