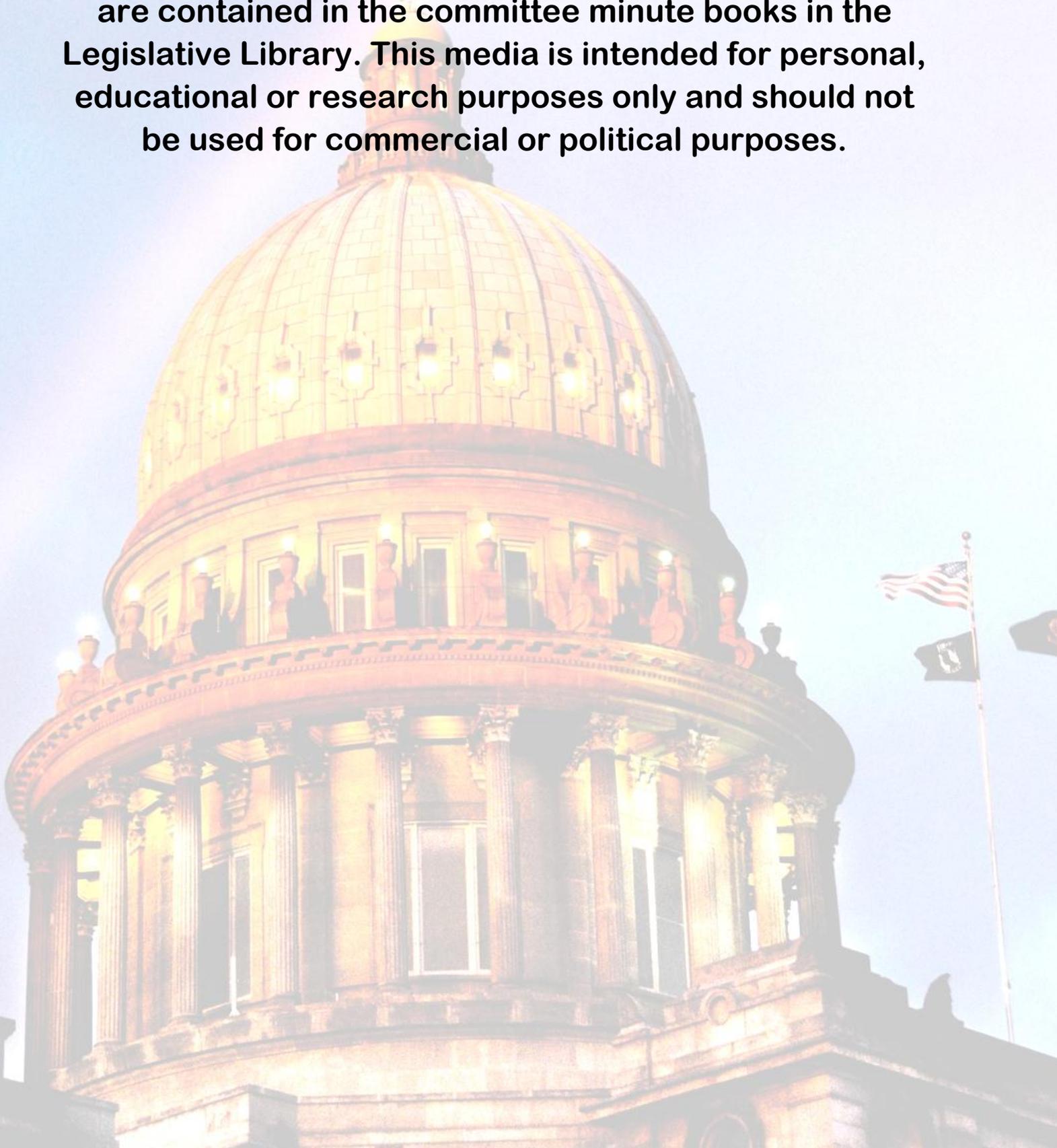


Please be advised that this is an electronic reproduction of Legislative proceedings and does not represent the official record of committee actions that are contained in the committee minute books in the Legislative Library. This media is intended for personal, educational or research purposes only and should not be used for commercial or political purposes.



JFAC COMMITTEE MEETING MINUTES

3/8/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 11:08 a.m. with Chairman Bell presiding.

Roll Call:

Senators: Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey

Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Absent/Excused: Vick

SETTING FY 2014 APPROPRIATIONS

STATE BOARD OF EDUCATION, Public Schools: Continued from March 3, 2013

Presenter: Paul Headlee, Principal Budget & Policy Analyst

Legislative Intent Language

Section 25. DIFFERENTIAL PAY. Of the moneys appropriated in Section 6 of this act, \$21,000,000 shall be distributed to school districts requesting grant funds for local Excellence in Achievement Awards. Such distribution shall be based on each requesting school district's number of support units used to calculate salary-based apportionment, as compared to the total number of such support units for all such school districts requesting such funds. Funds received shall be paid to certificated or non-certificated employees, subject to local excellence in achievement plans, pursuant to the following criteria:

- 1.) All plans shall be approved by the local board of trustees, including evidence that the plan was developed with input from the principal, teachers, and certificated employees at each school.
- 2.) Such plan shall not be subject to collective bargaining, any other provision of law notwithstanding.
- 3.) The plan may allow expenditure of up to forty percent (40%) of the funds for professional development, leadership, and resources necessary to implement Idaho core mathematical and English language arts standards.

- 4.) The plan shall delineate how the moneys will be used for Excellence in Achievement awards, including the objective measures of growth in student achievement to be used.
- 5.) Awards shall be directed at the school-wide level, the individual level, or any other grouping below the school-wide level.
- 6.) The plan and grant funds request shall be submitted to the state department of education by no later than October 1, 2013 and funds shall be distributed by the department no later than February 15, 2014.
- 7.) Each school district receiving grant funds shall submit a report to the state department of education at the end of the fiscal year that details the plan's student achievement results based on the established criteria. Such report shall include information on the amount of the funds awarded by individual and recommendations on how the plan may be improved.
- 8.) Each submitted plan and report shall be posted to the school district and state department of education websites. In addition, the state department of education shall conduct a comparison study of the characteristics, process and features of each plan to the results achieved, and shall post such study to its website.
- 9.) A portion of the moneys so distributed may be utilized to pay any variable, rate-based employer benefit costs.
- 10.) The payment of any funds to an employee pursuant to this section shall not create any requirement that a school district maintain or repeat such a payment in the future.
- 11.) The Legislature recognizes that school districts may have utilized discretionary funds during the fiscal year 2010 through fiscal year 2013 to offset reductions in state-funded line items. School districts retain the authority to displace such discretionary funds with increased state funds provided in fiscal year 2014, if the discretionary funds were used previously for the purposes for which increased state funds are provided in fiscal year 2014.

For the purposes of this section, the term "school district" also means "public charter school" and the term "board of trustees" also means "board of directors."

Unanimous Consent Request

Unanimous consent was requested by Thompson to accept the legislative language as shown above. There was an objection.

Original Motion

Moved by Thompson, seconded by Cameron, to accept Legislative Intent Language as shown above for section 25.

Failed

Substitute Motion

Moved by Ringo, seconded by Schmidt, to accept legislative intent language section 25 as shown above with the exception of sub-section 1 to read as follows:

- 1.) All plans shall be developed through a local process that assures certificated employees, non-certificated employees, and representatives of the teacher's association, where 50% +1 of teachers that are members of the association, are involved. All plans shall be considered for approval by the local board of trustees, upon receipt of such evidence.

Ayes: 5

Johnson, Schmidt, Lacey, Ringo, King

Nays: 14

Cameron, Keough, Mortimer, Nuxoll, Bayer, Thayn, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Ab/Ex: 1

Vick

Carried

Original Motion

Ayes: 15

Cameron, Keough, Mortimer, Nuxoll, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Nays: 4

Bayer, Thayn, Ringo, King

Ab/Ex: 1

Vick

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

Legislative Intent Language

Section 26. Of the moneys appropriated in Section 7 of this act, \$13,400,000 shall be expended by the Superintendent of Public Instruction as follows:

- (1) \$8,000,000 shall be distributed for classroom technology that assists teachers and students in effective and efficient instruction or learning.

- (2) \$2,250,000 shall be expended for the installation, repair, replacement and support of a wireless technology infrastructure, in each public school serving high school grades, of sufficient capacity to support utilization of mobile computing devices by all students in such grades.
- (3) \$3,000,000 shall be made available to school districts and charter schools for technology pilot projects designed to improve student achievement. Funds shall be distributed based on a competitive grant process prescribed by the superintendent of public instruction; however, the amount of funds allocated to a school district or charter school shall not be based on average daily attendance or other enrollment-driven metrics. The grantees shall be required to report to the state department of education on the uses of funds received and the benefits resulting from those uses. The Superintendent shall report to the Legislature on the results of these efforts by December 31, 2014.
- (4) \$150,000 may be expended for the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses available from any of the following:
 - (a) Idaho digital learning academy;
 - (b) Idaho public school districts;
 - (c) Idaho public charter schools;
 - (d) Idaho public colleges and universities;
 - (e) Idaho private colleges and universities accredited by the same organization that accredits Idaho's public colleges and universities; and
 - (f) Any provider of online courses; provided however, that the courses available on the portal have been verified and approved by the state department of education to meet state content standards.

Of the amounts allocated pursuant to subsections (2) and (4) of this section, no more than \$190,000 may be utilized by the superintendent of public instruction for technology staff support costs. The dollars allocated for subsections (2) and (4) of this section may be reallocated between said subsections by the superintendent of public instruction, subject to a ten percent (10%) maximum cumulative change in the allocated amounts.

Carried

Original Motion

Moved by Thompson, seconded by Cameron, to accept legislative intent language Section 26

Ayes: 16

Cameron, Keough, Mortimer, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 3

Nuxoll, Bayer, Thayn

Ab/Ex: 1 Vick

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

DEPARTMENT OF COMMERCE

Presenter: Keith Bybee, Principal Budget & Policy Analyst

Carried **Original Motion**

Moved by Thompson, seconded by Keough, to approve for introduction \$5,788,700 General Funds, \$12,082,700 Dedicated Funds, \$16,373,800 Federal Funds for a total of \$34,245,200 with FTP of 53.00.

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

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

Department of Commerce fund transfer of \$3,000,000 from the General Fund to the Business and Jobs Development Fund. The Business and Jobs Development Fund is a dedicated fund.

Carried **Original Motion**

Moved by Keough, seconded by Thompson, to approve for introduction the transfer of \$3,000,000 General Funds to Business and Jobs Development Fund.

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

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

DEPARTMENT OF HEALTH AND WELFARE

Medical Assistance Services

Presenter: Matt Ellsworth, Senior Budget & Policy Analyst

Carried

Original Motion

Moved by Thayn, seconded by Stevenson, to approve for introduction \$477,469,200 General Funds, \$202,236,700 Dedicated Funds, \$1,344,476,600 Federal Funds for a total of \$2,024,182,500 with FTP of 205.49.

Ayes: 17

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 1

Nuxoll

Ab/Ex: 2

Vick, Eskridge

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

Legislative Intent Language (standard)

1-GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

2-TRUSTEE AND BENEFIT PAYMENTS:

Notwithstanding the provisions of Section 67-3511, Idaho Code, funds budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2014.

3-PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that the Department of Health and Welfare shall be required to provide those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

Unanimous Consent Request

On request by Schmidt, granted by unanimous consent, the legislative intent standard language 1, 2 and 3 as shown above was accepted.

Legislative Intent Language

Medicaid Division Specific

1. MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medical Assistance Services Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Service Office and Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee & benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and Division of Financial Management.
2. TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for the trustee and benefit payments expenditure class in the Medical Assistance Services Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration & Medical Management Program, but shall not be transferred to any other budgeted programs or expenditure classes within the Department of Health and Welfare during fiscal year 2014.
3. MEDICAID READINESS. It is the intent of the Legislature that funding provided for the Medicaid Readiness project in fiscal year 2014 support only the "mandatory" changes to the Medicaid program that are required by the Affordable Care Act. Funding for the Medicaid Readiness project should not be construed as acceptance nor rejection of the "optional" expansion of the Medicaid program as identified in the June 28, 2012 Supreme Court Ruling in the case of National Federation of Independent Business v. Sebelius, Secretary of Health and Human Services.
4. REPORTING ON IMPLEMENTATION OF HOUSE BILL NO. 260 OF 2011. The Medical Assistance Services Division shall report on a quarterly basis the status of the implementation of House Bill No. 260, as enacted by the First Regular Session of the Sixty-first Idaho Legislature, to the Legislative Services Office and Division of Financial Management. The report shall, at a minimum, include benefit modification implementation updates on both long-term and short-term changes, and actual cost savings realized as a result of those changes compared to estimated savings for each modification. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management.
5. MEDICAID MANAGED CARE IMPLEMENTATION. The Division of Medical Assistance Services shall provide quarterly reports to the Division of Financial Management and Legislative Services Office on progress in integrating managed care approaches into the state Medicaid system. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management.

Unanimous Consent Request

On request by Thayn, granted by unanimous consent, the legislative intent language, 1, 2, 3, 4, and 5 as shown above was accepted.

6. EMERGENCY ROOM USE. Recognizing that provision of non-emergency medical care in emergency settings is unnecessary and adds considerably to the cost of care, the Legislature directs the Division of Medical Assistance Services to explore strategies that encourage Medicaid participants to receive the right care, at the right time, in the appropriate setting. The Division of Medical Assistance Services shall provide a report to the Legislature by September 1, 2013, or as soon thereafter as practicable, describing such strategies currently in place within the department, and identifying strategies used in other states to achieve the same purpose.

Unanimous Consent Request

On request by Thayn, to accept legislative intent language for 6 as shown above. There was an objection

Failed

Original Motion

Moved by Thayn, seconded by Mortimer, to accept the legislative intent language for item 6.

Ayes: 7

Mortimer, Nuxoll, Bayer, Thayn, Stevenson, Miller, Youngblood

Nays: 11

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Ringo, King

Ab/Ex: 2

Vick, Eskridge

Legislative Intent Language

7. MEDICAID SHARE OF STATE BUDGET. The Legislature hereby adopts a goal for the Division of Medical Assistance Services budget to grow at a rate not to exceed the growth of the total state General Fund budget. To that end, the Division of Medical Assistance Services shall compare its request annually to the threshold of 18 percent of the preceding year's state General Fund original appropriation. Similarly, the Department of Health and Welfare shall compare its request annually to the threshold of 22.3 percent of the preceding year's state General Fund original appropriation.

Failed

Original Motion

Moved by Thayn, seconded by Mortimer, to accept the legislative intent language for item 7 as shown above.

Ayes: 5

Mortimer, Nuxoll, Bayer, Thayn, Stevenson

Nays: 13

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Miller, Youngblood, Ringo, King

Ab/Ex: 2

Vick, Eskridge

Division of Welfare

Carried

Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$39,188,600 General Funds, \$3,426,900 Dedicated Funds, \$100,039,800 Federal Funds for a total of \$142,655,300 with FTP of 616.55.

Ayes: 17

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 1

Nuxoll

Ab/Ex: 2

Vick, Eskridge

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

Legislative Intent Standard Language

1-GENERAL FUND TRANSFERS:

As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

2-TRUSTEE AND BENEFIT PAYMENTS:

Notwithstanding the provisions of Section 67-3511, Idaho Code, funds budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2014.

3-PROGRAM INTEGRITY:

Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that the Department of Health and Welfare shall be required to provide

those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

Unanimous Consent Request

On request by Thayn, granted by unanimous consent, the Standard Department Wide legislative intent language of sections 1, 2, and 3 as shown above was accepted.

Legislative Intent: Division of Welfare Division Specific

1. ACTUAL AND FORECAST DETAIL REPORTING. The Division of Welfare shall deliver the Self-Reliance Programs Forecast to the Legislative Services Office and Division of Financial Management no less than quarterly. The report shall include monthly caseload details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Aid to the Aged, Blind and Disabled, Food Stamps, and Child Support programs. The Self-Reliance Programs Forecast shall also include expenditure details for all of the named programs with the exception of Medicaid. The format of the report, and any additional information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management.

2. CLARIFYING GUIDANCE ON EMPLOYEE COMPENSATION. Relating to the direction provided in Section [INSERT BILL SECTION], which encourages the use of "salary savings" for merit increases, reduced reliance on the General Fund for personnel costs resulting from changes in federal match rates are not considered "salary savings," and should not be considered for use as such. Any General Fund personnel cost savings resulting from changes in federal match rates should be identified by the Division of Welfare for discussion next legislative session.

3. MEDICAID READINESS. It is the intent of the Legislature that funding provided for the Medicaid Readiness project in fiscal year 2014 support only the "mandatory" changes to the Medicaid program that are required by the Affordable Care Act. Funding for the Medicaid Readiness project should not be construed as acceptance or rejection of the "optional" expansion of the Medicaid program as identified in the June 28, 2012 Supreme Court Ruling in the case of National Federation of Independent Business v. Sebelius, Secretary of Health and Human Services.

Unanimous Consent Request

On request by Thayn, granted by unanimous consent, the legislative intent language for Section 1, 2, and 3 as shown above was accepted

5. IMPLEMENTATION OF THE AFFORDABLE CARE ACT: Recognizing the many federally mandated operational changes to the state Medicaid system in the Affordable Care Act, and understanding that these changes create ongoing costs to administer, it is the intent of the Legislature that the Department of Health and Welfare petition the federal government to pay the full amount of ongoing operational costs stemming from the Affordable Care Act.

Failed

Original Motion

Moved by Thayn, seconded by Mortimer, to accept legislative intent language of section 5 as shown above.

Ayes: 5

Mortimer, Nuxoll, Bayer, Thayn, Stevenson

Nays: 14

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Miller, Youngblood, Ringo, King

Ab/Ex: 1

Vick

4. MANDATORY MEDICAID CHANGES. It is the intent of the Legislature that "mandatory" changes to Medicaid program eligibility requirements under the Affordable Care Act will not result in an increase in the total number of individuals eligible for the Medicaid program. Any expansion of eligibility attributable to "mandatory" changes under the law shall be offset by like reductions in caseload elsewhere within the program. The Legislature acknowledges that caseload increases may result from individuals who are currently eligible but not enrolled in Medicaid joining the program.

Failed

Original Motion

Moved by Mortimer, seconded by Thayn, to accept Legislative intent language, division specific, section 4 as shown above.

Ayes: 6

Mortimer, Nuxoll, Bayer, Thayn, Stevenson, Miller

Nays: 12

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Youngblood, Ringo, King

Ab/Ex: 2

Vick, Thompson

OFFICE OF THE GOVERNOR: Military Division

Presenter: Richard Burns, Principal Budget & Policy Analyst

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, to reopen the FY 2014 budget for the Military Division for the purpose of adding standard intent language.

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, to include the following standard language in the appropriation bill for the Military Division for FY 2014 as shown below.

CONTINUOUS APPROPRIATION. The Military Division is hereby granted continuous appropriation authority for the Bureau of Homeland Security's Miscellaneous Revenue Fund for the period July 1, 2013, through June 30, 2014, for the purpose of covering incurred costs arising out of hazardous substance incidents.

IDAHO STATE POLICE: Support Services

Presenter: Richard Burns, Principal Budget & Policy Analyst

Unanimous Consent Request

On request by Bolz, granted by unanimous consent, to reopen the FY 2014 budget for the Idaho State Police. The purpose of this request is to provide additional one-time funding for the Idaho Law Enforcement Telecommunications Network within the Support Services Program.

Carried

Original motion

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

Ayes: 18

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Vick, Thayn

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

DEPARTMENT OF ADMINISTRATION: Permanent Building Fund

**Presenters: Paul Headlee, Principal Budget & Policy Analyst
Robyn Lockett, Budget & Policy Analyst**

Unanimous Consent Request

On request by Cameron, granted by unanimous consent, to re-open the fiscal year 2014 for the Permanent Building Fund for consideration of additional funding for building alterations and repairs at the college and universities.

Carried Original Motion

Moved by Cameron, seconded by Bolz, to approve for introduction \$12,500,000 Dedicated Funds, for additional funding for deferred maintenance.

Ayes: 18

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Vick, Thayn

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

Legislative Intent Language

SECTION _____. FINDINGS OF THE LEGISLATURE ON THE NEED FOR DEFERRED MAINTENANCE FUNDING AT THE STATE INSTITUTIONS OF HIGHER LEARNING. It is the finding of the Legislature that the campuses of our state institutions, the University of Idaho, Boise State University, Idaho State University, and Lewis-Clark State College have significant deferred maintenance needs that cannot be met with the existing revenue available in the Permanent Building Fund. A study was prepared by the Legislative Services Office, at the request of the Joint Finance-Appropriations Committee to define and quantify the deferred maintenance needs of the institutions. Working jointly with the institutions and the Office of the State Board of Education, it was determined that each institution's annual maintenance and repair needs greatly exceed available funding from state or institution resources. Therefore, the Legislature recognizes that there is an opportunity to designate one-time funds generated by excess cigarette taxes deposited into the Permanent Building Fund for the Capitol renovation and restoration, that will not be necessary in fiscal year 2014 to make the bond payment, and that can be used to enhance the safety and extend the usefulness

of the buildings on the respective campuses. It is the intent of the Legislature that these funds shall not supplant any funding requested and approved for the universities and college by the Division of Public Works for alterations and repairs in Section 2 of this act. The Division of Public Works is authorized to work jointly with the State Board of Education to identify suitable projects, for which funds have not been previously appropriated through occupancy costs.

SECTION _____. ALLOCATION OF FUNDS FOR DEFERRED MAINTENANCE AT THE STATE INSTITUTIONS OF HIGHER LEARNING. Notwithstanding the provisions of Section 63-2520, Idaho Code, of the total amount of moneys distributed to the Permanent Building Fund for the capitol restoration project, \$12,500,000 shall be designated to meet the deferred maintenance needs of the four-year public institutions of higher education in the State of Idaho. Of the amount available, the University of Idaho shall receive \$3,750,000; Boise State University shall receive \$3,750,000; Idaho State University shall receive \$3,750,000; and Lewis-Clark State College shall receive \$1,250,000.

Unanimous Consent Request

On request by Cameron, granted by unanimous consent, to accept the legislative intent language as shown above.

ADJOURNED

Maxine Bell, Chairman

Kathryn Yost, Secretary