

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Tuesday, January 08, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00 - 8:15 a.m.	Welcome and Introductions	<i>Co-Chairmen</i>
8:15 - 8:45 a.m.	Committee Seat Selection/Set up Laptops	<i>Cathy Holland-Smith, Manager, Div. of Budget &amp; Policy Analysis</i>
8:45 - 10:00 a.m.	Review of Governor's Recommendation	<i>Jani Revier, Administrator Div. of Financial Management</i>
10:00 - 10:10 a.m.	<i>Break</i>	
10:10 -11:00 a.m.	Review FY 2013 -FY 2014 Budget Scenarios	<i>Cathy Holland-Smith, Manager, Div. of Budget &amp; Policy Analysis</i>

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

# JFAC COMMITTEE MEETING MINUTES

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1/8/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:25 a.m. with Chairman Cameron 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: None

Staff present: Holland-Smith, Burns, Houston, Headlee, Bybee, Ellsworth, Lockett, Tatro, Winslow, Major

Others present: Division of Financial Management Administrator Jani Revier; Dave Fulkerson, Deputy Administrator and State Financial Officer; and the following DFM budget analysts: Shelby Kerns, David Hahn, Sara Stover, Anita Hamann, Richard Budzich, and Matt Orem

## **Welcome and Introductions**

### **Presenter: Senator Cameron**

- ❖ Introduction of High School Pages
  - Travis Mapes, House Page from Minidoka High School in Jerome
  - Megan Whitlock, Senate Page from Capital High School in Boise
- ❖ Seat Selection order by seniority

### **Presenter: Cathy Holland Smith, Division Manager, Budget and Policy Analysis**

- ❖ Introduction of Budget and Policy Analysts, support staff and assignments
  - Richard Burns, Public Safety
  - Ray Houston, Natural Resources
  - Paul Headlee, Education
  - Keith Bybee, Economic Development
  - Matt Ellsworth, Health and Human Services
  - Robyn Lockett, Transportation and General Government
  - Jared Tatro, Human Services and General Government
  - Shane Winslow, IT Systems Manager
  - Margaret Major, Administrative Assistant

## **Review of Governor's Budget Recommendations**

**Presenter: Jani Revier, Administrator, Division of Financial Management**

- ❖ Budget Priorities
  - Growing government at a lower rate than the economy
    - FY 2014 Revenue growth of 5.3%
    - General Fund budget growth of 3.1%
  - Replenishing reserve funds depleted during the recession
  - Returning the state budget to a structural balance
- ❖ General Fund Revenues
- ❖ FY 2013 General Fund Summary
  - Statutory transfer to the Budget Stabilization Fund: \$25,877,100
  - General Fund Supplementals
    - Department of Correction: \$ 7,331,000
    - Tax Commission: \$ 200,000
    - State Appellate Public Defender \$ 100,000
    - Department of Health and Welfare (\$41,697,400)
  - Deficiency Warrants
    - Lands (fire suppression) \$ 6,013,200
    - Military (hazardous materials) \$ 28,100
    - Agriculture (invasive species) \$ 349,400
- ❖ FY 2014 General Fund Summary
- ❖ FY 2014 Budget Recommendations
  - Transfer \$35,000,000 to the Budget Stabilization Fund
  - Set aside \$20,000,000 for Personal Property Tax replacement
  - Transfer \$3,000,000 to Business and Job Development Fund
  - Fully fund personnel benefit cost increase
  - Utilize one-time funds for critical replacement and capital needs
  - General Fund increase of 2% for Public School support
  - Fully fund occupancy costs and enrollment adjustments for Higher Education
  - Add five additional WWAMI seats with the proposed Targeted Rural & Under-Served Track (TRUST)
  - Additional funding for Internal Medicine Residency program
  - Funding to help create volunteer Rangeland Fire Protective Associations
  - GenTax version 9 upgrade

## **General Fund Review**

**Presenter: Cathy Holland-Smith, Division Manager, Budget & Policy Analysis**

- ❖ FY 2013 (2.7% Revenue Growth)
- ❖ FY 2014 (5.3% Revenue Growth)
- ❖ General Fund History
- ❖ State Reserve Funds – FY 2012-2014

- Budget Stabilization Fund (BSF)
- Public Education Stabilization Fund (PESF)

**ADJOURNED**

Senator Dean Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Wednesday, January 09, 2013**

TIME	DESCRIPTION	PRESENTER
8:00 - 8:10 am	Overview of JFAC Operations and Staff Support <b>State Government Structure</b> LBB Front End Reports: 1. State Gov Organizational Chart 2. Gen Fund Request Comparison by Agency 3. Gen Fund Recommendation Comparison by Agency 4. All Funds Request Comparison by Agency 5. All Funds Recommendation Comparison by Agency	<i>Ray Houston</i> <i>Principal Analyst</i>
8:10 - 8:25 am	<b>Budget Structure - Building Blocks</b> 1. LBB Front End Report: Decision Unit Budget Model 2. Layout of Budget Book - Review Dept and Division Summary, Agency Profiles, Comparative Report and LBB Detail Report	<i>Matt Ellsworth</i> <i>Senior Analyst</i>
8:25 - 8:45 am	Personnel Structure in State Government 1. LBB Front End Reports: FTP Summary & CEC History 2. Defining the Workforce - SCO Rainbow Report 3. Requirements in State Law Regarding Workforce a) DHR Recommendation b) Governor's Recommendation c) Legislature's role in setting Compensation and Benefits 4. Full Time Position (FTP) Caps in Appropriation Bills	<i>Robyn Lockett</i> <i>Analyst</i>
8:45 - 9:10 am	<b>Budget Hearing Process</b> 1. Review Guidelines Sent to Agencies 2. Five Budget Questions to Ask Directors during Budget Hearings	<i>Ray Houston</i> <i>Principal Analyst</i>
9:10 - 9:50 am	<b>Budget Setting Process</b> 1. Preparing Motions for Budget Setting 2. Statewide Decisions: a) Revenue Levels for FY 2013 and FY 2014 b) JFAC Adjusted Maintenance Items for all Agencies: Benefit Costs, CEC, Inflation, Replacement Items, etc. 3. What is a Prepared Motion? 4. Role of Analyst 5. Role of Chairmen and Vice Chairmen with Prepared Motions 6. Early Morning Meetings during Budget Setting	<i>C Holland-Smith</i> <i>Division Manager</i>

7. Budget Setting Process in the Committee Room

8. Developing the Budget Setting Schedule

**9:50 - 10:00 am Break**

10:00 - 10:10 am **General Fund Daily Update**

1. LBB Front End Report: Gen Fund Revenue Estimates

2. Gen Fund Daily Update

*Keith Bybee  
Principal Analyst*

10:10 - 10:30 am **JFAC Rules Review**

*C Holland-Smith  
Division Manager*

10:30 - 10:45 am **Appropriation Bills and Bill Packets**

1. What needs to be included in an appropriation bill?

2. Translating passed motions into appropriation bills

3. Floor sponsors and introduction

4. Sponsor notes and bill packets

5. Tracking appropriation bills

6. Debating appropriation bills on the floor of Senate or House

7. Returning appropriations bills to JFAC from the floor of the Senate or House

8. Appropriation bills that fail in the Senate or House, or are vetoed

*Richard Burns  
Principal Analyst*

10:45 - 11:15 am **Public Schools FY 2013 Appropriation and the impact of Propositions**

*Paul Headlee  
Principal Analyst*

**Senate Reconvenes: 11:30 am**

**House Reconvenes: 11:15 am**

# JFAC COMMITTEE MEETING MINUTES

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1/9/13

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: Senator Vick

**OVERVIEW OF JOINT FINANCE AND APPROPRIATION COMMITTEE OPERATION AND STAFF SUPPORT**

**Presenter: Ray Houston, Principal Analyst**

- ❖ State Government Structure
  - State Government Organization Chart
  - General Fund Request Comparison
  - General Fund Recommendation Comparison by Agency
  - All Funds Request Comparison by Agency
  - All Funds Recommendation Comparison by Agency

**Presenter: Matt Ellsworth, Senior Analyst**

- ❖ Budget Structure – Building Blocks
  - Decision Unit Budget Model
  - Layout of Budget Book
    - Review Department and Division Summary
    - Agency Profiles
    - Comparative Report
    - Legislative Budget Book Report

**Presenter: Robyn Lockett, Analyst**

- ❖ Personnel Structure in State Government
  - FTP Summary and CEC History
  - Defining the workforce
    - State Controller's Office "Rainbow Report"
  - Requirements in State Law Regarding Workforce

- Division of Human Resources Recommendation
- Governor's Recommendation
- Legislature's role in setting compensation and benefits
- Full Time Position (FT) Caps in Appropriation Bills

**Presenter: Ray Houston, Principal Analyst**

- ❖ Budget Hearing Process
  - Review guidelines sent to agencies
  - Five Budget Questions to ask Directors during Budget Hearing
    - What is being requested and why?
    - How will you implement the program?
    - What is the source of funding for the request?
    - What is the current budget for this activity?
    - What are the impacts if this request is not funded?
  - Summary
    - Make the most of the budget hearing time
    - Work with the analyst on a motion sheet

**Presenter: Cathy Holland-Smith, Division Manager**

- ❖ Budget Setting Process
  - Preparing Motion for Budget Setting Statewide Decisions
    - Review levels for FT 2013 and FT 2014
    - JFAC adjusted maintenance items for all agencies
      - Benefit costs
      - CEC
      - Inflation
      - Replacement items, etc.
    - Prepared motion
    - Role of Analyst
    - Role of Chairmen and Vice Chairmen with prepared motions
    - Early morning meetings during budget setting
    - Budget setting process in the committee room
    - Developing the budget setting schedule

**Presenter: Keith Bybee, Principal Analyst**

- ❖ General Fund Daily Update
  - General Fund revenue estimates
  - General Fund daily update

**Presenter: Cathy Holland-Smith, Division Manager**

- ❖ Review of Rules Governing the Joint Finance Appropriations Committee

**Presenter: Richard Burns, Principal Analyst**

- ❖ Bill Construction
- ❖ Unity of subject and title, the one subject rule
- ❖ Effective dates
- ❖ Legislative Intent
- ❖ Statement of Purpose and Fiscal Note
- ❖ Flow Chart
  - JFAC action
  - Analyst drafts appropriation bill and SOP/FN and submits to bill Coordinator
  - Bill Coordinator reviews and submits to Data Center for RS number and proofing
  - Data Center returns RS packet to Coordinator who delivers copy to analyst
  - JFAC Co-Chairs determine chamber of origin and bill sponsors
  - Bill Coordinator provides committee secretaries the RS packet and copies of the SOP/FIN
  - Analyst submits to Division Administrator for review and to Coordinator for final approval
  - Analyst reviews and sends copies to agency and DFM for their examination and sign-off
  - Committee secretaries then introduce the RS in the appropriate chamber and obtain a bill number
  - Committee secretaries create a bill packet for sponsors and deliver to analyst
  - Analyst drafts sponsor sheet for inclusion in bill packet and returns to secretary
  - Secretary delivers bill packet to sponsor; sponsor returns packet to secretary once the chamber takes action

**Presenter: Paul Headlee, Principal Analyst**

- ❖ Laws affected by Propositions 1,2, and 3
- ❖ Propositions 1,2,and 3 and the relative fiscal impact on FT 2013 Public Schools Appropriation
  - Proposition 1 – S1108 Labor Laws – low
  - Proposition 2 – S1100 Pay for Performance Bonuses
  - Proposition 3 –S1184 Technology and 1:1 Mobil Devices – high
  - SB 1410 – FY 2013 Public Schools Appropriation Bill
    - Not directly impacted by Propositions 1,2, and 3, but there are significant indirect impacts
- ❖ FY 2013 Public Schools Appropriation S1410
  - General Fund, \$1,279,818,600
  - Dedicated Funds, \$220,121,100
  - Federal Funds, \$220,121,100



- Legislative action is taken to distribute the \$30+ million to school districts in FY 2013 to address funding disbursements repealed by Propositions 1, 2, and 3.
    - 2.4% of the districts' general fund appropriation
- ❖ Fiscal Impact of Propositions 1, 2, and 3 on the FY 2013 Public Schools Appropriation (\$1410) if certain programs are reinstated

Repealed (savings)	In FY 2013 Budget	Expended in FY 2013	Cost to Reinstate for FY 2013	Remaining in Appropriation
Pay for Performance	\$38,774,600	(\$38,774,600)	\$0	\$0
Staffing (Use it/Lose it)	24,599,200	0	(24,599,200)	0
Dual Credit Program	842,400	(11,000)	(80,000)	751,400
1:1 Mobile Devices	2,558,800	0	0	2,558,800
Math/Science Teachers	4,850,000	0	(4,664,000)	186,000
Re-freeze Ed. Credits	4,000,000	0	(4,000,000)	0
Technology	<u>13,613,900</u>	<u>(4,989,300)</u>	<u>(4,100,400)</u>	<u>4,524,200</u>
	\$89,238,900	(\$43,774,900)	(\$37,443,600)	\$8,020,400

**Reinstated (cost)**

Salary Reduction (1.67%)	(\$14,764,500)	
Natl. Board Certification	(111,000)	
ID Digital Learning Acad.	0	
Teacher Early Retirement	<u>0</u>	
	(\$14,875,500)	(\$14,875,500)

**Net Amount Withdrawn from PESF** **(\$6,855,100)**

- ❖ What happens to the \$30+ million in FY 2013
- Option 3 – Purposes other than Public Schools
    - Legislative action is taken to redirect the funds for purposes other than Public Schools
    - Would require a 2/3<sup>rd</sup> majority vote by JFAC to reopen the FY 2013 Public Schools budget

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

# JFAC COMMITTEE MEETING MINUTES

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1/10/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:40 a.m. with Chairman Cameron 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: None

Staff present: Holland-Smith, Lockett, Houston

## **LEGISLATIVE SERVICES OFFICE (LSO)**

**Presenter: Jeff Youtz, Director, Legislative Services Office**

- ❖ Administration
  - Plan/manage/direct all activities of LSO
  - Staff support to Legislative Council
  - Staff support to Capitol Services Committee
  - Manage Legislative Information Center, Capitol Tours program and Capitol Gift Shop
  - Coordinate publications, web site content and coordination with IPTV on *Idaho Legislative Live* broadcasts
- ❖ Four Divisions
  - Budget and Policy Division, (10 FTP) Cathy Holland-Smith, Manager
    - Coordinates appropriations process in developing budget formats, timetables, and deadlines in protecting legislative branch priorities
    - Develops and maintains an electronic database and budget development system
    - Provides year round nonpartisan professional expertise on state agency funding and operations issues for JFAC, leadership and the Legislature
    - Drafts all appropriation bills and bill packets for floor debate
    - Develops and publishes key financial documents annually
  - Research and Legislation Division, (13 FTP) Mike Nugent, Manager
    - Provides nonpartisan research, bill drafting, and tracking support
    - Staff support for interim legislative study committees and task forces
    - Provides information and analysis on agency rules
    - Responsible for staffing the Legislative Research Library
  - Legislative Audit Division, (28 FTP), April Renfro, Manager

- Audits the Comprehensive Annual Financial Report (CAFR) involving 11 agencies
  - Annually audits the Statewide Federal Single Audit involving seven agencies, 24 major programs, and \$3.4 billion in total assets
  - Provides individual audits/ management reviews of over 30 agencies annually
  - Information Technology Division, (8 FTP), Glenn Harris, Manager
    - Manages/maintains computer network system for Legislature
    - Provides assistance for legislators using smart phones, i-Pads and Android tablets
    - Manages and supports the e-mail system
    - Maintains the GEMS program
    - Manages the telephone system for the Legislature
- ❖ Budget request

LSO FY 2013 Appropriation and FY 2014 Base: (75% General Funds & 25% dedicated funds)

	<u>FTP</u>	<u>Pers Costs</u>	<u>Oper Expen</u>	<u>Cap Outlay</u>	<u>T/B Pymnts</u>	<u>Total</u>
General	48.75	4,118,500	198,000	0	0	4,316,500
Dedicated	15.25	1,290,000	153,800	0	0	1,443,800
Total	64.00	5,408,500	351,800	0	0	5,760,300

Benefit Costs and Cost Allocation

General	46,400	1,300	47,700
Dedicated	15,000	100	15,100
Total	61,400	1,400	72,800

Change in Employee Compensation: (1% placeholder per Budget Dev. Manual)

General	36,100	36,100
Dedicated	10,800	10,800
Total	46,900	46,900

LSO FY 2014 Total Request: (Request is a 1.9% increase, Gov's Rec. is a 1.1% increase)

General	48.75	4,201,000	199,300	0	0	4,400,300
Dedicated	15.25	1,315,800	153,900	0	0	1,469,700
Total	64.00	5,516,800	353,200	0	0	5,870,000

- ❖ LSO Priorities
- Maintaining an agency culture of excellence
  - Providing outstanding employee compensation is LSO's highest budget priority in order to attract and retain professional people
  - Training and professional development to develop expertise and professionalism
  - Having the best technology available for staff and legislators to increase efficiency and productivity

**Executive Office of the Governor**

**Presenter: Jani Revier, Administrator, Division of Financial Management**

- ❖ Governor's Staff (17 FTP)
- ❖ General Fund chart from FY 2000 to FY 2014

- FY 2008 appears to be an increase in funding but it was a transfer of policy advisors from DFM to the Governor's office
- Correspondingly, there was a decrease in the DFM budget
- In FY 2013 the Office of the Governor was appropriated \$1.88 million
- For FY 2014 the Governor's request is \$1.9 million
- FTP count
  - For FY 2013 there were 26 FTP's
  - For FY 2014 the budget recommendation removes two unfunded FTP's
- ❖ Maintenance level budget for FY 2014
  - Removes two vacant unfunded FTP's
  - Requesting lump sum spending authority

### **Division of Financial Management (DFM)**

**Presenter: Jani Revier, Administrator**

- ❖ DFM has three function areas
  - Budget Bureau
  - Economic Analysis
  - Management Services
- ❖ DFM Appropriation chart from FY 2000 through FY 2014
  - Appropriation for FY 2013 was \$1.58 million
  - Budget request for FY 2014 is \$1.63 million
  - DFM currently has 17 FTP's
- ❖ Budget Requests
  - FY 2013 Original Appropriation
    - Requesting to transfer \$75,000 from personnel costs to operating expenditures from the General Fund. In FY 2012 the Division transferred and spent approximately \$100,000 from personnel costs for operation expenditures
  - FY 2014
    - Refill vacant senior financial specialist position - \$70,600 in personnel costs, \$3,000 in operating cost, and \$1,100 in one-time capital outlay

### **Public Employees Retirement System of Idaho (PERSI)**

**Presenter: Don Drum, Executive Director**

- ❖ Introductions
- ❖ Background information
  - One of the best funded pension systems in the nation
    - As of January 3, 2013, it was 87.7 percent funded
  - PERSI'S Unfunded Actuarial Accrued Liability (UAAL) is among the lowest in the nation (only six states with a lower UAAL)
  - Idaho Code governs PERSI
    - Relatively conservative
    - Allows decision-makers time to consider issues

- Legislature makes any benefit changes
- The Administrator through the Board makes funding decisions
- Board evaluates and considers common reforms
  - Feels benefit changes are unnecessary and will work with legislators to evaluate any reforms
  - In 2009, the Board proposed a rate increase for employers and employees
    - UAAL was reduced by 35% without the rate increases
    - PERSI was above PEW's 80% solid performer threshold in FY11 and FY12
    - Effective July 1, 2012, the Board reduced PERSI's net return assumption to 7%
    - Rate increase was postponed twice – will go into effect as of July 1, 2013
- Changes in membership
  - Total members in 2011 was 126,562
  - Total members in 2012 was 129,068
  - Number of PERSI retirees and annuitants has steadily increased since 2009
- ❖ Base Adjustment to FY 2013 Original Appropriation
  - Reduction of \$6,500,000 which was appropriated in both FY12 and FY13 to pay for new line of business system called the Idaho Retirement Information System (IRIS)

**Board of Land Commissioners: Endowment Fund Investment Board (EFIB)**

**Presenter: Larry Johnson, Manager of Investments**

- ❖ Trust assets overseen by the Investment Board
 

	Assets (\$millions)	% of Total
○ Endowment Fund	\$1,365.5	67
○ State Insurance Fund	594.4	29%
○ Judges' Retirement Fund	63.6	3%
○ Parks & Recreation Endowments	<u>3.3</u>	<u>0.2%</u>
Total	\$2,026.8	100%
- ❖ Mission
  - To provide professional investment management services to stakeholders consistent with constitutional and statutory mandates
- ❖ Description of Endowment Fund Investment Board
  - Nine members appointed by the Governor and confirmed by the Senate
    - One Senator, one Representative
    - One professional educator
    - Six members of the public familiar with financial matters
  - Meets at least quarterly
  - Full-time staff of four
- ❖ Revenue sources

- All Investment Board operating expenses are paid by clients and taken from dedicated funds
  - Endowment Earnings Reserve Funds
  - State Insurance Fund
  - Judges' Retirement Fund
  - Parks and Recreation endowment funds
- No General Funds are required to operate the EFIB
- ❖ FY 2014 Budget Request
  - Replacement Items totaling \$7,100 (including \$1,600 for two desktop computers and \$5,500 for a copier)
  - One-time transition budget of \$19,200 will allow an extra three months of compensation when a 41-year veteran of state service retires in FY 2014
- ❖ FY 2014 Distribution Summary

<u>Endowment Beneficiary</u>	<u>FY 2014 Distribution In Thousands of Dollars</u>
Public Schools	\$ 31,292
Universities	10,729
State Hospital South	2,946
Penitentiary	1,422
Juvenile Corrections	893
State Hospital North	893
Veterans Home	558
Deaf & Blind School	<u>112</u>
Total	\$ 48,845

(Note: 2014 amounts approved by Land Board but not yet appropriated)

- ❖ Endowment Fund Assets
  - Estimated total assets as of December 31, 2012 were \$1.36 billion
- ❖ Objectives for determining distributions (in priority order)
  - Avoid reductions in total endowment distributions
  - Maintain adequate Earnings Reserves to protect distributions from temporary income shortfalls
  - Grow distributions and permanent corpus faster than inflation and population growth
- ❖ Endowment Management Expense in FY2012

○ Endowment Fund Board and Staff*	\$ 378,945
(*Portion paid by land grant endowments – Excludes portion paid by other clients)	
○ Consultant, Auditor, Custodian	633,465
○ Investment Managers	<u>4,794,307</u>
Total	\$5,806,717
Total Expense Ratio	0.45%
Endowment Assets – June 2012 (\$MM)	\$1,280.5

## **Office of the Governor: Commission on the Arts**

**Presenter: Michael Faison, Executive Director**

- ❖ Commission Background
  - Established in Idaho in 1966
  - Has 13 volunteer commissioners appointed by the Governor
  - Five at-large citizen-advisors selected by the Chair
  - Executive Director and nine staff members
- ❖ Introductions
  - Mark Hofflund, Commission Chair (also Managing Director of the Idaho Shakespeare Festival)
  - Laurel Sayer, Vice Chair
  - Maria Estrada, Deputy Director
  - Jadee Carson, Grant Specialist
- ❖ Benefits that the Arts Commission provides to Idaho
  - Contributes to the depth of cultural life
  - State-federal partnership between the Commission and the National Endowment for the Arts supports cultural life in Idaho
    - 52% of FY 2013 revenues (\$753,200) comes from the National Endowment for the Arts
    - 48% (\$686,800) comes from the General Fund
      - From 2008 through FY14, the General Fund appropriation has decreased by 27%
  - Disburses and manages state matching art grants to individuals and organizations
  - Funding is administered through Commission programs
- ❖ Arts education is a priority
  - Arts-Powered Schools Summer Institute
  - Arts-Powered Learning—Idaho Arts Education Framework
  - Provide professional artistic presence to Idaho's towns and communities
    - Artistic grants to supporting public participation in the arts
    - 90+ local cultural organizations in Idaho receive support
  - Commission's staff and consultants furnish technical assistance for practical issues
  - Provide a tool and training to professional arts managers to help them forecast their cash flow and to cultivate strategies that generate financial reliability
  - Call and e-mail constituents regardless of distance and isolation
- ❖ The Commission is committed to making it easier for Idaho's artists and residents to come alive through the presence of the arts.

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Friday, January 11, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00 - 8:30 am	Economic Outlook and Revenue Assessment Committee Report	<i>Senator Shawn Keough, Representative Marc Gibbs, EORAC Co-Chairmen</i>
8:30 - 9:30 am	Office of the State Controller LBB page 6-37	<i>Brandon Woolf State Controller</i>
9:30 - 9:40 am	<i>Break</i>	
9:40 - 10:00 am	Lieutenant Governor	<i>Brad Little Lieutenant Governor</i>

**Senate Reconvenes: TBA**

**House Reconvenes: TBA**

# JFAC COMMITTEE MEETING MINUTES

1/11/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:58 a.m. with Chairman Bell presiding.

## **Roll Call:**

Senators: Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt,  
Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller,  
Youngblood, Ringo, King

Absent/Excused: Senator Lacey

Staff present: Lockett, Tatro

## **ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE REPORT**

**Presenter: Senator Shawn Keough and Representative Mark Gibbs: Co-chairs**

Governor Otter's General Fund revenue projections for FY 2013, FY 2014 and FY 2015 compared to the Committee's median projections as follows in million dollars:

	FY 2013	FY 2014	FY 2015
Governor Otter's projections	\$2,658.0	\$2,799.1	\$2,973.1
Committee's median projection	\$2,657.7	\$2,741.0	\$2,843.7
Amount and percent over/ (under)	(\$0.3)	(\$58.1)	(\$140.4)
Governor's projection	(0.0%)	(2.1%)	(4.7%)

The Economic Outlook and Revenue Assessment Committee recommend to the Senate and House Leadership and to the Co-chairs of the Joint Finance-Appropriations Committee the following: In their opinion, the Governor's General Fund revenue projection of \$2,658.0 million is a reasonable forecast for revenues generated to the General Fund in FY 2013. Further, in their opinion, although the committee median is lower than the Governor's FY 2014 projection, on this date they find the Governor's projection of \$2,799.1 million is reasonable to begin the FY 2014 General Fund budgeting process.

### **Original Motion**

Moved by Cameron, seconded by Mortimer, for the Committee to accept the Economic Outlook and Revenue Assessment Committee Report.

### **Ayes: 19**

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

### **Nays: 0**

### **Ab/Ex: Lacey**

## **OFFICE OF THE STATE CONTROLLER**

### **Presenter: Brandon D. Woolf, State Controller**

- ❖ On May 25, 2012, former State Controller Donna M. Jones was injured in a serious auto accident. She requested Governor Otter to invoke Idaho Code, Chapter 59-917
- ❖ Governor Otter appointed Brandon D. Woolf as Idaho's 21<sup>st</sup> State Controller pursuant to Idaho Code, Chapter 59-904
- ❖ Duties of the State Controller
  - Constitutional officer, member of the Idaho Executive Branch of Government
  - Idaho Code, title 67, Chapter 10 enumerates the various duties of the State Controller
  - Idaho Code Chapter 59-1101A established the State Controller as Idaho's State Social Security Administrator
  - Oversees the fiscal concerns of the state with accounting, payroll, and value-added data processing services
- ❖ Introduced staff members
- ❖ Return on investment – Administration Division
  - Continual planning enabled the division to seamlessly transition agency operations without interruption during the historic period following former Controller Jones's accident
  - Coordinated the creation of Idaho's new government financial transparency website: [transparent.idaho.gov](http://transparent.idaho.gov)
  - Conducted 27 Social Security Section 218 referendums in 2012
  - Managed the Idaho Business Intelligence System (IBIS), a data warehousing and reporting tool that many state agencies rely upon
  - Provided internal business services, such as budgeting, human resources and accounting needed to operate as a state agency
  - Supported the State Controller in the discharge of his duties, such as serving the Land Board, Board of Examiners, Board of Canvassers, and as Idaho's State Social Security Administration

- ❖ Return on Investment – Statewide Accounting
  - Prepared Idaho's financial statements and earned the prestigious Certificate for Excellence in Financial Reporting from Government Finance Officers Association for the 15<sup>th</sup> consecutive year for the FY 11 Comprehensive Annual Financial Report (CAFR)
  - Conducted Internal Control Training for state agencies to educate them about the segregation of duties and other procedures to help prevent fraud
  - Assisted numerous state agencies with implementing efficient statewide accounting web applications
  - Completed major programming modifications required by the Division of Purchasing for their P-Card application to accommodate their decision to change financial institutions as well as card type
- ❖ Return on Investment – Statewide Payroll
  - Implemented a total of 72 programming projects that assisted with streamlining operations, gaining efficiencies and complying with state and federal requirements
  - The majority of these projects (52), pertained directly to the division of Statewide Payroll operations, such as disaster recovery preparation, developing tracking and reporting tools for last year's 2% CEC, and enhancing application security
  - The other projects (20) pertained to state agency and vendor enhancements, such as eliminating the 90-day waiting period for insurance coverage for new employees, and implementing the new voluntary term life program for group insurance
  - Assisted additional state agencies with utilizing state payroll applications like I-Time, a time entry system and IPOPS, The Idaho Paperless Online Personnel System
- ❖ Return on Investment – Computer Services
  - Upgraded networking and server infrastructure to enhance network and application reliability and performance, and improve the ability to provide open systems services to other agencies
  - Installed needed electrical and air conditioning upgrades to their data center with minimal disruption of services, allowing them to meet current and future data center environmental needs
  - Completed programming of Phase 1 of the I-Perform application, the Division of Human Resources' online performance evaluation tool that state agencies may use
  - Initiated an automatic software security update process to further reduce software security vulnerabilities
  - Upgraded wireless network to provide stronger security and more functionality, and secure wireless network capabilities at the off-site disaster recovery/business continuity facility
- ❖ Key challenge: not shifting expenses to the General Fund

- Last January, dedicated and General Fund mainframe customers met and jointly set a target date of December 2014 to remove their applications from the mainframe
- We concur that re-platforming mainframe applications to open systems will be more technically appropriate, yielding operational efficiencies
- As the other mainframe applications are moved, Idaho's accounting and payroll applications also must be moved to prevent shifting the expensive mainframe operating costs from many agencies with dedicated funds to a single agency with General Funds
- The mainframe can only be retired and cost savings and cost avoidance realized, after all applications on it are removed
- ❖ Project highlight: Social Security Section 218 compliance
  - The Controller's Office is responsible for ensuring compliance with the federal Social Security Act for all government employees
  - Ensuring compliance is an ongoing process that involves continuous research and staying abreast of when public employer entities in Idaho are created, dissolved, consolidated or acquired
  - Currently, much of the Social Security Section 218 compliance work has focused on correcting coverage issues and conducting referendums for public safety positions such as firefighters
- ❖ Transparent.Idaho.Gov
  - Negotiated other software contracts, with the goal of leveraging existing resources to make a transparency site possible
  - The website includes thousands of reports and features data that is updated nightly
  - The site was built within existing IT infrastructure and resources, and required no additional funding
- ❖ FY 2014 capital outlay request
  - Request includes a new folder sealer machine, and replacement desktop and laptop computers and monitors for the Administration, Accounting, Payroll and Computer Services Divisions -\$90,400 General Fund
- ❖ FY 2014 requested budget
  - General Fund, \$7,388,400 – 18.46%
  - dedicated fund, \$7,267,600 – 1.36%
  - Overall budget change – 9.31%
    - The General Fund increase is driven by the requirement to retire the mainframe
- ❖ Future Initiatives
  - Items not included in the FY 2014 request, but are items that may require attention and possibly funding in the future:
    - Commission system and application studies and upgrades
    - Continue development of a fraud reporting hotline
    - Continually evaluate and address Idaho's responsibility for managing the state's Social Security 218 agreement
    - Comply with other expensive and unfunded federal mandates

- Enhance Transparent Idaho.gov with an online checkbook and advanced query functions.
- ❖ Opportunities for State IT Consolidation
  - Idaho's data center houses servers, storage and IT security equipment for the Department of Administration, Department of Lands, Department of Commerce and over a dozen other state agencies
  - Engaged in discussion with several agencies to either manage IT equipment belonging to the agency or provide direct IT services using their equipment and software
  - The data center has capacity for, and is ready to house additional IT equipment or host additional applications and IT services for more state agencies
  - Potential cost savings and efficiencies

## **LIEUTENANT GOVERNOR**

**Presenter: Brad Little, Lieutenant Governor**

- ❖ FY 2014 Budget Request
  - Governor's Recommendation: \$147,700
- ❖ Oversees Project 60 for economic development for the Governor
- ❖ Presides over the Senate

## **ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Monday, January 14, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>HEALTH &amp; HUMAN SERVICES WEEK</b>		
8:00 - 9:00 am	Catastrophic Health Care Program LBB page 2-3	<i>Roger Christensen</i> <i>Chairman</i>
9:00 - 9:10 am	Department of Health & Welfare <i>Medically Indigent Administration</i> LBB page 2-79	<i>Cynthia York</i> <i>Program Administrator</i>
9:10 - 9:50 am	Department of Health & Welfare Overview LBB page 2-7	<i>Richard Armstrong</i> <i>Director</i>
9:50 - 10:00 am	<i>Break</i>	
10:00 - 10:30 am	Department of Health & Welfare <i>Child Welfare; LBB page 2-13</i> <i>Service Integration; LBB page 2-63</i>	<i>Robert Luce</i> <i>Administrator</i>

**Senate Reconvenes: 11:30 am**

**House Reconvenes: 11:00 am**

# JFAC COMMITTEE MEETING MINUTES

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1/14/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:35 a.m. with Chairman Cameron 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: None

Staff present: Ellsworth

## **CATASTROPHIC HEALTH CARE PROGRAM (CAT Fund)**

**Presenter: Roger Christensen, Chairman**

- ❖ Introductions
  - Steve Hadley, Vice Chairman
  - Richard Armstrong, Secretary
  - Walt Kirby, Region 1
  - Don Davis, Region 2
  - Rick Yzaguirre, Region 3
  - Paul Christensen, Region 4
  - David High, Governor's Appointee
  - Senator Dan Schmidt
  - Senator Jim Guthrie
  - Representative Tom Loertscher
  - Representative John Rusche
- ❖ Definition of Medically Indigent per Idaho Code Section 31-3502(17)
  - Not related to poverty
  - Incident-based
  - Present ability to pay
- ❖ Report on Fiscal Year 2012
  - New CAT cases approved for FY2012: 1,292 cases amounting to \$27,122,266.37
  - Reimbursements for FY 2012: \$2,726,507.96
  - Seat Belt Citations Income for FY2012: \$152,017.54
- ❖ Year -to -date Fiscal Year 2013
  - Provider payments from 7/1/12-12/31/12: \$12,459,804
  - Reimbursements received 7/1/12-12/31/12: \$1,590,988.49

- ❖ Case load and expenditures
  - Five-year history of new CAT cases by fiscal year
  - Annual reimbursements received (5 years)
  - Payments to providers (5 years)
  - Average claims paid
- ❖ Fiscal Year 2014 Projections (difficult program to project costs)
  - Average claims paid (FY 2009 – FY2013 YTD)
  - Revised General Fund estimate reduced to \$38,216,159 from \$42,351,384
  - Accrual basis FY 2013 projections through 12/31/12
- ❖ Other information
  - Summary of CAT 2012 program savings
  - FY 2012 Medicaid determinations
  - Pre-existing Condition Insurance Pool (PCIP) sunsets on 12/31/13
  - Total New County Case Load during FY 2012
  - Totals for combined state and county
    - 6,491 cases
    - Provider payments \$55,272,391.49
    - Indigent trends from FY2010 through FY2012
- ❖ Factors affecting the future
  - Economic
  - Medical inflation
  - Sunset of interim rate discount 6/30/2013
  - PCIP expires December 31, 2013
  - Changes in other programs
    - Health Insurance Exchange
    - Medicaid Expansion

**DEPARTMENT OF HEALTH AND WELFARE (DHW):**  
**Medically Indigent Administration**

**Presenter: Cynthia York, Program Administrator**  
**Medically Indigent Administration**

- ❖ Responsibilities
  - Provide an early determination whether individuals are Medicaid eligible
  - Work with counties regarding eligibility, utilization management and recovery
  - Evaluate and implement processes and procedures
  - Assess opportunities to improve efficiency, effectiveness and reduce program costs
- ❖ Accomplishments
  - Medicaid approvals by the Combined Application Unit result in \$4 million in county and \$9 million in state General Fund savings

- Access to Idaho Benefits Eligibility System (IBES) for counties and hospitals provide streamlined processes for medically indigent determination
- DHW coordination with Idaho Medical Review helps ensure the Medically Indigent Program is payor of last resort
- Approximately \$500,000 was cost diverted in FY 2012
- ❖ Challenges/barriers for program redesign
  - Incident-based program
  - No opportunity for proven, cost-effective measures of a membership-based plan, such as:
    - Preventive care
    - Case management
    - Preauthorization
    - Continued stay review
    - Discharge planning
    - Full utilization management
- ❖ Crossroads: Expansion or new model
  - Medicaid optional expansion (1/1/2014) Estimate 90% of current indigent program could be eligible for Medicaid
  - Medically Indigent Program redesign exhausted options to “fix” the program
  - Without optional expansion, state/counties must design new model for indigent care
- ❖ Evaluation and collaboration
- ❖ DHW continues to works with CAT, counties, hospitals, providers, legislators, and citizens to:
  - Address opportunities and challenges of the Affordable Care Act (ACA)
  - Evaluate and implement the revision or replacement of statutory requirements, processes and procedures to ensure more effective and efficient health care at a lower cost

## **Department of Health & Welfare Overview**

**Presenter: Richard Armstrong, Director**

- ❖ Introductions
  - Dr. Richard Roberge, Board Chairman
  - Jim Giuffre, Board member
- ❖ Recent challenges due to recession
  - Record caseloads
  - Reduced resources and staff
    - Public hearings showed importance of preserving critical services
    - Targeted benefit reductions implemented to minimize impacts on participants
    - Discussions shifted from balancing the budget to the value and outcomes of services

- Need to spend resources wisely and be held accountable
- ❖ FY 2014 budget recommendation totals \$2.52 billion (6.8% increase)
  - Federal Funds - \$1.64 billion or 65.1% of the budget
  - General Funds - \$617.3 million or 24.5% of the budget (\$7.3 million or 1.2% more than last year)
  - Dedicated Funds - \$63.4 million or 2.5%
  - Receipts - \$199.8 million or 7.9%
- ❖ Medicaid is the largest program, utilizing 81% of DHW funding
  - 86% of funding pays for services - most going to Medicaid providers
  - Program currently serves approximately 240,000 people
  - Mandatory federal changes for State Medicaid programs due to the implementation of the Affordable Care Act (ACA)
    - Requires all people to have health insurance
    - Mandatory eligibility changes calculates household income and assets differently
    - Requires states to use new methodology beginning January 1, 2014
    - State enrollment systems operational October 1, 2013
    - People currently eligible for Medicaid, but not enrolled, will apply for coverage. This group is referred to as the “woodwork” group

## Mandatory ACA Impacts on Medicaid

<b>Currently Eligible, Not Enrolled</b>	<b><u>35,023</u></b>	<b>70,340 adults and children will enroll in Medicaid</b>
Children	28,535	
Adults with Children	6,488	
<b>Mandated Eligibility Changes</b>	<b><u>35,317</u></b>	
Children (CHIP conversion to Medicaid)	10,825	
Adults with Children	24,492	

- **35,000 from mandated insurance coverage**
- **35,300 from required ACA eligibility changes**
- Requesting \$17.4 million to pay “woodwork” group claims during FY 2014 (estimate approximately 22,000 of the 35,000 will enroll between January 1 and June 30 of FY14)
  - State General Fund \$ 5,014,200
  - Federal Funds \$12,429,800
- ❖ Medicaid Modernization and Readiness (program to gear up for estimated 30% caseload increase)
  - New rules engine
  - Develop new work processes to handle influx of applicants
  - Claims systems programming
  - 24/7 application and customer portal

- Interfaces with insurance exchange and federal data portal
- Federal government pays 90% of development costs and Idaho pays 10%
- FY 2014 recommended systems development amount is \$10.3 million (federal funds of \$9.3 million and \$1 million in state general funds)
- Ongoing FY2014 costs of mandatory changes (enrolling and maintaining the huge influx of new participants)

### Ongoing Costs of Mandatory Changes

SFY 2014 Recommendation	FTP	General	Federal	Total
Welfare Division	22	\$498,900	\$1,367,700	\$1,866,600
IT Services	16	\$225,900	\$1,457,300	\$1,683,200
<b>Sub-Total</b>	<b>38</b>	<b>\$724,800</b>	<b>\$2,535,400</b>	<b>\$3,549,800</b>
One-time Costs		(\$54,900)	(\$670,600)	(\$725,500)
Southwest Idaho Treatment Center	(22)	0	0	0
<b>Total On-Going Costs</b>	<b>16</b>	<b>\$669,900</b>	<b>\$1,864,800</b>	<b>\$2,534,700</b>

*\*No general funds for personnel are requested in the Welfare Division recommendation. The \$498,900 is for one-time costs and operating expenses.*

- Staffing is critical for mandatory changes
  - Medicaid Modernization and readiness mandatory changes must be certified by the federal government by October 1, 2013
  - Functionality and operations requires sufficient staff to meet 24/7 federal requirements
  - Certification failure may result in loss of part or all of federal match for the Medicaid program (current FMAP could be readjusted from 70-30 match to a 50-50 match rate putting hundreds of millions of dollars at risk for non-compliance)
- ❖ Mandatory Medicaid Modernization and Readiness impacts other initiatives
  - Legislature is considering a change to the way food stamp benefits are paid out (from current one-day payout on the first of each month to a 10-day payout each month). DHW would prefer that this legislation be delayed while the Department works to meet the mandatory changes of ACA
  - ACA requires mental health parity for health insurance coverage in 2014
    - Many people with mental illness will gain access to clinical treatment
    - Treatment works, but recovery and resiliency depend on community support
    - Insurance does not help with housing, employment, companionship or transportation that is not medically necessary

- Recommend start-up funding for Regional Mental Health Boards
  - Provide one-time seed money of \$467,000 to develop community supports for people with mental illness and/or substance use disorder
  - Opportunity to create community support systems to support wellness and recovery, reduce isolation and stigma
  - Prevent future crises and expensive hospitalizations
- ❖ FY 2014 budget recommendation – two other decision units
  - Food stamp cooperation with child support
    - Food stamp cooperation holds both parents accountable for children
    - Reduces family need for public assistance
    - Request \$293,600 to fund five staff to re-establish enforcement
  - Four additional investigators to handle newly generated fraud leads in public assistance programs
    - Currently investigates 1 of 5 complaints and leads
    - Goal is to investigate half of all complaints and leads
      - Would not require general funds (some federal funding available)
      - Anticipate investigators will generate receipts through penalty assessments to cover the remainder of costs
- ❖ DHW personnel history
  - FY 2014 recommendation increases FTP count by 23 from current fiscal year
  - Mandatory work required by federal ACA drives the majority of increase
  - Sufficient staffing is required to meet minimum federal requirements, preserve program integrity, avoid costly penalties/sanctions

## **Child Welfare**

**Presenter: Robert Luce, Administrator, Division of Family and Community Services (FACS)**

- ❖ Kids are First
  - Statutory obligations
    - Child protection
    - Foster care
    - Adoption
    - Compliance
  - Facts, figures and trends
    - 19,104 total referrals
    - 2,563 foster care placements
    - 1,289 children in care as of June 30, 2012
    - 274 adoptions
  - Core mission is focused on protecting children and strengthening families
- ❖ FY 2014 budget recommendation

- FACS Division represents 3.8% of agency's total request
- Budget broken out by program
- Budget broken out into operating, trustee and benefits, and personnel
- How FACS budget is funded
  - Federal Funds of \$37.5 million or 65.5% of budget
  - General Funds of \$18.7 million or 32.7% of the budget
- Two line items in budget
  - Increase the foster care stipend
    - Ongoing spending authority for \$516,000
    - Idaho's stipend is one of the lowest in the nation
      - \$10 a day for ages birth to 5
      - \$11 a day for ages 6 to 12
      - Less than \$15 a day for ages 13 and older
      - Average rates to neighboring states are much higher
    - Initiate specialized adoption recruitment for 28 hard-to-place teens
      - One-time funding of \$420,000 (\$148,600 in general funds)
      - Should yield ongoing savings to be used to fund future specialized recruitment efforts
- ❖ Highlights, changes and initiatives
  - Completed administrative consolidation
    - Reduced seven regions and seven child welfare regional program managers to three administrative hubs with three hub program managers
      - Allows managers to focus more specifically on child welfare
      - Standardized practices within hubs and statewide
      - Hubs provide for greater flexibility and administrative efficiency
      - Experienced more standardization of practice
  - Launched centralized intake unit
    - One toll-free statewide number
    - Specialized training for one team dedicated to intake
    - Consistent processing of referrals and increased standardization of priority responses
    - Specialized expertise in communicating with families and law enforcement
    - Local field office response
  - Idaho's Child Welfare program ranked as the top performing program in the nation by the Foundation for Government Accountability
    - Foundation reviewed child welfare programs in all 50 states and District of Columbia in 11 outcomes and 41 data measures
    - Foundation compared foster care spending in each state
    - Idaho spent the least amount of money on child welfare

## **Service Integration**

**Presenter: Robert Luce, Administrator, Division of Family and Community Services**

- ❖ Mission
  - Short-term, solution-focused service that helps people who are experiencing temporary instability link to community services and support
    - Navigation and the 2-1-1 CareLine
    - Recommendation for \$5.2 million includes a \$1.5 million pass through to Head Start
      - Federal Funds of \$4.2 million or 81.4% of budget
      - General Funds of \$0.9 million or 17.3% of budget
- ❖ Facts, figures and trends
  - 5,885 referrals to Navigation Program
  - 162,587 calls to the 2-1-1 CareLine
  - 29,264 children in care of relatives (per 2011 census estimates)
  - Successful launch of One Church, One Child last year
    - Partnership between DHW and faith-based community
    - Addresses needs of children waiting for permanency (foster care or adoption)
    - Intended to increase support for children
    - To-date, 66 Idaho communities of faith have dedicated their support to its mission
  - Program called Wednesday's Child is a great example of Child Welfare and Service Integration
- ❖ Needs of families and children never end and neither does Idaho's statutory responsibility

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Tuesday, January 15, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>HEALTH &amp; HUMAN SERVICES WEEK</b>		
8:00 - 9:00 am	Department of Health & Welfare <i>Division of Welfare</i> <i>LBB page 2-71</i>	<i>Russ Barron, Administrator</i> <i>Division of Welfare</i>
9:00 - 9:45 am	Department of Health & Welfare <i>Medical Assistance Services</i> <i>LBB page 2-33</i>	<i>Paul Leary, Administrator</i> <i>Div of Medical Assistance Svcs</i>
9:45 - 10:00 am	<i>Break</i>	
10:00 - 10:45 am	Department of Health & Welfare <i>Medical Assistance Services</i> <i>LBB page 2-33</i>	<i>Paul Leary, Administrator</i> <i>Div of Medical Assistance Svcs</i>
10:45 - 11:00 am	Department of Health & Welfare <i>Division of Licensing and Certification</i> <i>LBB page 2-83</i>	<i>Tamara Prisock, Administrator</i> <i>Div of Licensing &amp; Certification</i>

# JFAC COMMITTEE MEETING MINUTES

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1/15/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:48 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: None

Staff Present: Ellsworth

Others Present: David Taylor, Department of Health & Welfare;  
Sara Stover, Division of Financial Management

## **DEPARTMENT OF HEALTH AND WELFARE**

### **Division of Welfare**

**Presenter: Russ Barron, Division Administrator**

- ❖ Division of Welfare makes up 5.7% of the Department's overall budget
- ❖ Budget overview for FY 2014
  - Trustee & benefits; \$79M, 55%
  - Personnel; \$34.7M, 24.2%
  - Operating; \$29.8M, 20.8%
  - One-time operating; \$10M, 7%
    - Total; \$143.5M
- ❖ In 2012 the Division of Welfare served 1 in 3 Idahoans
- ❖ 2012 Program Services administered
  - Food Stamps, \$366M: 331,000 served; administration costs, 3.8%
  - Child Support, \$200M: 300,000 served, administration costs, 10.35%
  - Medicaid Eligibility Determination, \$1,646M: 298,000 served, administration costs, 0.69%
  - Aged, Blind & Disabled, \$8 M: 17,250 served, administration cost, 5.30%
  - Idaho Child Care Program, \$22M: 6,550 served, administration cost, 6.48%
  - Temporary Assistance, \$17M: 5,900 served, administration costs, 5.88%

- Community Services, \$3M: 224,000 served, administration costs, 1.62%
- Emergency Food Assistance, \$2M: 183,000 served, administration costs, 0.40%
- Home Energy Assistance, \$26M: 49,000 served, administration costs, 0.15%
- Weatherization, \$8M: 2,000 served, administration costs, 1.37%
- ❖ Food stamp population and services details
  - Children 48%= 109,851
  - Non-disabled adults 39%=88,235
  - Disabled adults 10%
  - Seniors 3%
- ❖ Eligibility: requirements and responsibilities
- ❖ 2012 child support program cooperation requirements
  - One of five states requiring food stamp participants to cooperate with Child Support
  - Budget holdbacks ended their ability to require food stamp participants to cooperate with Child Support
  - Operating one of the most cost effective Child Support programs with one of the lowest staff to case ratios in the country
  - Cooperation with Child Support is important to foster responsible participation in government programs
- ❖ Recognition
  - Successfully maintained web data reliability for Child Support audit
  - Best timeliness in food stamps in the country
  - Most cost-effective eligibility business processes
  - Highest in Food Stamp program accuracy
  - Effective Medicaid eligibility processes (CHIP)
  - Most effective and efficient Weatherized program
  - Most improved Child Support arrears collections
  - Received competitive private grant for integrated service delivery
- ❖ Medicaid and the Affordable Care Act (ACA)
  - Recommendations today:
    - Only for the mandatory requirements of ACA
      - One-time funding for modernization project
      - Minimum ongoing funding for mandatory changes
- ❖ Medicaid Readiness one-time funding
  - Modernization
  - Mandatory expansion
  - Connection
- ❖ Additional Idahoans on Medicaid
  - Mandatory Medicaid expansion, 60,000
- ❖ Eligibility efforts and tasks each month
- ❖ Operational funding for mandatory ACA
  - Responsibly implement mandated requirements (The Patient Protection & Affordable Care Act)
  - Apply expertise to minimize resources and costs

- ❖ Governor's SFY 2013 & 2014 budget
  - Medicaid Readiness supplemental (2013)
  - Medicaid Readiness
  - Medicaid for ACA operations
  - SNAP/Child Support Program coordination
  - Energy Assistance spending authority
- ❖ Governor's budget recommendation
  - Medicaid Readiness 2013 supplemental
    - One-time development for Medicaid Readiness; \$6,320,000 federal funds –required for mandatory Medicaid changes
  - Medicaid Readiness 2014
    - One-time development for Medicaid Readiness (required mandatory Medicaid changes)
      - General Funds – one-time; \$910,000
      - General Funds – one-time; \$8,190,000
  - Medicaid Eligible/un-enrolled caseload; \$622,200
    - General Funds, \$156,00, one-time \$10,300
    - Federal Funds, \$445 ,600, one-time \$10,300
  - MAGI (Modified Adjusted Gross Income): Mandatory Medicaid changes for 2014
    - General Funds, \$312,000, one-time \$20,600
    - Federal Funds, \$891,200, one-time \$20,600
  - Mandatory Medicaid changes in operations for 2014
    - Total on-going
      - General Funds \$468,000
      - Federal Funds \$1,336,800
    - Operating one-time 50/50
      - General Funds, \$30,900
      - Federal Funds, \$30,900
  - Snap (Special Needs Assistance Program)/ Child Support Program Cooperation
    - Child Support Personnel & Operating
      - General Funds, \$146,800
      - Federal Funds, \$146,800
  - Grocery tax credit donations – Energy Assistance authority
    - Dedicated Funds – one-time, \$832,900
    - Dedicated Funds. \$22,700
    - Total\$1,058,600

## **Division of Medicaid**

**Presenter: Paul Leary, Administrator**

- ❖ SFY 2014; Division of Medicaid is 81.4% of the Health and Welfare budget
- ❖ Total budget recommendation: \$2.06B

- Trustee & Benefits; \$1.98B, 96.4%
- Personnel; \$14.7M, .07%
- Operating; \$58.9M, 2.9%
- ❖ Budget recommendation by program
  - Basic Plan: \$555.4M, 27.0%
  - Enhanced Plan: \$1.1B, 53.5%
  - Coordinated Plan: \$323.5M, 15.7%
  - Administration: \$76.4M, 3.7%
- ❖ Member and Cost by Plan SFY 2013
 

	Average members/month	Percent of Budget
○ Basic Child	147,370	19.15%
○ Basic Adult	22,315	10.26%
○ Enhanced Child	25,814	19.82%
○ Enhanced Adult	15,058	31.38%
○ Coordinated	23,153	19.40%
- ❖ 2014 recommendation by fund source-Total \$2.06B
  - Federal Funds: \$1.38B, 67.0%
  - General Funds: \$476.7M, 23.2%
  - Dedicated Funds: \$33.8M, 1.6%
  - Receipts: \$168.4M, 8.2%
- ❖ Legislative Intent from 2012 Session-HB 682
  - Section 6 - Reappropriation
    - Authorized carryover of unencumbered and unspent General Funds from FY 2012 into FY 2013
    - One-time reappropriation of General Funds of \$37,632,000
  - Section 7 – Nursing Facility adjustment
    - Nursing Home gap Trustee and Benefit assessment reduced from \$13,500,000 to \$12,000,000
    - This \$1,500,000 was made available to devote to the Nursing Home Upper Payment Limit (UPL) assessment
    - Upper Payment Limit is the gap between what Medicare would pay and what Medicaid paid
  - Section 8 – Actual and forecast detail reporting
    - Monthly forecast meetings including Department, Legislative Services Office and the Division of Financial Management
    - Format of the report(s) continue to evolve to meet needs of all parties
  - Section 10
    - All initiatives fully implemented
      - Actual General Fund savings for SFY 2012 was \$33,457,909 (over \$111 total fund impact)
      - Estimated General Fund savings in HB 260 for SFY 2012 was \$33,380,000
- ❖ HB 609 (2012 session) restored some benefits beginning July 1, 2012
  - Dental benefits for adult waiver participants
- ❖ Psycho-social Rehab and Development Therapy; Legislative Intent from 2012 Session-HB 682

- ❖ HB 682
  - Section 11- Medicaid Managed Care
    - Actuary analysis completed for SFYs 2009, 2010 and 2011 – and sent to Legislature – will be updated for SFY 2012 in early calendar year 2013
    - Ongoing reports to Legislative Services Office and Division of Financial Management
    - Reported on all activities to the Legislature’s Health Care Task Force in August 2012
    - Recent activity
      - Health Home and Multipayer Patient Centered Medical Home Collaborative pilot implemented January 1, 2013
      - Selection of Behavioral Health Managed Care contractor-program scheduled to implement July 1, 2013
      - Grant application for innovation planning grant to develop primary care network model for Idaho – notification pending
      - Medicaid Adult Quality grant – informatics development
      - Contracted for services to help develop managed care plan – includes plan for mandatory “New Eligible” population
      - Finalizing dual eligible managed care proposal with CMS – for implementation January 2014
- ❖ Medical Assistance Services Trustee and Benefits for SFY 2013
  - Return of excess funding
    - Total General Fund, (\$46,277,100)
      - One-time supplemental, (\$37,632,000)
      - Ongoing supplemental, (\$8,645,100)
        - Stable Medicaid claims system and environment – CMS certified
        - Caseload growth over 10% at times during the recession – under 2% for SFY 2014
        - Correct coding initiative implemented along with other initiative
        - Better claims adjudication
- ❖ Medicaid expenditure trends
- ❖ Residential Habilitation rate increase
  - Ongoing supplemental of \$12,200,000
    - General Funds, \$3,660,000
    - Federal Funds, \$8,540,000
      - Court ordered rate increase
      - No access or quality issues identified – judge responded to unaudited cost survey
      - Department is appealing the decision
      - State required to pay higher rate during the appeal
- ❖ Insurance Premium Tax
  - Ongoing supplemental of \$2,990,300
    - General Fund request

- Section 41-406 Idaho Code prescribes that 20% of funds be used for Adult Pilot and 80% for CHIP-B and Children's Access Card
- Excess funds in adult account, but a deficit in the children's account
- Governor's recommendation does not include this supplemental, but supports changing legislation to allow funds to be used as needed
- Need should sunset October 2015
- ❖ Rate Increase – Personal Assistance
  - Ongoing supplemental of \$1,584,000
    - General Funds, \$475,200
    - Federal Funds, \$1,108,800
      - Rate increase effective April 1, 2013
      - Rate alignment with facility personnel
      - Allows flexibility for agencies and small Residential and Assisted Living Facilities
      - Annualization SFY 2014 adds an additional \$4,752,000 total funds - \$1,425,600 General Fund and \$3,326,400 Federal Funds
- ❖ Medical Eligible/not enrolled
  - Ongoing funding \$17,444,000
    - General Funds, \$5,014,200
    - Federal Funds, \$12,429,800
  - Response to the individual mandate that is part of the Affordable Care Act
  - Estimate that between January 1, 2014 and June 30, 2014 22,000 individuals current eligible for Medicaid, but not enrolled, will enroll in Medicaid
  - Estimated cost of 196 per member per month – prepared by Milliman
- ❖ Mandatory Medicaid changes
  - Ongoing funding, \$32,249,000
    - General Funds, (\$2,014,800)
    - Federal Funds, \$34,1263,800
  - Mandatory changes in Medicaid eligibility methodology – Modified Adjusted Gross Income (MAGI) – may result in Medicaid enrollment increase from individuals currently not eligible for Medicaid
  - These individuals meet the definition of “Newly Eligible” in the Affordable Care Act – 100% federal
  - Estimates are that 16,500 individuals, currently not eligible, plus 10,800 current CHIP children will be enrolled in Medicaid in SFY 2014
  - Cost estimated by Milliman is \$542/month for adults and \$156/month for children
- ❖ Primary Care Rate Increase
  - One-time Federal funding, \$9,500,000
    - Adds \$9,500,000 of ongoing federal funds approved for SFY 2013
    - Rate increase is for calendar years 2013 and 2014 – expires January 1, 2015
    - Rate increase treated as a quarterly bonus

- ❖ Nondiscretionary Adjustments (Gross)
  - Ongoing fund request, \$67,830,000
    - General Funds, \$14,377,000
    - Federal Funds, \$53,453,000
      - Approximately 27% due to cost-based and mandatory pricing
      - Approximately 34% due to caseload growth
      - Remainder due to utilization and other factors
- ❖ Nondiscretionary Adjustments (Net)
  - Net results with FMAP adjustment
    - General Funds, \$2,590,800
    - Federal Funds, \$65,239,200
  - Projected increase in the Title XIX federal medical assistance percentage (FMAP) results in an increase need for \$11,786,200 of Federal funds and a decrease of \$11,786,200 in the General Fund
  - General Fund nondiscretionary request is less than 0.7% of previous year General Fund appropriation
- ❖ Medicaid Readiness
  - One-time funding, \$1,000,000
    - General Fund, \$100,000
    - Federal Funds, \$ 900,000
  - Year three of Medicaid Readiness project
  - Modification of Medicaid Management Information System (MMIS) to meet new mandatory regulations in the Affordable Care Act
    - Accept new eligibility groups from IBES
    - New benefit plans and plan design
    - Federal reporting
- ❖ 2014 modernization recommendation - \$10,300,000
  - Welfare Division, \$9,100,000
  - Medicaid, \$1,000,000
  - IT Services, \$200,000
    - This funds third phase of project
    - Development costs are funded by 90% federal, 10% state
- ❖ Electronic Health Care Record
  - One-time funding, \$21,085,000
    - General Funds, \$38,500
    - Federal Funds, \$21,046,500
  - Federal program that incentivizes Medicaid providers to adopt, implement or upgrade Electronic Health Records
  - The incentive payments for the Electronic Health Records (EHR) is 100% Federal
  - Cost of administration of the program is 90% federal and 10% state funds
- ❖ Providers enrolled in EHR program
  - Eligible Providers, 419
  - Hospitals, 23
  - EHR incentives paid - first 6 months, \$8,654,781

- ❖ Children's Health Insurance Plan Survey
  - Ongoing funding, \$46,000
  - Administrative funding is at 50% Federal and 59% State
  - New federal requirement starting in calendar year 2013
  - Requires an annual survey of the State's Children's Health Insurance Program (CHIP)
  - Must use a National Committee on Quality Assurance certified vendor
- ❖ Mental Health Managed Care Evaluation
  - One-time funding, \$50,000
  - Administrative funding is at 50% Federal and 50% State
  - Federal requirement for independent evaluation for states that receive 1915(b) waivers
  - 1915(b) – Freedom of Choice Waiver will be used in conjunction with the Behavioral Health Managed Care program
- ❖ Health Home Network Development
  - Total funding request, \$1,324,200 (50% Federal and 50% State)
    - Ongoing funds, \$324,200
  - Creates and supports an enhanced primary care case management system
  - Supports Multi-payer Collaborative
- ❖ Money Follows the Person (MFP)
  - One-time federal funding, \$555,300
    - SFY 2014 will be the third year of a five year demonstration
    - Helps to transition Medicaid participants from institutional care to home and community care when more appropriate
    - Grant provides transitional services and supports
- ❖ Benchmarks for MFP Project
- ❖ First Year's experience
  - Participants moved, 64
    - Developmentally Disabled (DD) Waiver, 16
    - Aged and Disabled (A&D) Waiver, 47
    - Enhanced Plan, 1
  - More appropriated care at lower costs – comparative costs (FFY 2012) annual
    - Immediate Care Facility, \$94,063/member/year
    - DD Waiver Community, \$55,382/member/year
    - Nursing Facility, \$72,350/member/year
    - A&D Waiver Community, \$22,814/member/year
- ❖ Children Health Care Improvement Collaboration(CHIC)
  - One-time Federal Funds, \$531,000
  - Fourth year of five year grant to improve children's health care in Idaho and Utah through Children Healthcare Improvement Collaboration
  - Three initiatives for the pediatric population
    - Test patient centered medical home
    - Develop Health Information connectivity
    - Create pediatric improvement partnership

- ❖ CHIC accomplishments to-date
  - Patient Centered Medical Home
    - Two general pediatric practices and one developmental pediatric practice started May 2012
    - Practice improvement specialist provided to each practice
  - Learning Collaborative
    - The current learning collaborative includes 9 practices across the state focused on improving immunization rate in 22-26 month old children

## **Division of Licensing and Certification**

**Presenter: Tamara Prisock, Administrator**

- ❖ Reasons for separating Licensing and Certification from the Division of Medicaid
  - Separate the regulatory enforcement functions from Medicaid benefit management
  - Position the department to explore possibilities for moving other licensing and certification functions to the new division to improve service and efficiency
- ❖ 2014 total recommendation, \$5.5M
  - Personnel, \$4.6M
  - Operating, \$.09M
  - Federal Funds, \$3.3M
  - General Fund, \$1.5M
  - Receipts, \$0.7M
- ❖ Division's core purpose
  - To ensure Idaho health facilities and agencies comply with applicable federal and state statutes and rules
  - To promote individual rights, well-being, safety, dignity, and the highest level of functional independence
- ❖ Number of Idaho Facilities licensed and certified
  - 13 types of facilities
  - Over 3,100 facilities, agencies, and providers
  - Over 21,000 treatment beds
- ❖ Number of Idaho facilities by type (shown on handout)
  - Long-Term Care, 78
  - ICFIDs, 67
  - Hospitals, 51
  - Home Health agencies, 82
  - Hospice, 71
  - End stage renal disease (dialysis units), 26
  - Ambulatory surgical centers, 52
  - Rural health clinics, 45
  - Out-patient physical therapy, speech pathology, 26

- Residential assisted living, 284
- Certified family homes, 2,187
- Developmental disabilities agencies, 70
- Residential habilitation, 65
- ❖ Division: The issues today
  - Modernization of business processes
  - Retention of registered nurses as surveyors
  - Balancing enforcement with education
- ❖ Common constituent calls/complaints
  - Complaints about resident care in specific facilities
  - Complaints from facilities/providers about revocation actions
  - Complaints from facilities/providers about the length of time it takes to get licensed or certified

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Wednesday, January 16, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	<b>HEALTH &amp; HUMAN SERVICES WEEK</b>	
8:00 - 8:40 AM	Department of Health & Welfare <i>Mental Health Services</i> <i>LBB page 2-45</i>	<i>Ross Edmunds, Administrator</i> <i>Div of Behavioral Health</i>
8:40 - 9:10 am	Department of Health & Welfare <i>Substance Abuse Treatment &amp; Prevention</i> <i>LBB page 2-67</i>	<i>Ross Edmunds, Administrator</i> <i>Div of Behavioral Health</i>
9:10 - 9:40 am	Department of Health & Welfare <i>Psychiatric Hospitalization</i> <i>LBB page 2-49</i>	<i>Ross Edmunds, Administrator</i> <i>Div of Behavioral Health</i>
9:40 - 9:50 am	<i>Break</i>	
9:50 - 10:20 am	Department of Health & Welfare <i>Services for the Developmentally Disabled</i> <i>LBB page 2-17</i>	<i>Rob Luce, Administrator</i> <i>Div of Family &amp; Community Svc</i>
10:20-11:00 am	Department of Health & Welfare <i>Public Health Services</i> <i>LBB page 2-55</i>	<i>Elke Shaw-Tulloch,</i> <i>Administrator</i> <i>Div of Public Health</i>

# JFAC COMMITTEE MEETING MINUTES

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1/16/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:37 a.m. with Chairman Cameron 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: None

Staff present: Ellsworth

Others present: Sara Stover, Division of Financial Management; Cameron Gilliland, Programs Bureau Chief and Dave Taylor, Deputy Director of Support Services for the Department of Health and Welfare; Dr. Christine Hahn, Epidemiologist and State Public Health Medical Director

## **DEPARTMENT OF HEALTH AND WELFARE (DHW):** **Division of Behavioral Health, Mental Health Services**

**Presenter: Ross Edmunds, Administrator, Division of Behavioral Health**

- ❖ FY 2014 Governor's budget recommendation for Behavioral Health makes up 3.2% of entire DHW budget and is divided into 3 areas
  - Mental Health, \$32.9 million or 40.7% of Behavioral Health budget
    - Federal Funds - \$8.3 million or 25%
    - General Funds - \$22.9 million or 70%
    - Receipts - \$1.4 million or 4.0%
    - Dedicated Funds - \$0.3 million or 1%
  - Substance Abuse, \$17,1 million or 21.1% of Behavioral Health budget
  - Psychiatric Hospitalization, \$30.9 million or 38.2% of budget
- ❖ Division of Behavioral Health Structure
  - Administration (32 FTP) or 4.8%
  - Regional/Hospital (633 FTP) or 95.2%
    - Three Hubs throughout Idaho
      - North Hub – State Hospital North
      - Southwest Hub (Regions 3, 4 and 5)
      - East Hub – State Hospital South
- ❖ Hallmarks of a transformed system

- Local input/local influence
- Integrated treatment
- Clearly defined roles and responsibilities
- Eliminating gaps in service
- Maximum efficiency with maximum effectiveness
- Consumer (patients/clients) driven and recovery oriented
- ❖ Idaho's transformation – three waves
  - Move from “fee for service” to managed care for behavioral health benefits
  - Access to behavioral health services through increased insurance coverage
  - Proposed changes to Idaho Code Title 39, Chapter 31 so recovery support services can be administered/delivered at the local level
- ❖ Mental Health is divided into two categories
  - Adult Mental Health – budget of \$20.6 million or 62.5% of budget
    - Budget broken down by category and fund source
    - Budget recommendation – Line Item - \$466,900 (one-time)
      - \$66,700 per region to create regional behavioral health board startup funds
      - I.C. Title 39, Chapter 31 proposed legislation
      - Receipt authority for funding from the sale of property at Southwest Idaho Treatment Center
      - Regional Behavioral Health boards to have responsibility over supportive services in region
    - Budget recommendation – Line Item - \$191,400 and 3 FTP
      - Changes of I.C. 19-2524
      - Pilot Project (June to December)
      - Increase assessments by 837 per year @ 6.8 hours per assessment
      - Mandated last year – mental health assessment for every felon
    - Budget recommendation – ongoing -\$787,400 for Allumbaugh House funding
      - In FY 2013, funding administered through the Office of Drug Policy (ODP)
      - Recommending a transfer from ODP to DHW to administer funds for treatment services at Allumbaugh House
      - Transformation: Partnering with ODP to clarify that their role is related to prevention and education, not treatment
    - Five priority areas in the Adult Mental Health program
      - Emergency psychiatric services (3,805 clients served)
      - Committed clients (1,122)
      - Court-ordered clients
      - Mental Health Court participants
      - Eligible clients without benefits
      - Evaluations on increase

- 474 in FY 2010
  - 1,092 in FY 2013
- Suicide Prevention Hotline
  - Sub-grant awarded June 2012
  - DHW is contributing \$50,000/year ongoing, initial agreement for 2 years
  - Hotline began accepting calls November 26, 2012
- Children's Mental Health
  - FY 2014 recommended budget is \$12.3 million with 77 FTP's
    - Shown by fund category and fund source
  - Delivery structure – three priority areas
    - Emergency psychiatric services served 49 children
    - Court-ordered clients, served 485 children
    - Eligible clients without benefits, served 2,288 children
- ❖ Jeff D lawsuit update
  - Plaintiff attorney joined with the National Center for Youth Law as co-counsel
  - Federal District Court Judge directs plaintiff and defense counsel to work together for a solution – discussions began in November, 2012
- ❖ Intent language for Children's Mental Health - update
  - DHW transferred \$327,000 to Department of Juvenile Corrections for a joint program to imbed clinicians in juvenile detention centers – transfer was processed by DHW on July 3, 2012
- ❖ Mental Health workforce
  - Ever changing specialty needs of staff – forensic and crisis management
  - Utilizing certified peer specialists
  - Move from psychiatrists to mid-level prescribers
  - Dedicated staff in the Mental Health programs

## **Psychiatric Hospitalization**

- ❖ FY 2014 budget recommendation
  - Amounts to \$30.9 million or 38.2% of the Division of Behavioral Health budget
    - Budget broken out by category and fund source
- ❖ Daily psychiatric hospital rate comparison
  - Average private contractor                   \$760
  - State Hospital North                           \$443
  - State Hospital South                           \$430
- ❖ Budget for three areas (total equals \$30.9 million)
  - State Hospital South                           \$20.4 million or 65.8% of budget
  - State Hospital North                           \$ 7.8 million or 25.2% of budget
  - Community Hospitalization                 \$ 2.8 million or 9.0% of budget
- ❖ Core functions of state hospitals
  - Stabilize psychiatric condition

- Reduce self-harm
- Reduce risk of harm to others
- Assess, diagnose and treat presenting conditions
- Restoration of competency for the courts if ordered
- Coordinate with Regional Mental Health clinics for transition of patients
- ❖ State Hospital South
  - Operated in Blackfoot, Idaho since 1886
  - 90 adult psychiatric beds
  - 16 adolescent beds
  - 29 nursing home beds
  - Accredited by the Joint Commission
  - Adult admissions trend is going up
  - Length of stay is trending down
  - FY 2013 appropriation for \$543,700 of endowment funds and 10 FTP
    - Staff injury from assaults reduced by 39%
    - Restraints and seclusions reduced by 33%
- ❖ State Hospital North
  - Operated in Orofino since 1905
  - 60 adult psychiatric beds – currently staffed for 55 beds
  - Licensed by State of Idaho Facility Standards
  - Admissions trending up
  - Length of stay trending down
- ❖ Budget recommendation
  - Repair and Replacement items totaling \$455,400 (\$SHS = \$225,600 and SHN = \$229,800) General Funds: \$302,400 and Endowment: \$153,000
    - Replace vehicles
    - Food preparation and sanitation
    - Patient health and safety
    - Facility and grounds maintenance
  - State hospital inflationary adjustments – medical inflation: \$90,900
    - SHS: \$67,100 in general funds and \$1,100 in federal funds
    - SHN: \$22,700 in general funds
- ❖ Community Hospitalization
  - Ten private psychiatric hospitals statewide
  - Contract daily rates
  - Centralizing contract monitoring for consistency
    - Mental Health holds
      - Trend is increasing
        - FY 2010 – 3,633
        - FY 2012 – 4,590
      - Admissions trending up
  - Graph showing community hospital expenditures
- ❖ Workforce
  - Difficulty recruiting psychiatrists at both hospitals
  - Looking at National Rural Health Loan Reimbursement options
  - Dedicated staff at the hospitals

## Substance Abuse Treatment and Prevention

- ❖ FY 2014 budget recommendation
  - Budget totals \$17.1 million and is 21.1% of the Behavioral Health budget
    - Breakdown by category
    - Breakdown by fund source
    - Breakdown by agency/branch of government
- ❖ Utilization – number of people served in FY13 through December, 2012
  - Access to Recovery III 2,513
  - Information and Referral 2,276
  - Medicaid only 783
  - IV-drug users 708
  - Child protection 538
  - Pregnant women & women w/children 257
  - State hospital 113
  - Child Protection Drug Court 35
  - Total 7,223
  - Expenditure for above: \$5,497,500
  - 48% of appropriation spent
  - Total appropriation: \$13,070,400
- ❖ FY 2014 budget recommendation
  - One-time \$911,900 in federal authority for Access to Recovery Grant
    - Currently in third year of four-year grant
    - Grant funding for services to:
      - Supervised misdemeanor probationers
      - Military (includes dependents and spouses)
      - Juveniles

### **Access to Recovery Grant (ATR) Oct. 2010 to Current**

<u>ATR Target Population</u>	<u># Clients Served</u>	<u>Expenditures</u>
Supervised Misdemeanants	2,547	\$3,801,934
Adolescents	108	\$ 117,304
Military/spouses/dependents	<u>228</u>	<u>\$ 309,740</u>
Total	2,883	\$4,228,978

- ❖ Substance abuse prevention
  - Substance abuse prevention is required by federal block grant through a maintenance of effort
  - Approximately \$1.6 million
  - Management contractor is Benchmark
  - \$1.4 million in contracts with community-based providers and coalitions
  - Nine of ten adult addicts started using before the age of 18 (per National Center for Addiction and Substance Abuse)

- Graph showing distribution of prevention funds in the seven regions in Idaho
- ❖ Office of Drug Policy (ODP)
  - ODP's mission is prevention and education
  - DWH's focus is on treatment
  - DWH is partnering with ODP to support their role in the system of care
  - Administration of the prevention system
  - Pass-through federal prevention funds to ODP
- ❖ Update on intent language regarding the Substance Abuse Network Management and Services Coordination Contract
  - Committee work is complete
  - Waiting for final legal review
  - Targeted for implementation in October, 2013
  - Extended the contract with Business Psychology Associates (BPA) for three months
  - Does not include Medicaid
- ❖ Update on intent language regarding Statewide Campaign on Underage Drinking
  - Running two media flights
    - One during Prom time
    - One during graduation time
  - On target to spend \$50,000 by June

### **Services for the Developmentally Disabled (DD)**

**Presenter: Robert Luce, Administrator, Division of Family & Community Services**

- ❖ Programs
  - Infant and Toddler program
    - Early intervention services (Birth to 3 years)
    - Developmental therapy, speech therapy, occupational therapy
    - Service coordination
    - By age 3, more than half on grade level
    - Served 3,433 children
    - Motto: "Early Intervention Makes a Difference:"
  - Community DD program (ages 3 to 21)
    - Authorization and oversight of services
    - Crisis support
    - Served 5,678 children
  - Southwest Idaho Treatment Center (SWITC) (over age 21)
    - Served 65
    - Census as of December, 2012: 33 residents
- ❖ FY 2014 Family and Community Services budget by program
  - Developmental Disabilities budget \$18.4 million or 19.3% of DWH budget
  - SWITC budget \$14.4 million or 15.2 of budget

- Budget charted by category and fund source
- Transfer of unfunded FTP from SWITC to the Division of Welfare
  - Transfers 8 unfunded FTP – anticipated workload increases due to the Affordable Care Act (ACA)
  - Transfers 14 unfunded FTP due to mandatory changes to Medicaid due to the Affordable Care Act (ACA)
- ❖ Infant Toddler Program highlights
  - Completed centralization and standardization of operations
  - Created a new hub structure
  - Separated service coordination from direct services
  - Meeting all federal requirements
- ❖ SWITC highlights
  - Census
    - At one time, had 1,000 residents
    - 33 residents as of December 2012
  - Statewide Crisis Network
    - Averts commitments to SWITC, maintains community living
    - 246 prevention cases, 37 diversions in FY 2012
  - Continued downsizing at SWITC
    - Kyler House in Coeur d’Alene
    - Looking for location in eastern Idaho

## **Division of Public Health**

**Presenter: Elke Shaw-Tulloch, Administrator, Division of Public Health**

- ❖ 2012-13 public health highlights
  - Turnover reduction
  - Awards
    - WISP – WIC Information System Program
      - One 1 of 10 awards by Nat’l Assn. of State Information Officers 2012 Best Practice Award for improving state operations
    - State Office of Rural Health and Primary Care
      - Won the Nat’l Organization of State Offices of Rural Health Award of Merit for significant contribution
    - Immunization Registry
      - In March 2012, the program successfully rolled out a more modern immunization registry system
- ❖ Public Health today
  - New administration
  - Reorganization
    - Advancement opportunities
    - Efficiencies
    - Workforce retention
  - Integration of Public Health

- Organization Chart of Division of Public Health
- ❖ Budget recommendations
  - Public Health budget represents 4.2% of the overall DHW budget
    - Budget recommendation by program, category, and fund source
  - Recommendations
    - Supplementals
      - Dedicated Vaccine Fund spending authority increase of \$10,100,00, one-time
        - Higher vaccine prices
        - Increased vaccine distribution
      - Governor's recommendation for TRICARE-Insured children
        - \$441,400, one-time to prevent gap in coverage
    - Line Items, FY 2014 budget
      - Dedicated Vaccine Fund spending authority increase of \$10,620,000, one-time
        - Provide vaccines to physicians
        - Source of funding is an insurance carrier assessment based on the number of children served
        - \$10,100,000 increased spending authority to match the FY 2013 supplemental
        - \$520,000 for an expected 3% increase in vaccine prices
      - Governor's recommendation for TRICARE insured children
        - \$588,500, one-time, from General Fund for costs associated with purchase of vaccinations for children covered by TRICARE
        - TRICARE unauthorized to pay into state vaccine assessment. Until 10/1/12, DHW used CDC funds to cover TRICARE children.
          - 7,700 children at risk of losing immunization coverage
      - EMS Federal Spending Authority increase and FTP transfer
      - Because of Division reorganization, transfer of 8 FTP and \$5,725,800 in federal funds from Physical Health Services Program to Emergency Medical Services (EMS) Program
      - Cancer Data Registry Millennium Fund recommendation
        - Governor recommends \$30,000, one-time from the Millennium Fund
        - Cigarette tax revenues have declined but costs to maintain registry have not
        - Request will offset declining dedicated funds
      - Women's Health Check Millennium Fund recommendation
        - Governor recommended \$245,000, one-time funding from the Millennium Fund
        - Federal funding decrease
        - Provides breast and cervical cancer screening, navigation and education for low-income, uninsured and under-insured women

- Comprehensive Tobacco Control Millennium Fund Recommendation
  - \$1,500,000 to provide 4 weeks of free Nicotine Replacement Therapy (NRT) to cessation program registrants
  - \$500,000 to conduct a comprehensive statewide media campaign, event sponsorship and a comprehensive evaluation
- Replacement items
  - Laboratory Replacement /Repair items
    - \$101,000 for alterations and repair projects (light fixtures, duct work, ventilation, generator exhaust system)
    - \$120,000 to replace epidemiology genetic analyzer to detect foodborne pathogens

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Thursday, January 17, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>HEALTH &amp; HUMAN SERVICES WEEK</b>		
8:00-8:30am	Department of Health & Welfare <i>Indirect Support Services</i> <i>LBB page 2-25</i>	<i>David Taylor, Deputy Director</i> <i>Support Services</i>
8:30-8:50am	Department of Health & Welfare <i>Independent Councils:</i> <i>Domestic Violence Council</i> <i>Developmental Disabilities Council</i> <i>LBB page 2-21</i>	<i>Luann Dettman, Executive Director</i> <i>Domestic Violence Council</i>  <i>Marilyn Sword, Executive Director</i> <i>Developmental Disabilities Council</i>
8:50-9:15am	Commission on Aging <i>LBB page 6-47</i>	<i>Sam Haws, Administrator</i>
9:15-9:40am	Public Health Districts <i>LBB 2-87</i>	<i>Rene LeBlanc, Director</i> <i>South Central District Health</i>
9:40-9:50am	<i>Break</i>	
9:50-10:20am	Division of Veterans Services <i>LBB page 5-107</i>	<i>Col. David Brasuell, Administrator</i>
10:20-10:40am	Office of Drug Policy <i>LBB page 6-65</i>	<i>Elisha Figueroa, Director</i>

**Senate Reconvenes: 11:30 am**

**House Reconvenes: 11:00 am**

# JFAC COMMITTEE MEETING MINUTES

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1/17/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:18 a.m. with Chairman Bell presiding.

## **Roll Call:**

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

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

Absent/Excused: Eskridge

Staff present: Ellsworth

Chairman Bell opened the meeting and announced that copies of the Legislative Audit Report issued in May 2012 were distributed to each member. All future reports will be provided to each member of Committee.

## **DEPARTMENT OF HEALTH AND WELFARE**

### **Indirect Support Services.**

**Presenter: David Taylor, Deputy Director**

- ❖ 2014 recommendation by category and fund source - \$38.2M
  - Operating, \$15.0M, 39.4%
  - Personnel, \$22.3M, 58.5%
  - Capital, \$0.8M, 2.1%
  - Federal Funds, \$19.7M, 51.5%
  - General Funds, \$16.2M, 42.4%
  - Receipts, \$2.3M, 6.1%
- ❖ Support Services
  - Bureau of Financial Services
  - Information Technology Services Division
  - Division of Operational Services
  - Bureau of Audits & Investigations
- ❖ "Improving State Operations"
  - The National Association of State Chief Information Officers (NASCIO)
    - "Women, Infants and Children's Information Systems Program" (WISPr) – beat submissions from California, Georgia, Kentucky, New York, Oregon and Utah
- ❖ Governor's recommended budget

- SFY 2013 – Supplementals:
  - Medicaid Modernization and Readiness – object transfer: \$1,250,000
  - Criminal History Unit's (CHU) background check fees: \$59,600
- SFY 2014
  - One-time alteration for repair and replacement items: \$1,296,000
  - Medicaid Modernization and Readiness – Phase 3
    - One-time General Funds, \$20,000
    - One-time Federal Funds, \$180,000
  - Modified Adjusted Gross Income (MAGI): Mandatory Medicaid changes: \$1,683,200
  - Welfare Fraud Staff: \$271,500
- ❖ Efforts to prevent the waste, fraud and abuse of benefits
  - Improving avenues for public input
  - Improving detection processes
  - Improving results
- ❖ Medicaid Program Integrity Unit
  - 2012 Legislative Intent Language – HB 657
    - Quarterly reports to Department of Financial Management and Legislative Services Office on Performance
      - Reports filed
      - Compare total cost
      - Track new staff and their assessment and collections separately
      - Target General Fund savings: \$1,181,830

### **Independent Councils: Domestic Violence Council**

#### **Presenter: Luann Dettman, Executive Director**

- ❖ Mission Statement
- ❖ Operating Principles
- ❖ Guiding Principles
- ❖ 2012-2013 - 40 funded programs
- ❖ FY 2012 Statistical highlights
  - 21,41 victims served
  - 138,580 services provided
- ❖ FY 2012 victims – 21,631
- ❖ FY 2014 request by funding source
  - Federal Funds - \$3,584,700
  - Dedicated Funds - \$492,000
  - Receipts - \$40,000
  - General Funds - \$13,200
- ❖ FY 2014 request by expenditure category
  - Trustee & benefits payments - \$3,587,200
  - Personnel costs - \$271,300
  - Operating costs - \$271,400

## **Independent Councils: Developmental Disabilities Council**

**Presenter: Marilyn Sword, Executive Director**

- ❖ Information provided for the following
  - What is a developmental disability
  - Council function
  - Collaborative work group on Adult DD services
    - Multi-year effort led by Council
    - Gathering information
  - Idaho employment first consortium
    - The main objective of the Consortium is to increase the number of individuals with developmental disabilities working at integrated jobs in their community and earning a competitive wage
- ❖ Idaho Self-Advocacy Leadership Network (SALN)
- ❖ Inclusive education project
- ❖ Disability advocacy days
- ❖ Other Council projects and accomplishments
- ❖ Funding for Council
  - Federal-provides about 80-85%
  - General funds provides 15-20%
  - Other agencies or organizations providing support, \$15,000
  - Other grants applied for by the Council
- ❖ FY 2012 under-spent the appropriation
  - Appropriation - \$629,500; expenditures - \$511,963
- ❖ FY 2014 budget request- \$640,000
  - Retaining \$15,000 of spending authority for receipts from other sources for Council projects

## **OFFICE OF THE GOVERNOR – Idaho Commission on Aging**

**Presenter: Sam Haw, Administrator**

- ❖ In 1965, the federal government enacted the Older Americans Act to provide services to older adults and assist them in remaining in their homes and communities
- ❖ In 1976, Idaho passed the Idaho Senior Services Act, recognizing the need to provide older people with the basic necessities in a coordinated and readily accessible manner
- ❖ History
- ❖ Agency mission and vision
- ❖ Personnel chart – 13 FTPs and 1.35 temporary FTP
- ❖ Funding distribution to area agencies on aging
- ❖ State and Federal Community programs
- ❖ Expenditures by key category of service

- Homemaker service - \$759,600, served 1,009 clients
- Home delivered meals - \$1,644,800, served 4,231 clients
- Adult protection - \$1,275,300
- Senior Community Service Employment program service - \$617,900, served 92 clients
- Information & Assistance Service - \$540,300
- Transportation service - \$227,900
- Congregate meals - \$1,333,000, served 14,335 clients
- Case Management service – \$1,379,000, served 6,148 clients
- ❖ Measures for Adult Protection Services
  - Total investigations -1,772
  - Substantiated cases -242
  - Law enforcement referrals -170
- ❖ Ombudsman Services
  - Volunteer hours – 6,102
  - Visits – 4,572
  - Consultations – 3,560
  - Complaints – 1,745
- ❖ Partnership highlights
  - The Money Follows the Person grant assists Medicaid clients transition out of long-term care facilities to live independently in the community
  - ICOA has partnered with Medicaid, State Independent Living Council, Centers for Independent Living and the AAAs to develop an Options counseling service to assist with these transitions
  - Partnered with the Veterans Affairs Medical Center, Idaho Veterans Services, the AAAs, and others to implement a Veterans Directed Home and Community Based Services program for Idaho Veterans. This program serves eligible veterans of any age who are at risk of nursing home placement
  - ICOA and the Department of Insurance are developing a cooperative agreement whose goals are to reduce Medicare and Medicaid fraud, errors, and abuse
- ❖ FY 2014 expected funding distribution
  - Idaho Commission on Aging - \$1,500,000
  - Area Agency on Aging I - \$1,800,000
  - Area Agency on Aging II - \$1,000,000
  - Area Agency on Aging III- \$3,500,000
  - Area Agency on Aging IV - \$1,700,000
  - Area Agency on Aging V - \$1,200,000
  - Area Agency on Aging VI - \$1,200,000
  - Other contracts and services - \$1,217,600

## **PUBLIC HEALTH DISTRICTS**

**Presenter: Tom Faulkner, Commissioner, Chairman for Gooding County and Trustee of the South Central Public Health District**

- ❖ Introductory comments for the Public Health Trust Fund
  - The Public Health District may change significantly with the Patient Protection and Affordable Care Act in January 2014
  - Increased health prevention strategies, in collaboration with Accountable Care Organizations
    - Tobacco use, sexually transmitted disease, reproductive health, obesity, diabetes, and cancers of all types
    - Reduce the need for chronic disease management
- ❖ Reviewed the distribution formula

**Presenter: Rene LeBlanc, Director, South Central District Health**

- ❖ Audits for the Public Health District's FY 2011 are completed
- ❖ Role performed to keep communities healthy and protected from public health emergencies.
- ❖ Recognized not as a state agency or department
  - Work cooperatively with, but independently from the Department of Health and Welfare as well as the Department of Environmental Quality
  - Public Health Districts are on the front lines of public health
  - Execute services at the local level
  - Conduct programs that are shown to effectively make communities healthier
    - Tobacco cessation programs
    - Pregnancy-related home visitation programs like Nurse Family Partnership
    - Track, investigate and stop diseases and other public health threats
  - Conduct programs that are shown to effectively make communities healthier
  - Track, investigate and stop diseases and other public health threats
  - Inform the public about health problems in the community and how to stay safe through the Network of Care, and through Community Health Assessments
  - Prepare for and respond to emergencies and disasters that endanger the public's health
  - Mobilize community partners to work together to address local health challenges
  - Link people who need health care with services like (WIC)and diabetes management/screening
  - Enforce laws and regulations that keep people safe – like water and sewer treatment – permitting and isolation/quarantine
- ❖ Public Health Districts are charged with providing services, with core function in the areas of
  - Public health education and physical health administration
- ❖ Core functions expansion
  - Epidemiology and Communicable Disease Control

- Public Health Preparedness
- ❖ Highlight of a few key areas
  - Food safety
  - Public health preparedness
  - Chronic disease prevention
- ❖ Network of Care (NOC)
  - Program integrates best practices nationally for primary prevention
- ❖ Funding for the Public Health Districts
  - 17% comes from the General Fund
  - 16% comes from the 44 counties
  - 47% comes from contracts & the Millennium Fund
  - 20% comes from fees/donations
- ❖ Public Health Districts had a 17.1% reduction in appropriation from the General Fund over the last 10 years.
- ❖ FY 2014 Governor's recommend budget - \$8,236,500

### **SELF GOVERNING AGENCIES - Idaho Division of Veterans Services**

**Presenter: Colonel David Brasuell, Division Administrator**

- ❖ Vision: Caring for America's heroes
- ❖ Organizational chart
- ❖ Helping veterans with education
  - 9/11 GI Bill has expanded education benefits
  - Increased responsibilities for education program
  - Implementation of Senate Bill 1299, Licensing & Certification
- ❖ Veterans Benefit Assistance
  - 138,000 Idaho veterans
  - \$661 million of veterans benefits into Idaho last fiscal year
  - \$72 million through division offices
- ❖ Almost 60% of veterans do not understand their benefits
- ❖ Reaching out to Idaho veterans
  - New service offices in northern Idaho helping veterans in Veterans' Court
  - Coordinating efforts with other state and federal agencies to help veterans find jobs
- ❖ Idaho State Veterans Homes
  - Provide superior long-term care and enhance quality of life for Idaho veterans
- ❖ Idaho State Veterans Cemetery
  - 3,980 interments
  - Expansion project
- ❖ General Energy conservation
- ❖ Face many challenges
- ❖ FY 2013 appropriation – Legislative Intent
  - Cause of ongoing excess revenues

- Fiscal discipline and budget restraint
- No control over reimbursement rates
- VA per diem payments
- Maximize the use of existing fund balance
  - Establish Veterans Endowment Fund
  - New construction
  - Modify/renovate existing Veterans Homes to meet changing expectations
  - Fund new projects/programs identified by gap analysis/statewide needs assessment
  - Fund DPW projects in FY 14 & FY 15
- Reduce excess cash annual growth
  - First priority - workforce
- ❖ Repair/replacement capital outlay equipment - \$283,700 federal funds; \$317,300 misc. receipts
- ❖ Additional staffing by 6 FTP - \$211, 900 misc. receipts
- ❖ Operating/capital outlay - \$178,300 federal funds; \$678,700 misc. receipts
- ❖ Agency-funded DPW projects - \$300,000, federal funds; \$2,635,000 misc. receipts
- ❖ Suicide Hotline - \$110,000 misc. receipts
- ❖ Veterans designation on drivers' licenses - \$50,000 misc. receipts

## **OFFICE OF THE GOVERNOR: Office of Drug Policy**

**Presenter: Elisha Figueroa, Director**

- ❖ Work of the Office of Drug Policy and its partners is vital to the health and safety of Idahoans
- ❖ New and dangerous drugs are constantly being reformulated to skirt laws
  - Illicit drugs sold to youth
  - Prescription drug abuse
- ❖ Increase collaboration and partnerships
- ❖ Office structure
- ❖ Current appropriation for personnel and operations - \$289,000
- ❖ Idaho Code – Office of Drug Policy is responsible for the coordination of policy and programs related to substance abuse
- ❖ Goal 1: Increase collaboration and partnerships with counties, cities, and local enforcement
- ❖ Goal 2: Research, store, and exchange prevention and policy information
- ❖ Goal 3: Educate and inform stakeholders regarding substance abuse policy issues
  - Coordination of policy and programs
  - Researching plans, agreement and policies related to drug control
  - Serving as a repository and facilitator of information
  - Creating and commenting on drug policy
  - Developing statewide plans

- ❖ Goal 4: Increase collaboration and partnerships with counties, cities, and local law enforcement
  - Workgroups made up of stakeholders around the state who participate via the Idaho Education Network
  - To ensure that efforts are not duplicated, resources are maximized, and prevention is promoted through clear, consistent messages
- ❖ Partners in prevention
- ❖ Underage drinking – The problem
  - The number one substance abuse issue that continues to plague Idaho is underage drinking
- ❖ Underage drinking – The plan
  - Reduce accessibility of alcohol to minors
  - Increase the perception of risks associated with underage drinking
- ❖ Marijuana – The problem and plan
  - Discussions of marijuana legalization are increasingly in the news
    - Objective 1 – reduce the accessibility
    - Objective 2 - Increase the perception of risks associated with marijuana use
- ❖ Prescription drug abuse
  - 1.5 Idaho high school students, 6 in 30
  - Idaho ranks in the top 10 states with the highest rates of nonmedical use of prescription pain relievers
  - Increase registration for and use of robust PMP
  - Increase Prescriber Ed
  - Identify gaps in current data
  - Assist prosecutors and law enforcement in their efforts against Rx abuse
    - Implement an educational campaign regarding the dangers of Rx medications as well as the proper storage and safe disposal of these drugs
- ❖ Prevention transformation and the future
  - Allow for more local control, including the recruitment and training of regional grant review boards to make funding recommendations
- ❖ Governor's budget recommendation
  - FY 2013 appropriation - \$1,076,400
  - Allumbaugh House transfer to DHW – (\$787,400)
  - General Fund - \$288,200
  - Dedicated fund - \$6,200
  - Federal Prevention Grant - \$1,813,000
  - FY 2014 recommendation - \$2,107,400

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Friday, January 18, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>HEALTH &amp; HUMAN SERVICES</b>		
8:00 - 8:30 am	Division of Vocational Rehabilitation LBB 1-119	<i>Don Alveshere</i> <i>Administrator</i>
8:30 - 9:00 am	Commission for the Blind & Visually Impaired LBB 6-59	<i>Angela Jones</i> <i>Administrator</i>
9:00 - 9:20 am	State Independent Living Council LBB 2-91	<i>Robbi Barrutia</i> <i>Executive Director</i>
9:20 - 9:30 am	<i>Break</i>	
9:30 - 10:00 am	Commission on Hispanic Affairs LBB 5-67	<i>Margie Gonzalez</i> <i>Executive Director</i>

**Senate Reconvenes: 11:30 am**  
**House Reconvenes: 8:00 am**

# JFAC COMMITTEE MEETING MINUTES

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1/18/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:52 a.m. with Chairman Cameron 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: None

Staff present: Tatro

Others present: Trina Ayres, Administrative Services Manager, Commission for the Blind and Visually Impaired

**STATE BOARD OF EDUCATION: Division of Vocational Rehabilitation (VR)**

**Presenter: Don Alveshere, Administrator**

- ❖ Three continuing programs
  - Vocational Rehabilitation
  - Extended Employment Services (EES)
  - Council for the Deaf and Hard of Hearing
- ❖ Vocational Rehabilitation
  - Mission: "Preparing individuals with disabilities for employment and community enrichment"
  - Accomplishments
    - Passed federal performance standards and indicators
    - Implemented WorkStrides program for IDVR customers
    - Completion of Motivational Interviewing training by all field staff
    - Submitted updated agency policy manual for legislative approval for FY 2014
    - Federal FY 2010 – IDVR ranked 4<sup>th</sup> out of 52 state and territory vocational rehabilitation agencies
    - In 2012, VR customers increased their average weekly wages by 408% from \$78.39/week to \$398.42/week (surveyed 1,800 people)
- ❖ Extended Employment Services
  - Accomplishments

- Increased the number of community supported employment placements
  - 615 customers in competitive wage positions in FY 2012 compared to 546 last year, a 12% increase
  - 444 customers in facility-based work compared to 480 last year
- Service delivery changes
  - Transitioned to customer-centered service delivery model
    - Money follows the person emphasis
    - Provides options for customers and flexibility for providers
    - Same expenditure per state region – more individuals served
- Waiting List
  - Remains a significant barrier to employment
    - All new applicants wait-listed
    - 400 individuals awaiting service
    - 100% of trustee and benefit funds already allocated to current customers
- ❖ Council for Deaf and Hard of Hearing (CDHH)
  - Purpose: to create an environment in which 150,000 deaf and hard of hearing Idahoans of all ages have an equal opportunity to participate fully as active, responsible, productive, and independent citizens
  - Accomplishments
    - Established a task force to evaluate mental health services for deaf and hard of hearing population
    - Assisted in the establishment of the deaf/blind equipment distribution program funded through the FCC
    - Established Sound Beginnings newborn hearing screening program
    - Instrumental in passing legislation for educational interpreter qualifications
    - Established seven equipment demonstration and loan centers throughout the state to assist those with hearing loss to choose appropriate technology
    - Coordinated the installation of three first free public access videophones in Idaho for those using sign language
    - Created Idaho Directory of Sign Language/Oral Interpreters
- ❖ Program Elimination – State Renal Program
  - Elimination based on an Office of Performance Evaluations audit
  - Program phase-out to be completed by June, 2013
- ❖ Alternative Funding Sources
  - Cooperative Agreements
    - Non-general funds used to match federal grant money
    - \$574,000 in cooperative agreements leveraged to create \$2,695,000
    - Amounts to 15% of total program
    - Agreements assist IDVR make up the gap from state funding to capture more of available federal grant money
  - Funding risk of cooperative agreements

- Current Agreements
  - School-to-Work Consortium
  - Department of Labor
  - Department of Correction
  - Department of Juvenile Corrections
  - Department of Health and Welfare
  - Idaho School for the Deaf and Blind (IESDB)
- Agreement funds used to meet match requirements
  - Match is 21.3% of total program
  - Each \$1 loss in match is a \$3.69 loss in federal funds
  - Percent of change from 2008 to 2012
  - Received targeted funding for audit & collections
  - Pressures to redistribute new funding to balance workload in support functions to maintain expansion
  - Transfers and the Governor recommended redistribution of funding from Audit & Collections into General Services and Property Tax
  - Requested transfers and the Governor recommended redistribution of funding from Audit & Collections into General Services and Property Tax
  - Negative funding variance with current FTP
- Social Security reimbursements
  - FY 2012 total Social Security Administration reimbursements equaled \$500,000
  - IDVR receives reimbursements of case costs for customers who were SSI/SSDI beneficiaries while working with Vocational Rehabilitation
  - VR services result in customers employment, eliminating the need for Social Security benefits
  - Amount of reimbursements may vary from year to year
  - Reimbursement funds cannot be used to match federal grant moneys
  - Risk to funding
    - No fiscal impact from sequestration is anticipated
    - Total FY 2012 Grant is for \$15,390,000
    - Potential cut from sequestration is \$1,200,000
    - Amount returned to federal program was \$1,557,000
    - Returned FY 2011 grant for \$2,117,000
- Audit Findings (six) – All findings have been addressed
  - Federal financial reports
  - Contract payments from ARRA
  - Maintenance of effort
  - Procurement policies
  - Indirect costs
  - Eligibility
- ❖ IDVR workforce
  - Permanent employees: (benefitted) 142

- Temporary employee(s): (non-benefitted) 1
- Retained positions not currently filled: 9
- ❖ Staff retention
  - Hiring and retention of qualified personnel continues to be a major agency concern
    - Program requires specific master's level counseling degree and experience
    - Small applicant pool
    - Low wages compared with other state agencies requiring similar level of skill
    - Low wages when compared with other states' VR programs
- ❖ Budget request
  - MCO budget plus \$16,500 (ongoing from General Fund for CDHH)
    - \$15,000 in operating expenditures
    - \$1,500 for personnel costs
    - To be used for additional interpreting services
  - Replacement items
    - 25 desktop computers with monitors
    - 10 laptops with docking stations
    - 50 flat panel monitors

**OFFICE OF THE GOVERNOR: Commission for the Blind and Visually Impaired**

**Presenter: Angela Jones, Administrator**

- ❖ Description of Commission (ICBVI) and goal
  - Five-member board appointed by Governor
  - Goal is to provide direct service training to eligible blind and visually impaired so they can become employed and contribute independently to their own well being
  - Definition of "legally blind" and statistics
    - 20/200 best corrected
    - 79% of the blind have some useful vision
    - 19% have very little vision
    - 2.0% have total vision loss
    - 82% of legally blind cannot be recognized as being blind (11% use a cane and 7% use a guide dog)
  - Administration
    - Main office is located in Boise and 5 regional offices
    - Administer five grants
      - Vocational Rehabilitation
      - Independent Living
      - Independent Living Older Blind
      - Community Supported Employment
      - In-Service Training Grant

- Budget request for FY 2014
  - General Funds                 \$1,282,800
  - Dedicated Funds             \$ 373,900
  - Federal Funds                 \$2,853,200

❖ Programs

- Vocational Blind Rehabilitation
  - Assists people with visual impairments/blindness to establish and reach vocational goals by providing specialized blind training, guidance, assessments, counseling and assistive technology
  - Also provides training for current or potential employers
  - Number of clients continues to increase due to the increase in diabetes (which is the leading cause of blindness for those under age 55)
  - 506 people served in this program in 2012
  - In 2012 the cost per rehabilitation of a VR client in Idaho was \$3,863 (50% less than the national average)
- Summer Work Experience Program
  - Five-week program providing employment experience to transition age students ages 14 to 21
  - Areas served
    - 27% of students were from north Idaho
    - 55% were from the Treasure Valley
    - 18% were from eastern Idaho
- Independent Living/Older Blind Program
  - Teachers specialize in blind skills training and go into individuals' homes to teach skills
  - Program trains family members about blindness
  - 17 volunteer peer support groups in Idaho
  - Seniors acquire skills that delay the need for assisted living or nursing home care, saving \$36,000 to \$60,000 per person per year
  - 17% increase in people using this program in five years (due to Macular Degeneration – a leading cause of blindness for people over age 55)
- Assessment and Training Center
  - Intense course of classes where students learn Braille, computer skills, travel skills, home maintenance, cooking, job readiness, social skills and woodworking
  - Learn other activities related to confidence, employment and independent living goals
  - Full-time students live in the ICBVI dorm rooms to train for above-listed skills
    - In class seven hours a day, five days a week
    - Length of training is three to nine months
  - Student enrollment numbers have increased 44% since 2008

❖ Budget recommendations

- FY 2013 supplemental
  - \$21,200, one-time request, for federal funds spending authority
  - \$289,400, ongoing Title 1 federal funds
  - \$2,200, ongoing increase, and 0.12 FTP to fully support the sale of adaptive aids and appliances that are sold by the agency
- FY 2014
  - \$100,000 spending authority to utilize a portion of the \$600,000 charitable donation received during FY 2011
    - \$35,000 for operating expenditures
    - \$65,000 for trustee and benefits
- ❖ Agency updates
  - ICBVI single audit in 2010-11 had one finding that has been cleared
  - ICBVI has signed a five-year lease at \$2.35 per square foot with the Commission on Aging
  - The annual RSA 722 Report on Client Appeals for ICBVI has been zero for the last six years
  - In a survey of 103 Independent Living Program clients age 55 and older, the majority of respondents scored ICBVI 5 out of 5 regarding services received/available
  - ICBVI used salary savings from an open position due to retirement to fund one-time temporary increases for staff based on performance
- ❖ Employee compensation is a critical component in the budget

## **STATE INDEPENDENT LIVING COUNCIL (SILC)**

**Presenter: Robbi Barrutia, Executive Director**

- ❖ Mission: to promote the independent living philosophy for all Idahoans with disabilities: choice, self-determination, and access for all
- ❖ According to Federal Rehabilitation Act SILC is independent –not an entity within any state agency
- ❖ SILC Funding
  - Federal Workforce Investment Act
    - Passed through IDVR
      - The Title VII-B grant requires a 10% non-federal in-kind or cash match
      - IDVR also provides Title 1 grant funds requiring a 21.3% non-federal cash match
  - Grant
    - Medicaid Infrastructure Grant (MIG)
    - Money Follows the Person
    - Aging and Disability Resource Center
  - Contract
    - Partnership with the Idaho Coalition Against Sexual and Domestic Violence for an Office on Violence Against Women (OVW) grant
  - State General Funds appropriated by the Legislature

- ❖ SILC Board and Membership
  - Individuals (22) are appointed by the Governor
  - Appointed for a 3-year term
  - Board members represent a broad range of disabilities, must be knowledgeable about Centers for Independent Living (CIL) and Independent Living services
    - Voting Members
      - 51% of Board must be made up of people with disabilities
      - Parents of children, or adults with disabilities
      - Advocates for people with disabilities
      - Center for Independent Living representatives
      - Service providers for people with disabilities
      - Business representatives
    - Non-voting members
      - Idaho Division of Vocational Rehabilitation
      - Idaho Commission for the Blind and Visually Impaired
      - Department of Health and Welfare
      - Department of Education – Division of Special Education
      - Idaho Commission on Aging
- ❖ SILC Responsibilities
  - Develops, signs and submits the State Plan for Independent Living (SPIL) in cooperation with IDVR and ICBVI
  - Monitors, reviews, and evaluates the implementation of the State Plan for Independent Living
  - Supports the Centers for Independent Living (CILS) and advocates for Independent Living Services
  - Gathers information, conducts studies and analyses, develops model policies, conducts training on the Independent Living philosophy, and outreach to un-served or underserved populations
  - Carries out demonstrations to expand and improve Independent Living services and activities to improve the current disability service system
- ❖ SILC Accomplishments
  - Protects parents with disabilities from discrimination in child custody court cases
  - Idaho Building Code Advisory Act
  - Voter accessibility
  - Accessible parking and new transportation options
  - Adding disability as a protected class within the Human Rights Act
  - Medicaid for workers with disabilities
- ❖ Medicaid Infrastructure Grant (MIG)
  - Coordinates information about eligibility for the Medicaid for Workers with Disabilities (Medicaid Buy-In) and other incentives to work
  - Educates providers, businesses, the public and Idahoans with disabilities about eligibility and other incentives to work
  - Partnered with Idaho Parents Unlimited to establish the VSA Arts Creative Arts Center

- Creation of the ABLE to Work website (effective January of 2013)
- Funded the Work Incentives Planning and Assistance (WIPA) position with DRI
- Needs assessment with Boise State University
- University of Idaho Youth in Transition Project
- All Seasons Mental Health Transition Project
- MIG Grant - \$750,000 HHS through Centers for Medicaid and Medicare Services (2011 – third year \$750,000 continuation funding)
- 2012 - \$250,000 supplemental funding
- MIG provided \$200,000 in funding to implement a new bus service with Valley Regional Transit that began in June of 2011, Route 55. Route has since expanded to Flex Routes 57 and 58 and Route 73 providing transportation options for western Treasure Valley residents
- ❖ Staff of four
  - Full time Director
  - Full time MIG Director
  - Half time Management Assistant
  - Half time OVW Project Manager
  - Full time Financial Specialist
- ❖ FY 2014 Governor's budget recommendation
  - General Fund                   \$ 98,000
  - Dedicated Fund               \$247,300
  - Federal Fund                   \$371,400

## **SELF-GOVERNING AGENCIES: Commission on Hispanic Affairs**

**Presenter: Margie Gonzalez, Executive Director**

- ❖ Overview of Agency
  - Commission established in 1987
  - Core functions
    - Advising the Governor, Legislature and Executive Departments and Agencies on matters of State affecting Idaho's Hispanic population
    - Serve as a liaison between the community and government entities to improve quality of life for Idaho's Hispanic population
  - Governance
    - One office located in Boise
    - Staff: Executive Director, Prevention Specialist, Administrative Assistant
    - Board of nine people – five appointed by the Governor and four from the Legislature
- ❖ Commission statistics
  - Hispanics are the largest minority group in Idaho representing 11.1% of the total population in 2011
    - From 2000 to 2010 the Hispanic population increased by more than 74,000 or 73% growth

- 45% of Idaho's Hispanics were 19 years of age or younger in 2010
- Districts 3 and 5 have the highest concentration of Hispanics
- Idaho counties with most Hispanics as of 2012:
  - Canyon County 46,200
  - Bingham County 8,088
  - Jerome County 7,260
  - Cassia County 5,843
  - Gooding County 4,348
- Idaho's K-12 Hispanic student population has grown from 26,966 students in 2003 to 45,805 in 2011-12
- School districts with highest percentage of Hispanic students
  - Wilder 78.46%
  - Caldwell 57.54%
  - Aberdeen 56.40%
  - Murtaugh Joint 54.47%
  - Clark County 51.12%
  - Wendell 46.84%
- Hispanic population growth poses key challenges
  - Education
  - Health and Human Services
  - Business and Economic/Workforce
  - Public Policy
- ❖ Priorities
  - Top priority: to improve educational outcomes for Hispanics and close the current academic achievement gap
  - Collecting and disseminating demographic/statistical data on Hispanics through special studies to guide and inform educators, policymakers, and other parties interested in promoting equity and improving achievement. Data collection is focused on:
    - Education
    - Health and Human Services
    - Business and Economic/Workforce Development
    - Public Policy
- ❖ Special Studies
  - Hispanic Health Disparities in Idaho
  - Community Impacts of Idaho's Dairy Industry
  - Hispanic Buying Power 2011
  - Idaho-at-a-Glance Series
  - The Hispanic Profile to be released in February 2013
- ❖ Accomplishments
  - Partnership with the Department of Education to eliminate academic performance gaps between Hispanics and Non-Hispanics and reduce dropout rates

- Most recent National Report Card comparing student achievement across the country shows Idaho's Hispanic students are making more progress in vocabulary than students in any other state
- Decreasing Dropout Rates
  - In 2009-10, 1.72% of Hispanics dropped out of secondary schools down from 8.2% in 2000-01 and 12.7% in 1993-94. Educational gains are slowly being made
  - Record enrollment of Hispanics in Higher Education
    - Commission has sought to expand access to financial aid
    - Community outreach
    - Idaho college with highest Hispanic graduation was the University of Idaho (40%), followed by Lewis-Clark State College (27%), Boise State University (17%), and Idaho State University (12%)
- ❖ FY budget
  - FY 2013 supplemental requesting ongoing increase of \$10,000 to the Miscellaneous Revenue Fund to accommodate contributions received in excess of previous expectations for community activities
  - FY 2014
    - Requesting \$78,600 for the continuation of one FTP for a substance abuse prevention specialist position (previously approved by the Legislature on a one-time basis). Funding has come from tobacco tax dollars appropriated to the Department of Education and transferred to the Commission.
    - Requesting \$10,000 ongoing for programs on Hispanic health
    - Requesting \$3,800 ongoing from all fund sources to cover increased IT service costs provided by the Department of Administration
    - Budget by decision unit per Governor's recommendation
      - 3.00 FTP
      - General Funds     \$ 96,600
      - Dedicated Funds   \$ 98,700
      - Federal Funds     \$ 40,900

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Monday, January 21, 2013

*MARTIN LUTHER KING JR. HOLIDAY*

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>EDUCATION WEEK</b>		
8:00am - 8:20am	State Board of Education LBB 1-39	<i>President Ken Edmunds</i>
8:20am - 9:20am	Idaho State University LBB 1-49	<i>President Arthur Vailas</i>
<i>9:20am - 9:30am</i>	<i>Break</i>	
9:30am - 10:30am	Boise State University LBB 1-49	<i>President Robert Kustra</i>

**Senate Reconvenes: 11:30 am**

**House Reconvenes: 11:00 am**

# JFAC COMMITTEE MEETING MINUTES

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1/21/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:30 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:

Staff present: Headlee

## **IDAHO STATE BOARD OF EDUCATION**

**Presenter: Ken Edmunds, President**

- ❖ Identified State Board members
- ❖ Mission
  - Policy, leadership and advocacy
- ❖ Idaho Public Education System – 2011-2012 Academic Year
  - Public K-12 schools: number of students, 280,765
  - Higher education
    - Academic undergraduate – 72,156
    - Graduate – 15,779
    - Professional Technical – 7,808
    - Workforce – 6,304
- ❖ Idaho's education pipeline
  - 92% High School graduation rate
  - 46% "go on" rate
  - 34% postsecondary graduation rate
- ❖ Goal of 60% of Idaho's citizens aged 25-34 will have at least one-year postsecondary credential
- ❖ 35% of Idahoans age 25 to 34 who have an Associate's Degree or higher
- ❖ Rates of unemployment in Idaho decline with more education
- ❖ Wage premium for getting a college degree has grown in the last thirty years because of rising demand for college-level skills
- ❖ Complete College Idaho
  - Strengthen the pipeline
  - Transform remediation

- Structure for success
- Reward progress and completion
- Leverage partnerships
- ❖ State scholarships
  - Statewide committee of stakeholders
    - Recommendation: Consolidate and Streamline
- ❖ Statewide Longitudinal Data System (SLDS)
- ❖ Class of 2005 postsecondary enrollment and progress through 2012
- ❖ Performance measures FY 2012
  - Dual credits, 54,404 - 9,651 students
  - General Fund/weighted, student FTE, 2,482
  - Returning freshmen, 62.3%
  - Graduation rate, 34.0%
  - Instructional cost/credit hour, \$222
- ❖ Performance based funding initiative goal, \$6.8 million
- ❖ Idaho Global Entrepreneurial Mission (GEM) - Higher Education Research Council (HERC)
  - Developed process
  - Awarded funding
  - Established evaluation
- ❖ FY 2013 IGEM HERC grants
  - University of Idaho - \$640,200 – Cyber-security cluster project
  - Idaho State University - \$670,700 – Development of accelerator-produced isotopes
  - Boise State University - \$700,000 – Computer Science Department expansion and restructuring
- ❖ Task Force for Improving Education

## **Idaho State University**

**Presenter: Dr. Arthur Vailas, President**

- ❖ Serving Idaho (provided the following information on background)
  - Educates more than 14,000 students each year in the areas of energy health professions, engineering, performing and visual arts, technology, biological sciences, pharmacy and business
  - Earnings from ISU alumni living and working in Idaho contribute \$873 million annually to the state economy
  - Locations in Pocatello, Meridian, Idaho Falls and Twin Falls
- ❖ Serving Idaho – Community support
  - Community planning
  - Bannock Development Corporation
  - Core
  - National laboratories
  - Grow Idaho Falls
  - Twin Falls Read and Feed

- “Communiversities”
  - More than 2,000 students, faculty, staff and community members
  - Events held in spring and fall
- ❖ Expanding research
  - Important aspect for economic growth
  - Energy and the environment
- ❖ Industry partnerships and technology transfer
- ❖ Improving health care – unique diversity (provided list of projects shown below)
  - 12 University clinics – charitable services result in an annual \$12.6 million economic impact
  - Clinics in audiology, family medicine, counseling, dentistry, dental hygiene, occupational therapy, physical therapy, psychology, speech and language and wellness
  - Only Physician Assistant program in Idaho
  - Clinical and Translational research
- ❖ Outpatient Clinics
- ❖ Excellence in health care
  - \$500,000 grant from the Alsam Foundation will support a laboratory and enhance College of Pharmacy research in Meridian
  - Anatomy and Physiology Cadaver Laboratory
- ❖ Making education relevant: Real-World experience
  - Career path: Internships: \$1.4M
  - Survey: 91% of students felt program will enhance future employment opportunities
- ❖ Total credit hours generated
- ❖ Investing in students: Early college
  - Building confidences in students
  - Educational access
  - Improving access
    - New faculty members required to have online experience
    - Support system for online education
    - Collaboration with Idaho Educational Network
    - 230 online courses in Fall 2012, many with multiple sections
- ❖ Degrees awarded – 2,279
- ❖ Fiscal Year 2013 budget
  - State appropriated: \$132,379,726, 38.4%
  - Other student fees: \$24,954,791, 7.2%
  - Federal grants/contracts: \$118,614,710, 34.4%
  - State grants/contracts: \$11,786,781, 3.4%
  - Private grants/contracts: \$18,948,455, 5.5%
  - Sales & services of Ed. Act: \$5,478,282, 1.6%
  - Sales & Services Aux Ext: \$23,003,482, 6.7%
  - Indirect cost recovery: \$4,921,127, 1.4%
  - Other: \$4,460,138, 1.3%
- ❖ Investing in Idahoans – Human Resources

- Faculty: 844
- Staff: 1,491
- Student: 1,556
  - Total: 3,891
- ❖ Reduction of debt - \$4.8M
- ❖ Net asset balances
  - Unrestricted Net Assets; \$70,446,471
    - Total obligated: \$29,901,213
    - Total designated: \$24,269,082
  - Net unrestricted assets: \$16,276,176
- ❖ Operating performance: \$12.7M increase in operating revenue
- ❖ Deferred maintenance 5 year projections: \$352,172,015
- ❖ 2014 funding requests
  - Treasure Valley Anatomy Lab: \$1,957,300
  - Current year Enrollment Workload Adjustment: \$1,791,700
  - Funding equity: \$2,903,000
  - Complete College Idaho (Systemwide): \$2,000,000
  - Performance based funding initiative (Systemwide): \$6,800,000
  - Occupancy costs: \$562,000
  - Higher Education Research Council (HERC) /Experimental Program to Stimulate Competitive Research (ESPSCoR): \$400,000

## **Boise State University**

### **Presenter: Robert Kustra, President**

- ❖ Introduced staff
- ❖ Exceptional faculty, staff and student body poised to reach the next level of achievement
- ❖ Having the College of Western address associate degrees and professional-technical education, allows the University to focus on:
  - Producing undergraduate and graduate degree holders
  - Gaining distinction as a doctoral research university
  - Fueling the economy through research and collaborations with business & industry
- ❖ Stretching beyond regional roots and extending its influence to a national and international level
  - Charter member of the National Academy of Inventors
  - Professor Greg Hampikian named a Charter Fellow
- ❖ FY 2013 General Fund appropriation - \$74,104,600
  - 5,340,373 total building footage
  - \$21,830,883 in research expenditures
  - 16 patents issued/25 invention disclosures
  - 19 license agreements with business entities using their intellectual property
  - Provided a list of degree and online students

- 3,441 total graduates
- ❖ Student profile – FY 2013
  - 45% with 3.5 GPA or higher
  - 85% straight from high school
  - 7% international
  - 19% under-represented
  - 95% attending full-time
- ❖ FY 2013 all funds budget total: \$412,895,200
  - General Funds: \$74,104,600, 18%
  - Student fees: \$76,318,400, 18%
  - Federal grants and contracts: \$125,100,100, 30%
  - Other student fees: \$31,242,000, 8%
  - Sales & service aux. ent.: \$53,138,700, 13%
  - Private gifts, grants & contracts: \$24,613,799, 6%
  - State grants & contracts: \$2,502,700, 1%
  - Indirect costs: \$5,430,900, 1%
  - Other: \$20,444,100, 5%
- ❖ Idaho Global Entrepreneurial Mission (IGEM)
  - Department of Labor computer science and technology job openings represent one of the largest employment gaps in Idaho and industry has made it clear they need talent in this area
  - State funding of \$700,000 for the Governor's IGEM initiative combined with Boise State funding from internal reallocations being used to expand and restructure the Computer Science Department to meet the economic needs of Idaho
  - Hiring additional faculty to address course backlogs and produce more graduates
  - Integrating industry into programs by creating an Industry advisory Board, plus increasing student interaction with industry through team projects and proposals
  - Restructuring curriculum and creating a tutoring center to enhance student success and retention
  - Developing career counseling services for computer science and field trips to local software companies to introduce K-12 students to the field
  - Collaborating with Angel Alliance to evaluate startups for funding
  - Increasing external funding for computer science research
- ❖ FY 2014 budget requests
  - Nondiscretionary – Enrollment Workload Adjustment (EWA) formula: \$3,634,600
    - Boise State share: minus \$88,000
  - Funding equity: \$9,494,000
    - Boise State funding equity request: \$4,960,800
  - Complete College Idaho-System wide: \$2,000,000
  - Performance based funding initiative – system wide: \$6,800,000
  - Occupancy costs: \$2,580,000
    - Boise State Occupancy cost: \$1,650,000

- Strategic initiative: Boise State biomedical research request: \$1,197,200
- Higher Education Research Council (HERC)/Experimental Program to Stimulate Competitive Research (EPSCoR) increases – System wide: \$400,000
- ❖ Funding Equity and Enrollment Workload Adjustment (EWA)
  - The (EWA) is calculated annually by the State Board of education (SBOE) (3-year rolling average of growth in credit hours weighted by discipline and course lever). EWA is intended to provide funding annually to pay for enrollment growth at the four-year college/universities while taking into account the cost differences by program
  - The recession and reduced state budgets impacted the annual funding of EWA, creating an inequity in funding per student by college/university
  - In 2012 the Legislature's Office of Performance Evaluation conducted a review of funding equity and reported that the State Board of Education(SBOE) should determine a definition of equity and work with policymakers to achieve equity under the new definition
  - SBOE worked this past year to develop an acceptable tolerance range for funding disparity among institutions. They also settled on an amount lower than the total unfunded EWA in hopes of making funding a reality and lessening the disparity among institutions as soon as possible.
  - FY 2013 unfunded total for Boise State University: \$10,311,500
    - SBOE revised calculation for equity funding for BSU: \$4,960,811
  - Double whammy for Boise State University with a minus \$88,000
  - The SBOE request for funding equity is the only mechanism in place to fund previous year's growth before current year's growth
  - Current year's EWA request would be a negative amount to BSU for FY14
    - When the College of Western Idaho (CWI) opened, BSU experienced an immediate reduction of nearly 1,200 undergraduate students whose programs were moved to CWI
    - In FY11, graduate student enrollment fell when fewer teachers enrolled in summer graduate courses due to changes in bonus and promotion structure
  - CWI's existence has also changed the student composition at Boise State, the numbers of juniors and seniors are increasing while freshman and sophomore enrollments are decreasing
  - This shift is expected and good for the future, but creates an even greater need for permanent funding to support full-time faculty who are teaching at the upper division level
  - Productivity
    - 47% increase since 2006 in degree-holders produced
    - 8% increase in faculty appointments over the same time period
    - Increased teaching loads to meet the demand and serve students

- Have reached a point where they will be pressed to accommodate growth without additional resources, especially as more students taking upper division coursework
- ❖ Economic benefits of a Postsecondary Degree vs. State Support
  - Median income for Idaho bachelor's degree holder: \$43,934 (67% higher than a high school diploma)
  - Median income for graduate/professional degree holder: \$60,457
  - Employment declines during recession:
    - High School diploma: 13%
    - AA degree: 9%
    - BA degree: 4%

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Tuesday, January 22, 2013**

**EDUCATION WEEK**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am - 9:00am	Lewis-Clark State College LBB 1-49	<i>President J. Anthony Fernandez</i>
9:00am - 9:40am	College of Western Idaho LBB 1-63	<i>President Bert Glandon</i>
<i>9:40am - 9:50am</i>	<i>Break</i>	
9:50am - 10:30am	College of Southern Idaho LBB 1-63	<i>President Jerry Beck</i>
10:30am- 11:10am	North Idaho College LBB 1-63	<i>President Joe Dunlap</i>

**Senate Reconvenes: 11:30am**

**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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1/22/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:43 a.m. with Chairman Cameron 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: None

Staff present: Headlee

## **STATE BOARD OF EDUCATION: College and Universities** **Lewis-Clark State College**

**Presenter: J. Anthony Fernandez, President**

- ❖ Introductions
- ❖ Overview – Serving Idaho students since 1893
  - Serving Idaho students since 1893
  - Regional state college
- ❖ Role and Mission
  - Offer undergraduate instruction in
    - Professional areas tailored to the educational needs of Idaho
    - Applied technical programs which support the state and local economy
    - Liberal Arts and Sciences
    - Other educational programs designed to meet the needs of Idahoans
    - Connecting learning to life through:
      - Academic programs
      - Professional-Technical programs
      - Community programs
- ❖ Primary areas of emphasis
  - Arts and Sciences
  - Business
  - Justice Studies
  - Nursing
  - Professional-Technical Education
  - Social Work

- Teacher Education
- ❖ Enrollment as of Fall 2012
  - 4,525 students
  - 25% increase in headcount since Fall 2007
  - Total FTE 3,097
  - Pre-college enrollment 1,071
  - 770 Degrees/Certificates awarded last year
    - 90% placement
  - Fall 2012 student profile
    - High school GPA: 3.0
    - ACT Score 21
    - SAT Score 974
  - Outcomes
    - Business students score above the national average in all areas of the ETS Major Field Tests
    - NCLEX-RN first-time pass rate: 89%
    - Rad. Tech. pass rate: 94%
    - Teacher Praxis exams first-time pass rate: 93%
    - Social Work Licensure first-time pass rate: 88%
    - 90% placement of Natural Sciences students in graduate and professional schools over the past 4 years
- ❖ Collaboration
  - St. Joseph's Regional Medical Hospital supports:
    - Radiographic Science
    - BSN faculty position
    - Clinical partnerships
  - Kootenai Health Systems
  - North Idaho College
  - University of Idaho
  - Boise State University
  - Schweitzer Engineering Laboratories
  - Nez Perce Tribe
    - Pi'amkinwaas
    - Native American Awareness Week
    - Nez Perce language courses
- ❖ Outreach
  - Coeur d'Alene Campus
    - Enrollment: 458
    - Business Admin: 168
    - Communications: 17
    - Education: 61
    - Interdisciplinary Studies: 8
    - Justice Studies: 21
    - Nursing (BSN): 41
    - Pre-nursing: 41

- Social Work (BSW): 72
  - Professional-Technical: 20
- Coeur d'Alene Joint Facility – Capital Improvement Project
- Community Programs
  - 210 non-credit courses, reaching over 1,000 citizens
- Workforce Training
  - 507 classes
  - 3,627 students
- Small Business Development Center
  - 1,953 consulting hours
  - 283 client businesses
- Small Business Development Center
- LCSC GED: 374 graduates
- Department of Correction:
  - GED programs with Cottonwood (NICI) and Orofino (ICIO)
  - Special Education programs
  - Basic literacy classes
  - Family/Parenting education
  - Support Idaho Correctional Industries
  - *Red Shirt* program
- ❖ Budget challenges: increased enrollment and costs and decreased funding
  - Charts showing the following
    - Operating Expenses/Capital Outlay
    - General Fund
    - Permanent Positions Delayed Hiring
      - 1 position in 2009
      - 9 positions in 2013
    - Changes in Workforce from 2009 through 2013
    - Faculty salary comparison by rank
  - Legislative requests for FY 2014
    - #1 request is for employee salaries (CEC)
    - Enrollment Workload Adjustment (EWA)
    - Inflation (utilities, contracts, Library)
    - Capital Equipment Replacement
    - Complete College Idaho (CCI) initiatives
      - 16 positions
- ❖ FY 2014 Governor's budget recommendations
  - Enrollment Workload Adjustment \$589,400
  - CEC 0
  - Complete College Idaho 0
- ❖ LCSC Revenue Sources
  - State appropriation 32%
  - Student fees 29%
  - Pell and other federal grants 16%
  - Grants & Contracts 12%

- Gifts 3%
- Other 8%
- ❖ Research Grants and Contracts
  - Existing grants provide \$11,000,000 direct support for Complete College Idaho
  - Access – Educational Talent Search
  - Student Success/Retention/Completion
    - TRIO Academic Services, Albertsons Student Success Program, LC Service Corps, AmeriCorps
  - Career Ready
    - NSF Advanced Technology Education
    - CAD/CAM computers and Truck Alignment System through RBEG
- ❖ LCSC – Looking to the future
  - Sustained its service to the State of Idaho in a time of economic challenges and will continue to do so
  - Proud to be a member of the Idaho higher education system
  - Will continue to aim high, maintain growth, and serve the needs of Idahoans according to mission statement
  - LCSC is focused on professions that promote economic development

**Community Colleges**  
**College of Western Idaho (CWI)**

**Presenter: Bert Glandon, President**

- ❖ Broad range of programs
  - Lower-Division Transfer/General Education
  - Professional-Technical Education
    - 340 programs developed
  - Business Partnerships/Workforce Development
  - Adult Basic Education
- ❖ Enrollment – total headcount: 18,628
  - Credit students (Fall 2012): 9,107
    - 7,311 General Education
    - 1,796 Professional Technical
  - Non-credit students (Fall 2012):9,521
    - 2,743 Adult Basic Education
    - 6,778 Business Partnerships/Workforce Development
- ❖ CWI's Area of Impact
  - Ten county area (Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley, and Washington)
    - Portions of Elmore and Owyhee Counties served by CSI in Region 4
- ❖ Credit Student Demographic
  - Average age: 27
  - Gender: 44% male, 56% female

- 33% from Canyon County
- 57% from Ada County
- 7% out of district
- 3% from out of state
- ❖ Professional Technical Education (PTE)
  - Micron Center for PTE
    - New building with 176,000 sq. ft.
    - Nine professional/technical programs
- ❖ Public and Private Partnering Success
  - High schools
  - Community service organizations
  - Business and industry
  - Government agencies
  - Colleges
  - Economic development groups
  - Foundations and donors
  - Individuals in the community
- ❖ Community College Collaboration
- ❖ Budget Request
  - Inflationary increases
    - Benefit Costs – incr. health ins/retirement \$ 36,900
    - Library books and periodicals \$ 13,600
  - Replacement Items
    - Computers, lab equipment, etc. \$330,000
  - Employee compensation
    - From General Fund 1% per DFM guidelines \$ 39,800
  - Non-discretionary adjustments
    - Enrollment workload adj. (3-yr rolling average) \$783,500
  - Line item #7 (Ensuring Student Success) including: \$6,961,100
    - Purchase existing leased facilities, Virtual Campus, ADA compliance, tutoring & remedial services, additional faculty, campus transportation,
    - **Governor only recommended \$1,250,000**
- ❖ Virtual Campus Model
  - Traditional (classroom) 65%
  - Online (6 accredited online degrees) 29%
    - 23% increase in students taking online

**College of Southern Idaho (CSI)**

**Presenter: Dr. Jerry Beck, President**

- ❖ Introductions
  - Two members of CSI Board of Trustees: Laird Stone and Jan Mittleider
  - Other administrative staff

- ❖ Core Themes
  - Transfer Education
    - Prepare students to successfully complete baccalaureate degrees and beyond
    - Basic Skills Education
      - Prepare students to successfully complete post-secondary courses and programs
  - Professional-Technical Education
    - Prepare students to successfully participate in the regional workforce
  - Community Connections
    - Support and promote the social, cultural and economic development of the region
- ❖ Charts/Graphs
  - Enrollment and population growth since 2006
  - General Fund dollars per Higher Education academic FTE
    - Idaho Colleges and Universities: \$5,545
    - Idaho Community Colleges \$1,915
  - Annual student costs at CSI (incl. room & board)
    - \$6,730 in 2007-08
    - \$7,870 in 2012-13 (increase of 4% per year)
  - Annual Student Headcount and FTE (2007-08 through 2011-12)
- ❖ Additional Information
  - CSI serves an eight-county area
  - CSI is a leader in dual credit outreach
  - Chart showing 2012 CCSSE benchmark summary
  - Remediation rates are falling – students are better prepared
  - Foundation scholarships awarded in FY 2005 totaled \$635,635 in FY 2012 awarded \$1,124,135
  - Revenue sources in FY 2013:
    - State Appropriation 36.8%
    - Student Tuition and Fees 36.4%
    - Property Tax 16.9%
    - Misc – Fed Funds 5.2%
    - County Tuition 4.8%
- ❖ Applied Technology and Innovation Center (ATIC)
  - 41,650 sq. ft.
  - Cost: \$8,519,800
- ❖ New Programs – Workforce Training Network
  - Partnership with Sage Track Driving School
    - Classes start weekly, day or evening
    - One-on-one driver training
    - Job placement assistance
  - Industrial Maintenance Training (also known as Millwright training)
    - Industries include food processing, manufacturing and mining
  - CSI Dairy Training

- Partnership with University of Idaho Extension
- Provides successful participants with a Certificate of Completion
- 13 currently employed workers participated in a pilot Milker Certification course
- Possible future courses include Animal Welfare and Milker Training I and II
- Training Partnership with Chobani (America's leading yogurt producer)
  - CSI to be primary provider of training for new workforce in Twin Falls
  - Developing a training plan with flexibility to accommodate staff schedules and start-up activity
  - Initial training with the Chobani Leadership Team has begun
- ❖ FY 2014 funding requests
 

• Occupancy cost for ATIC building	\$ 70,100
• Nursing positions	\$191,100
• Voluntary framework of Accountability	\$115,400
• CSI STEM Initiative	\$178,100
• Idaho Falls Outreach Center	\$191,500
• Graduation Rate Improvement	\$107,200

## **North Idaho College**

**Presenter: Dr. Joe Dunlap, Ed.D, President**

- ❖ Board and Trustees
  - Ken Howard, Chair
  - Judy Meyer, Vice Chair
  - Ron Nilson, new trustee
  - Todd Banducci, new trustee
  - Christie Wood, Secretary/Treasurer
- ❖ New Leadership at NIC
  - Dr. Joe Dunlap, Ed.D, President of NIC
  - Ron Dorn, Vice President Resource Management
  - Graydon Stanley, Vice President Student Services
  - Dr. Lita Burns, Ph.D., Vice President Instruction
  - Mark Browning, Vice President Community/Governmental Relations and Marketing
- ❖ Five Missions for NIC
  - Professional-Technical Programs
  - Top Tier Academics
  - Athletics
  - Fine Arts
  - Student Community Service Projects
- ❖ Regional Impact
  - Serve five most northern Idaho counties (Benewah, Bonner, Boundary, Kootenai, and Shoshone Counties)
  - Kootenai County is within NIC's property tax district

- Three outreach centers
  - Bonners Ferry
  - Sandpoint
  - Silver Valley
- ❖ Economic Impact
  - \$164.6 million - - total annual impact on North Idaho by NIC
    - Represents 2.7% of the total regional economy
    - Represents about 4,690 average-wage jobs
    - \$1.50 return for every dollar of support allocated to NIC by state and local governments
    - 16.1% - student's average rate of return on investment in NIC
- ❖ Enrollment
  - NIC has grown 46%
  - State funding is down by 14%
  - Great opportunity for growth
    - Distance learning
    - Dual credit growing at a 50% rate since last year
- ❖ FY 2014 – Line Item request
  - Dual Credit Region 1      \$352,200      not recommended by Governor
  - Sandpoint Center      \$302,300      not recommended by Governor
  - Veterans Center      \$ 96,800      not recommended by Governor
  - One-stop Student      \$528,700      not recommended by Governor
- ❖ Requested Information
  - Changes in Workforce
    - Number of full-time faculty unchanged in 2011 and 2012
    - Number of part-time faculty reduced from 294 in 2011 to 218 in 2012
  - Funding Sources
    - State General Fund      23%
    - County Property Tax Levy      32%
    - Tuition and Fees      31%
    - State Professional-Technical      10%
    - Out of County Tuition  
(State Liquor Tax)      2%
    - Other Co. taxes/payments      1%
    - Other – misc.      1%
  - Alternative Funding Sources
    - Student debt at NIC – 5,489 receiving financial aid – awards totaled \$49,263,840
    - Avista Center for Entrepreneurship
    - Aerospace Center of Excellence in Aviation
      - Maintenance and Advanced Manufacturing \$2,976,663
    - Programmatic Structure Changes
      - Physical Therapist Assistant
      - Pharmaceutical Manufacturing

- Welding (not a new program) expanded in number of students with I-Best and in Plummer (no new funds)
- Process Structure Changes
  - Financial Aid procedure changes
    - Dispersal to student spread over semester
    - Financial Literacy course completion required
    - Drop for non-payment
    - Drop for non-attendance
- ❖ Summary
  - NIC is Idaho's oldest community college
  - Large geographic service area – one county support through property tax levy (Kootenai)
  - Traditional enrollment following national trends
  - Dual credit is growing
  - PTE capacity does not meet industry demands/needs
  - Great level of collaboration between NIC, CSI, CWI
  - Out-of-district tuition funding formula needs addressed (unchanged since 1982) NIC working with Association of Counties

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Wednesday, January 23, 2013**

**EDUCATION WEEK**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-9:00am	University of Idaho LBB page 1-49	<i>President Duane Nellis</i>
9:00am-9:30am	Agricultural Research & Extension Service LBB page 1-41	<i>Dean John Foltz</i>
9:30am-9:45am	<i>Break</i>	
9:45am-10:30am	Office of the State Board of Education: Health Education Programs LBB page 1-79	<i>Dr. Mike Rush</i> <i>OSBE Executive Director</i>
	WWAMI Medical Education LBB page 1-84, Line Item 1	<i>Mary Barinaga, MD and</i> <i>Andrew Turner, PhD</i> <i>WWAMI Medical Ed Program</i>
	Family Medicine Residencies LBB page 1-84, Line Item 2	<i>Ted Epperly, MD</i> <i>Family Med Residency of Idaho</i>
	Boise Internal Medicine LBB page 1-84, Line Item 3	<i>William Woodhouse, MD</i> <i>ISU Family Med Residency</i>
	Boise Internal Medicine LBB page 1-84, Line Item 3	<i>Scott Smith, MD</i> <i>Boise Internal Medicine</i>
	Psychiatry Residency LBB page 1-84, Line Item 4	<i>Jeralyn Jones, MD</i> <i>UW Psych Residency</i>
10:30am-10:45am	Office of the State Board of Education: Special Programs LBB page 1-103	<i>Dr. Mike Rush</i> <i>OSBE Executive Director</i>
	Idaho Small Business Development Center	<i>Katie Sewell</i> <i>ISBDC State Director</i>

**Senate Reconvenes: 11:30 am**

**House Reconvenes: 11:00 am**

# JFAC COMMITTEE MEETING MINUTES

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1/23/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:48 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: None

Staff present: Headlee

## **IDAHO STATE BOARD OF EDUCATION - University of Idaho**

### **Presenter: M. Duane Nellis, President**

- ❖ Introduced staff members
- ❖ History of the founding of the Land Grant University
- ❖ Successful graduates
- ❖ Reviewed off campus facilities and extension offices
- ❖ College of Business and Economics
  - Integrated business curriculum
  - Barker Bulls and Bears Trading room
  - Vandal Innovation and Enterprise Works (VIEW)
- ❖ College of Engineering
  - Capstone Design Program
  - Computer Security/Idaho Global Entrepreneurial Mission (IGEM)
  - Mars Rover – Curiosity
- ❖ College of Education
  - National recognition – top 100
  - Doceo Center for Innovation + Learning in partnership with Albertson Foundation
- ❖ College of Letters, Arts and Social Sciences
  - School of Journalism and Mass Media
  - Lionel Hampton School of Music
  - McClure Center for Public Policy Research
- ❖ College of Science
  - Enhancing Science, Technology, Energy and Math (STEM) education
  - Initiative for Bioinformatics and Evolutionary Studies (IBEST)
- ❖ College of Art and Architecture

- Integrated Design Lab
- Professional Architecture degree
- ❖ College of Law
  - Only public law degree in Idaho
  - State leaders in business, law and government
  - National recognition – National Jurist
  - Idaho Law Learning Center
- ❖ College of Natural Resources
  - Only college of natural resources in the state
  - Forestry education and research
  - UI Rangeland Center
  - UI McCall Outdoor Science School
  - Forest Utilization Research (FUR)
- ❖ College of Agricultural and Life Sciences
  - Only agricultural college in Idaho
  - Significant research success that contributes to Idaho's economic success
  - Extension/4H programs
- ❖ Universities of Idaho – other locations
  - 1910 – Boise
  - 1900s – Coeur d'Alene
  - 1954 – Idaho Falls
- ❖ Special and Cooperative Programs
  - WWAMI – Washington, Wyoming, Alaska, Montana and Idaho
  - Idaho Geological Survey
- ❖ Research successes
  - INBRE (IDeA Network of Biomedical Research excellence)
  - REACCH (Regional Approaches to Climate Changes)
- ❖ Student successes continue to grow
  - Forbes – top 100 best buy colleges
  - Princeton Review – top colleges
  - Washington Monthly – 65<sup>th</sup> in the nation
- ❖ Change in Employee Compensation (CEC)
- ❖ Enrollment Workload Adjustment (EWA)
- ❖ Occupancy costs
- ❖ Program enhancements

## **Agricultural Research and Extension**

**Presenter: Dean John Foltz**

- ❖ Significant part of the land-grant mission
- ❖ Agricultural Research & Extension Service (ARES) appropriation
  - Provides infrastructure and expertise – allowing them to partner
- ❖ Statewide presence
  - 11 facilities statewide

- UI extension office: 42 of 44 counties
- ❖ Workforce development: Tufts University study
  - 4-H members two times as likely to attend college as peers
  - 4-H members two times as likely to pursue science education and careers in science
  - 4-H members one-half as likely to use drugs
- ❖ Zebra Chip
  - Detected late summer of 2011 in Magic Valley
  - Caused by bacteria
    - Transmitted by potato psyllid
  - Rapid response
  - Collaboration with ISD, IPC, USDA-ARS, WSU, OSU
  - Potatoes – Idaho’s largest crop
    - Worth \$978 million in 2012
- ❖ Wheat- worth \$786 million in 2012
  - 43% of all Idaho wheat is soft white winter variety
  - With Idaho Wheat Commission & LimaGrain, 15- person UI R&E wheat team develops adapted, high-yielding and nutritious varieties
- ❖ Partnerships
- ❖ Agricultural Research and Extension Service FY budget: \$23,604,100 total
  - Salaries: \$15,148,578
  - Fringe benefits: \$5,973,550
  - Operating Expense: \$1,709,400
  - Capital outlay: \$475,000
  - IH: \$297,572
- ❖ Governor’s recommendation
  - Operating expense: \$650,000
  - Capital outlay: \$350,000
  - Occupancy costs: \$13,600
  - Employee benefit costs: \$130,000

## **Office of the State Board of Education – Health Education Programs**

**Presenter: Dr. Mike Rush, Director**

- ❖ In addition to educational institutions and public schools, the State Board of Education is responsible for special educational programs as follows:
  - WWAMI (Washington, Wyoming, Alaska, Montana, Idaho)
  - Family Medicine Residencies
  - Boise Internal Medicine
  - Psychiatry Residency
- ❖ Four additional programs
  - University of Utah Medical Education Program (8 seats)
  - Washington-Idaho Veterinary Education (Caldwell)
  - Idaho’s two Family Residency programs
    - Located in Boise and Pocatello

- Idaho Psychiatry Residency Program

### **WWAMI Medical Education**

**Presenter: Mary Barinaga, MD and Andrew Turner, PhD**

- ❖ Five additional WWAMI students per year through the new TRUST Program in FY14
  - General Fund commitment: \$112,600
  - Dedicated revenues (tuition): \$112,600
  - Future requests – 5 Targeted Rural and Under-Served Tract (TRUST) students each year, over the next 3 years; 25 students per class; 100 total Idaho students in WWAMI by FY17
- ❖ Idaho physician workforce data – per 100k population, Idaho currently ranks:
  - 48<sup>th</sup> in nation for primary care physicians
  - 49<sup>th</sup> in nation for total physicians
  - 49<sup>th</sup> in nation for medical students
- ❖ 23.3% of Idaho physicians over age 60 (2010)
- ❖ Workforce – progress – Idaho WWAMI
  - Medical licensing exam pass rate: 100% (national – 93%)
  - Rate of return: 50% (national 41%)
  - Return on investment: 73% (all WWAMI graduates practicing in Idaho)
  - Graduates selection primary care specialties: 45%
- ❖ Medical specialties of Idaho WWAMI graduates years for 1976-2012: 609
- ❖ Medical Education Committee recommendations January 2009
  - Increase WWAMI students from 20 to 40 per year
  - Encourage admissions committee to select students likely to practice in primary care and rural Idaho
  - Ensure students get rural training experiences during medical school
- ❖ WWAMI program site map
- ❖ Targeted Rural Under—Served Tract (TRUST) program: structured, rural workforce training program
  - Selects Idaho students with rural background or interest
  - Matches one student with one rural/under-served community
  - 4 years of integrated classroom and rural clinical training experiences
  - Prepares them for residencies in primary care or rural practice
  - Recruits and retains them in Idaho rural and underserved communities
  - 5 additional TRUST students; \$225,000 FY14 request

### **Family Medicine Residencies**

**Presenter: Ted Epperly, MD, Program Director and CEO**

- ❖ FY13 request
  - 7% increase for both programs which would be \$136,800 combined for the two family medicine programs
- ❖ Family Medicine Residency Programs
  - Boise, Caldwell and Magic Valley
  - Idaho State University, Rexburg
  - Coeur d'Alene
- ❖ Definitions
  - Medical students –Medical Schools
  - Residents – Residency Programs
- ❖ Family physicians and health care
  - Breadth
    - ContinuityHigh quality health outcomes
    - Cost effectiveness
    - PCMH (certification)
- ❖ A mission of education, service, recruitment, and retention to the state of Idaho
- ❖ Physician shortage and mal-distribution
  - Idaho remains a largely rural and frontier state
    - Last in US primary care physicians-to-population ratio
    - 49<sup>th</sup> in physicians: population ratio
    - Aging family physician workforce
- ❖ Recruitment ROI of 57 years of residency training
  - 188 family physicians trained and settled in Idaho
  - Each family physician cares for on average 1,800 patients and 4,000 office visits
  - The two family medicine residencies have elevated Idaho to 8<sup>th</sup> in the nation for retention
  - Both programs have retention rates of over 50%
- ❖ Recruitment and funding
  - Over \$20 million federal research and training dollars over the last decade
  - State funding request of 7% increase to assist with cost of increase in size at the Governor's request
  - Currently state support:
    - \$35,000/ISU resident
    - \$22,500/FMRI resident
  - Increase would bring it to:
    - \$37,000/ISU resident
    - \$24,075/FMRI resident
- ❖ Education health professions clinic
  - Family medicine residents, medical students, pre-med students, pharmacy students, dental residents, nursing students, nurse practitioner students, PT/OT students, nutritionists, health educators (masters), IT personnel/degree, lab technicians, business administration, medical assistants, and physician assistant students

- ❖ FMRI 55,000 clinic visits/year – ISU FMRI 18,000 visits/year
- ❖ Service and funding
  - FMRI is a community health center, teaching health center, and patient centered medical program
  - ISU Family Medicine Residencies and Health West have linked as a Community Health Center

### **Dr. William Woodhouse, Associate Director Idaho State University Family Medicine Residency**

- ❖ Professor at Idaho State University
- ❖ Supported the program

### **Dr. Hiatt, Twin Falls, Idaho**

- ❖ Residency program excels in Idaho
- ❖ Brings jobs to Idaho and supports rural areas
- ❖ Long term when trained in Idaho and will stay longer

### **Boise Internal Medicine**

**Presenter: Scott Smith, MD, Program Director, University of Washington; Boise Internal Medicine**

- ❖ Idaho needs more doctors
- ❖ Residencies are important, but in Idaho they are scarce and endangered resource
- ❖ Rural rotations during residency, double the number selecting primary care
- ❖ The VA has no other mechanism to pay for rural rotations
- ❖ Program has been hurt by lack of state funding
- ❖ Why Idaho needs more doctors
  - Idaho ranks 49<sup>th</sup> in MDs/100,000 patients
  - Idaho ranks 50<sup>th</sup> in primary care MDs/100,000
  - Idaho has the 6<sup>th</sup> oldest MD workforce
  - Idaho's population is growing at 170% of the national average
- ❖ Residencies produce more in-statewide physicians and do it quicker than medical schools (3 years vs. 7 years)
  - Average GME retention in-state is 48%
  - Idaho ranks 49<sup>th</sup> in residency slots/100,000 patients
- ❖ Rural training rotations are important
  - Odds of choosing primary care career by variables
- ❖ Why Idaho is vulnerable
  - Have been a track in UW since 1977

- Became a new (second) residency in the UW Department of Internal Medicine in 2011
- Their match last year was the worst in 35 years
- “Limitation to outside rotations” was one of the top three reasons that prospective applicants decided not to come to their program
- ❖ High quality clinic experience
  - Community-based training month
  - VA centers of excellence in primary care education
- ❖ Request for FY 2014 (recurring): \$240,000

### **Psychiatry Residency**

**Presenter: Jeralyn Jones, MD, Program Director**

- ❖ Psychiatrists are MDs who treat mental illness
  - Medical school 4 years
  - Psychiatry residency 4 years
- ❖ Every county qualifies as a mental health shortage area
- ❖ Depression is the number one cause of disability in the US
  - 2012 more veterans died from suicide than combat
- ❖ Extending their reach
  - Psychiatrists
  - Family medicine physicians
  - Rural communities
  - Recognize and treat mental illness
- ❖ FY2013 funding: \$111,400
- ❖ FY 2014 line item request \$10,000 for a total of \$121,400 annually

### **Office of the State Board of Education**

**Presenter: Dr. Mike Rush, Executive Director**

- ❖ Idaho Small Business Development Center is under Special Programs of the State Board of Education. Kate Sewell will present the budget hearing

### **Idaho Small Business Development Center**

**Presenter: Katie Sewell, State Director**

- ❖ Budget: \$247,000
- ❖ Mission: To enhance the success of small businesses in Idaho by providing high-quality consulting and training, leveraging the resources of colleges and universities
- ❖ Small business
  - 84% businesses with 20 employees
  - Create 60 – 70% of net new jobs
- ❖ Network

- Boise State University – Boise and Nampa
- North Idaho College – Post Falls
- Lewis-Clark State College – Lewiston
- College of Southern Idaho – Twin Falls
- Idaho State University – Pocatello and Idaho Falls
- University of Idaho – Legal Clinic
- ❖ Key Services
  - Consulting/coaching
    - Individualized
    - Confidential, no-cost
    - Assess root cause
    - Make recommendations
    - Teach new skills
    - Long-term, in-depth assistance
    - 10 hours/clients
    - 1,600 clients per year
  - Training – 300 trainings/year
- ❖ Specials emphasis
  - New to export
  - Technology-based businesses
  - Environmental regulatory assistance; confidentiality
- ❖ Specials emphasis
- ❖ Regional Directors
- ❖ Average yearly business starts = 72
- ❖ Jobs created/saved = 1,000
  - Capital raised - \$19 million
- ❖ Sales growth
  - Idaho small business for 2012: 4%
  - Idaho SBDC client for 2012: 11%
- ❖ Increased state tax revenue: \$2.2 million
- ❖ Increased federal tax revenue: \$1.8 million

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Thursday, January 24, 2013

**EDUCATION WEEK**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am - 8:30am	State Board of Education: Superintendent of Public Instruction LBB page 1-111	<i>Superintendent Tom Luna</i>
8:30am - 9:30am	Public Schools Presentation LBB page 1-3	<i>Superintendent Tom Luna</i>
<i>9:30am - 9:45am</i>	<i>Break</i>	
9:45am - 10:45am	Public Schools Questions & Answers	<i>Superintendent Tom Luna</i>

**Senate Reconvenes: 10:45 am**

**House Reconvenes: 11:00 am**

# JFAC COMMITTEE MEETING MINUTES

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1/24/13

The hearing was held in Room C310, Statehouse, commencing at 8:05 a.m. and concluding at 10:35 a.m. with Chairman Cameron presiding.

## **Roll Call:**

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

Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Barron (for Miller), Youngblood, Ringo, King

Absent/Excused: None

Staff present: Headlee

Others Present: Louie Konkol, Chief Financial Officer and Nick Smith, Chief Deputy Superintendent, State Department of Education

## **STATE BOARD OF EDUCATION: State Department of Education**

**Presenter: Tom Luna, Superintendent of Public Instruction**

- ❖ FY 2014 budget request of \$35,756,400 and 1 FTE
  - Includes a 1% CEC
  - \$180,000 one-time money for new phone system
  - One FTE and ongoing funding for an Indian Education Coordinator
  - \$4.5 million one-time spending authority to finish Albertson Foundation \$21 million grant to support the third-year development of an instructional management system plus 7 FTE
- ❖ Statewide longitudinal data system known as the Idaho System for Educational Excellence (ISEE) which is a streamlined data collection process
  - System operational for three years
  - All data collection goes through one system
  - Information is uploaded at one time once a month
  - Constantly improving the system and quality of data
  - System uses multiple measures of student achievement
    - Academic growth
    - Graduation rates
    - Student scores on college entrance exams
    - Number of students who take advanced courses

- Can use more accurate data to produce the state Fiscal Report Card which provides additional information, such as
  - How much does my district spend each year?
  - What percentage is spent on administration?
  - What is the average teacher pay in a certain district?
  - How does this compare to other districts in Idaho?
- Software can use different variables to display bubble charts

## **Superintendent of Public Instruction**

**Presenter: Tom Luna, Superintendent**

- ❖ Idaho has good schools
  - 60% of schools made AYP last year
  - 58% of schools are Four-Star or above
  - 8 states outperform Idaho in reading
  - 11 states outperform Idaho in math
  - Goal: 60% of Idahoans earn a post-secondary degree or certificate by 2020
- ❖ Repeal of Students Come First laws in November, 2012 requires some changes to the FY 2013 budget and to the proposed FY 2014 budget
- ❖ FY 2013 budget was \$1,272,430,700 (4.6 % increase in General Funds)
  - Included a 5% increase in total compensation for teachers
  - Included \$13.6 million for classroom technology and professional development
  - \$4.85 million to hire additional math and science teachers
  - \$842,000 dual credit for high school students
  - \$4 million to unfreeze education credits
  - \$24.6 million use-it-or-lose-it flexibility
  - \$16.2 million Albertson Foundation matching funds
  - Adjustments to FY 2013 budget is required due to repealed laws
    - Changes (“fixes”) can be made by germane committees presenting legislation which the Legislature then votes on
    - If above “fixes” occur, JFAC will not have to reopen the FY 2013 Public Schools budget
- ❖ Revised FY 2014 budget request (due to repealed laws)
  - 3% increase in General Funds
  - Includes \$5.8 million for growth
  - Funding to implement increased high school graduation requirements
    - High school juniors must take a college entrance exam
    - Next Idaho SAT testing is April 17, 2013
    - Requesting \$740,000 to improve achievement assessments
      - \$140,000 to administer PSAT to all Idaho sophomores
      - \$600,000 to administer Science End-of-Course (EOC) assessments in biology and chemistry
  - \$4.85 million in ongoing funding for math and science teachers

- Funding for Idaho Math Initiative, Idaho Reading Initiative, and ISAT remediation
  - 76% of 3<sup>rd</sup> graders are reading at grade level
  - 85% of teachers have taken the Mathematical Thinking for Instruction (MTI) course
  - 33,000 students using Think Through Math (web-based program) and solved 8.9 million complex math problems last year
  - Goal this school year is to solve 10 million math problems. (As of January 15, 2013, 5.5 million had been solved)
- Five-Star Rating System (new accountability system that replaces No Child Left Behind) which measures the following:
  - Proficiency
  - Academic growth
  - Graduation rates
  - Advanced opportunities
  - College entrance exams
  - Requesting \$1.1 million in additional funds to provide technical assistance to One- and Two-Star Schools not currently receiving Title I funding
- Requesting \$300,000 for implementation of Administrator Evaluations to train and educate administrators on the new Principal Evaluation Standards and how to effectively evaluate teachers in the classroom

#### **New items in revised FY 2014 budget request**

- \$250,000 to fund dual credits for high school students
- \$10.4 million to provide funding for districts to purchase and implement technology in the classroom
  - Idaho Education Network (IEN)
    - 1,800 students took a course via IEN
    - 941 students took a virtual field trip
    - 7 consortia created to share courses
- \$2.5 million for district IT staffing
- Instructional Management System known as Schoolnet (the second phase of Idaho System for Educational Excellence (ISEE)
  - \$21 million grant from J. A. and Kathryn Albertson Foundation
  - \$4.9 million to continue commitment to Schoolnet
  - \$3.2 million for professional development to school administrators and teachers
- \$3.7 million for Idaho Core Standards Professional Development (raise academic standards in core subject areas of mathematics and English language arts)
- \$150,000 for Safe Schools Task Force
- \$10 million for School Facilities and Maintenance
- \$4.5 million (1.5% increase) in discretionary funds for school districts
- Compensation for Teachers – 1.67% increase in base salaries

- Recommend increasing minimum annual salary by \$500 to \$31,000
  - Address differentiated compensation for teachers
- ❖ Most important consideration: will Idaho's children be prepared to prosper as adults?

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Friday, January 25, 2013

**EDUCATION WEEK**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-9:00am	Office of the State Board of Education LBB page 1-73	<i>Dr. Mike Rush, Executive Director OSBE</i>
9:00am-9:30am	Professional-Technical Education LBB page 1-87	<i>Todd Schwarz, State Administrator Professional-Technical Education</i>
9:30am-9:45am	Break	
9:45am-10:15am	Idaho Public Television LBB page 1-95	<i>Peter Morrill, General Manager IPTV</i>
10:15am-10:30am	Report on Deferred Maintenance	<i>Paul Headlee, Principal Analyst Budget &amp; Policy Analysis</i>

**Senate Reconvenes: 11:30am**

**House Reconvenes: 8:00am**

# JFAC COMMITTEE MEETING MINUTES

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1/25/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:55 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, Barron (for Miller), Youngblood, Ringo, King

Absent/Excused: None

Staff present: Headlee, Tatro

## **IDAHO STATE BOARD OF EDUCATION**

### **Office of the State Board of Education**

**Presenter: Dr. Mike Rush, Executive Director**

- ❖ Idaho Constitution Art. IX, Sec. 2
  - The general supervision of the state educational institutions and public school system of the state of Idaho
- ❖ Organization chart
- ❖ Staff to the Board
  - Governance, oversight coordination, policy-oriented agendas, strategic planning and Performance data
- ❖ Impact of education on income
- ❖ Goal of 60% of Idaho's citizens aged 25-34 will have at least a 1-year postsecondary credential by 2020
- ❖ Complete College Idaho
  - Strengthen the pipeline
  - Transform remediation
  - Structure for success
  - Reward progress and completion
  - Leverage partnerships
- ❖ Performance-based funding: \$3.4 million
  - 60% degrees awarded
  - 40% cost per weighted credit and cost per headcount
- ❖ FY 2014 budget request
  - Maintenance items
    - Benefit costs: \$18,800

- Replacement items: \$10,400
  - Reduction in overhead fees: (\$13,100)
- ❖ FY 2014 line item for director of institutional research
  - Data quality and analytics
  - \$107,000 (PC & OE)
- ❖ Data driven decisions
  - National student clearinghouse
  - Multi-state data exchange (WICHE)
  - FY 2012 U.S. Department of Education statewide longitudinal data system (SLDS) grant
  - P-20 Workforce statewide longitudinal data system development
  - High school feedback reports
  - Data Management Council oversight
  - Accountability Committee
- ❖ Class of 2005 postsecondary enrollment and progress
- ❖ OSBE staff; size and cost comparison
  - Doing more with less: 21.08 staff serving 102,047 students
  - Average staff size for similar state governing boards: 43
- ❖ FY 2014 line item: Federal grant: Statewide longitudinal data system expansion
  - Link educational data to workforce outcomes
  - \$1,000,000
  - 2-year spending authority
- ❖ FY 2014 line item: Transfer Scholarship Program Manager FTP
  - Move 1 FTP from OSBE budget to Scholarships & Grants Program budget
- ❖ FY 2014 line item: Governor's recommendation
  - Transfer funds for WICHE membership dues from Health Education Programs budget to OSBE budget: \$131,000
- ❖ FY 2014 line item:
  - Scholarship Program Manager
  - Transfer 1 FTP from the Board office to Special Programs
  - \$58,100 in ongoing General Funds
- ❖ Reasons for scholarship review
  - Effective use of state scholarship funds
  - Efficiency in administration
  - Board's 60% goal
  - Office of Performance Evaluations' report
- ❖ FY 2014 line: GEAR UP federal spending authority: \$405,600
- ❖ Self-funded tenant improvements: Board Office space
- ❖ Requested and received \$125,000 in one-time spending authority
- ❖ Remodels

## **Division of Professional and Technical Education**

### **Presenter: Dr. Todd Schwartz, PhD, Administrator**

- ❖ Real skills, real career, real world
- ❖ Governance and mission
- ❖ State Board Goals
  - A well-educated citizenry
  - Critical thinking and innovation
  - Effective and efficient delivery
- ❖ Leadership, advocacy and technical assistance
- ❖ Secondary programs
  - 611 programs in comprehensive high schools
  - 94 high-end programs in 12 Professional-Technical Schools
  - Transition rate: PTE, 64%
  - Overall Idaho: 49
  - Hands-on applied learning
  - Workplace readiness and leadership skills
- ❖ Postsecondary programs
  - 8,830 students in 165 certificate and degree programs
  - Workforce Training Network
    - Apprenticeship
    - Custom training
    - Workforce training
    - 42,119 students
  - College of Western Idaho: Micron Center for Professional & Technical Education
  - College of Southern Idaho: Applied Technology and Innovation Center
- ❖ Related programs and services
  - Certified Public Manager Program
  - HealthMatters (Idaho Wellness Program)
  - Emergency Services Training
  - Guidance support for counselors
  - Teacher preparation, development, and certification
  - Idaho STAR Motorcycle Safety program
  - Collaboration: ABE Bridge programs
    - Student success intervention projects
    - Bridge ABE skill levels to postsecondary success
- ❖ FY 2013 appropriation: \$58,074,200
  - General Funds, \$48,249,600; Other funds, \$1,166,500; Federal funds, \$8,648,100
- ❖ FY 2014 critical needs
  - Agency IT infrastructure: \$43,700
  - Postsecondary replacement OE and instructional equipment: \$136,400
  - Nondiscretionary adjustment-growth: \$472,500
  - Lump sum authority for postsecondary program
  - Carryover authority

## Idaho Public Television

**Presenter: Peter W, Morrill, General Manager**

- ❖ Mission-educate, inform and inspire
- ❖ Program structure
  - Statewide delivery system
    - Equipment infrastructure
    - Only statewide broadcast system
    - Partners with the Homeland Security for digital delivery systems across the state
    - Delivery of governmental services
  - Education content
    - National programming
    - Local program creation
    - Online and mobile resources
    - Community outreach and fundraising
- ❖ Content and services
  - Most viewed PBS station
  - Critical success factor
  - Award winning services
  - Exceed peers
- ❖ Broadcast vs. online
  - Video viewing is still mostly on television
    - Broadcast television: 34.8 hours per week
    - Online: .9 hours per week
- ❖ Partnerships
  - Idaho Universities – student training and on-air courses
  - K-12 overnight programming
  - Grade school resources for teachers
- ❖ National & local productions
- ❖ Idaho in session
  - Partnership with Legislative Services and Department of Administration
  - Video streaming
    - Supreme Court
    - Capitol of Light
- ❖ Highly complex delivery system
  - 5 transmitters
  - 47 repeaters
  - Studio in each region
- ❖ Efficient delivery and operations
- ❖ Regular maintenance challenges- damaged equipment, aging computer system
- ❖ Governor's budget recommendation: 2.6% increase
  - Phone/voicemail system: \$80,000

- Digital program data storage: \$100,000
- Utility vehicle: \$32,400
- ❖ Alternative funding sources
  - Cannot air commercials
  - Cannot charge cable and satellite for programming
  - Federal competitive equipment programs defunded
- ❖ Areas of risk
  - Capital replacement, repairs and maintenance
  - Normal equipment replacement
  - Complete digital transition
  - Removal of analog equipment

## **Report on Deferred Maintenance Information Paper for Colleges and Universities**

**Presenter: Paul Headlee, Principal, Budget & Policy Analysis**

### **Deferred Maintenance Information Paper**

**Provided by the Budget & Policy Analysis Division of the Legislative Services Office  
January 25, 2013**

#### *Summary*

This information paper was requested by the Co-Chairs of the Joint Finance-Appropriations Committee in June of 2012 to provide information on deferred maintenance at Boise State University (BSU), Idaho State University (ISU), the University of Idaho (UI) and Lewis-Clark State College (LCSC). The Co-Chairs also requested that our office review revenue options that could address those maintenance needs.

To address this request, we asked the four institutions to define and quantify their deferred maintenance. Collectively, the institutions report a range of \$674 million to \$764 million in deferred maintenance needs; however, each institution defines and calculates “deferred” maintenance differently, making comparisons among the institutions difficult. Despite these differences, each institution’s annual maintenance and repair needs greatly exceed available funding from state or institution resources.

To better assess immediate maintenance needs based on a standardized process, we reviewed the institutions’ annual requests for alterations and repair (A&R) projects made to the Permanent Building Fund via the Division of Public Works. The four institutions have requested \$53.6 million in fiscal year 2014 for 143 maintenance projects that include such things as roof replacements and landscape improvements, life-safety concerns, and complete building renovations. Historically, each of the three universities has received \$2.5 million to \$3 million per year from the Permanent Building Fund and LCSC has received about \$500,000 to \$600,000 per year.

Our office also reviewed the revenue generated from facility fees that are charged to students by each institution. We learned that most of that annual revenue is used for debt payment on bonds or notes issued by the individual institutions, with smaller amounts used for facility maintenance. Current institution principal debt on bonds and notes totaled nearly \$470 million and ranged from \$6.1 million at LCSC to \$237 million at BSU. To put this debt into perspective, we reviewed other major debt sources within the state and found that there is additional statewide debt that totals \$1.78 billion. This debt is monitored by the Credit Rating Enhancement Committee.

## The Number, Size, and Age of Facilities Varies by Institution

To begin our research, our office requested that all four institutions of higher education (BSU, ISU, UI, and LCSC) submit information on the number, size, and age of their facilities. This information varies by institution as shown in Table 1. For instance, the facilities on BSU's campus average 37 years old and are comparatively younger than those at LCSC, which average 56 years old.

**Table 1. Facility Information at Idaho's Four-Year Institutions of Higher Education**

<b>Institution</b>	<b>Initial Founding</b>	<b>Number of Facilities<sup>a</sup></b>	<b>Approximate Square Feet</b>	<b>Average Facility Age</b>	<b>Oldest Facility</b>	<b>Newest Facility</b>
BSU	1932	185	5.1 million	37	1914	2012
ISU	1901	87	4.5 million	44	1916	2009
UI <sup>b</sup>	1889	228	4.1 million	42	1901	2012
LCSC	1893	44	.75 million	56	1883	2009

<sup>a</sup> Only includes facilities that are considered owned, not leased. Each institution defines a facility differently; BSU for example considers each softball field dugout as a separate facility.

<sup>b</sup> Only includes facilities on the main University of Idaho campus.

## Deferred Maintenance Defined Differently at Each Institution

We also requested that the institutions describe how they defined and quantified their deferred maintenance. Collectively, the institutions reported a range of \$674 million to \$764 million in deferred maintenance needs. However, we found that each institution defined and quantified deferred maintenance differently, making comparisons difficult. For example, ISU defined deferred maintenance to include projected maintenance needs up to 10 years into the future. Boise State and UI hired consultants to assist with determining maintenance needs, while ISU and LCSC used in-house resources. Below are deferred maintenance descriptions based on responses submitted by the institutions.

**BSU:** Boise State University commissioned an outside consultant to conduct a facilities condition assessment. The university used this assessment to prioritize campus maintenance, repair, and replacement schedules, and to develop funding requests to the Permanent Building Fund Advisory Council. The study encompassed all campus facilities, including academic, auxiliary space, parking lots, sidewalks, water mains, fuel

tanks, etc. The assessment identified categories of deferred maintenance problems including life-safety, beyond useful life, building code, fire safety, accessibility, reliability and a few others.<sup>1</sup> The university has listed its total maintenance related needs at \$147.9 million as determined by the assessment and the majority of those needs were categorized as beyond useful life.

**ISU:** Idaho State University defined its deferred maintenance as work required now and in the next ten years to keep the buildings and grounds in serviceable condition. The costs of analyzing systems and discovering deficiencies specific to life-safety, building systems, various studies, and needs due to past changes in building use were identified. Remediation of those deficiencies was not included. The university has indicated its total maintenance needs over the next 10 years at \$352.2 million, of which \$24 million is indicated as needed within one year.

**UI:** The University of Idaho uses various metrics to monitor its maintenance needs, including the best practice standard of annually spending 1.5% of the current replacement value of the facility. The university uses their in-house staff and outside consultants to identify the most important maintenance needs and has compiled a list of over 200 projects. The university staff indicated total maintenance costs to be nearly \$150 million, which includes \$14.1 million for immediate priorities. However, the consulting firm hired by UI concluded that the university would need \$240 million for comprehensive maintenance needs.

**LCSC:** Lewis-Clark State College identifies the most pressing maintenance needs and then estimates costs for those specific projects. The college relies on the state's Division of Public Works specialists and commercial contractors to help develop project cost estimates and identify urgent repairs. The college does not have an in-house architecture and engineering staff, nor have they hired outside consultants to provide support for deferred maintenance efforts. The college reports its total maintenance needs at \$24.3 million, but indicates the current list of high priority projects exceeds the funding levels likely to be available from state funds.

## **The Institutions' Requests for Permanent Building Fund Alteration & Repair Moneys Exceed \$53 Million for FY 2014**

To better assess immediate maintenance needs based on a standardized process, we reviewed the institutions' past three years of funding requests to the Permanent Building Fund Advisory Council (PBFAC) for alteration and repair (A&R) project funds. Idaho Code and PBFAC policy allows A&R moneys to be used for the construction, enhancement, improvement, modification, or maintenance of state facilities that are needed to improve life-safety, enhance programs, and maintain the useful life of the facility.<sup>2</sup> The fund receives the majority of its revenue from lottery distributions and cigarette tax moneys, averaging approximately \$47 million per year. The vast majority of the money is utilized annually, though the fund does have a current balance of

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<sup>1</sup> Boise State University also uses a facilities condition index (FCI) to assess its buildings.

<sup>2</sup> Section 57-1108, Idaho Code, and Permanent Building Fund Advisory Council policy on the use of Permanent Building Fund moneys (11-1-07).

approximately \$4.3 million, of which \$3 million is necessary contingency for outstanding construction projects.

The FY 2014 requests for A&R moneys from the four institutions totaled \$53.65 million, as shown in Table 2. This request has grown by \$18.7 million during the past two years, which is an increase of 53%. The four institutions typically account for more than 50% of the total statewide A&R requests each year. The FY 2014 request comprises 143 maintenance projects, ranging from roof replacements and landscape improvements, to life-safety concerns and complete building renovations. Historically each of the three universities has received \$2.5 million to \$3 million per year from the Permanent Building Fund and LCSC has received about \$500,000 to \$600,000 per year. The total amounts requested for A&R moneys for the past three years highlight an increasing demand for financial support.

**Table 2. Requests to the Permanent Building Fund Advisory Council for Alterations & Repair Funds**

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
BSU	11,570,120	21,260,000	26,469,000
ISU	7,008,713	6,479,603	11,547,602
UI	14,300,000	14,018,000	14,339,900
LCSC	2,101,000	879,000	1,295,000
<b>Institution Total</b>	<b>\$34,979,833</b>	<b>\$42,636,603</b>	<b>\$53,651,502</b>
All other state agency requests	25,298,490	37,866,385	30,997,364
<b>Grant Total</b>	<b>\$60,278,323</b>	<b>\$80,502,988</b>	<b>\$84,648,866</b>

## Facility Fee Revenue Provides Minimal Relief for Maintenance Needs

We also reviewed the capacity of the institutions to address facility maintenance with revenue raised through facility fees charged to students. Table 3 shows the facility fees charged by each institution in FY 2012, the amount of revenue generated by those fees, and the percentage of the fee revenue applied directly to construction or bond debt related to construction; maintenance and repairs; other needs (such as land acquisition); or placed into reserves.

As table 3 shows, the institutions have used most of these revenues for construction or to address debt service of bonds issued by the institutions under the approval of the State Board of Education.<sup>3</sup> The debts issued by this authority are obligations of the institution and not of the State of Idaho. According to the Office of the State Board of Education, using facility fee revenue for debt service is consistent with the intent of the fees approved by the Board.

<sup>3</sup> Authority to issue bonds is provided in Chapter 38, Title 33, Idaho Code.

**Table 3. FY 2012 Facility Fee Revenue and Uses**

Institution	Facility Fee per Student	Revenue Generated	% for Construction or Bond Debt	% for Maintenance, Repairs, or Equipment	% Placed in Reserve
BSU <sup>a</sup>	\$1,010	\$16,833,300	96.4%	3.6%	
ISU	\$486	\$4,204,825	65.8%	9.3%	25%
UI	\$790.50	\$7,689,305	100%		
LCSC	\$468	\$1,134,707	97.2%	2.8%	

<sup>a</sup> Represents a three-year average (FY 2010, FY 2011, and FY 2012).

### Institutions Have \$470 Million of Principal Indebtedness

The State Board of Education has the authority to approve bonding for debt by the institutions to include “. . . buildings, structures, improvements, and equipment of every kind . . .”<sup>4</sup> As a result of this authority, principal debt at the four institutions is nearing \$470 million with payments being made each year until 2042. If the institutions do not modify their current debt, interest would add another \$328 million to the indebtedness. Table 4 shows the breakdown of institution debt and if no debt is modified, \$0.41 of every dollar will be paid on interest.

**Table 4. Bond and Note Indebtedness by Payment Type and Institution**

Maturity Year	TOTAL DEBT (\$)	Payment Type		Principal Amount by Institution			
		Principal	Interest	BSU	ISU	UI	LCSC <sup>a</sup>
2013	\$40,479,196	\$18,250,573	\$22,228,623	\$6,725,000	\$4,625,567	\$6,127,006	\$773,000
2014	43,238,703	21,862,846	21,375,857	7,040,000	4,846,638	6,340,945	3,635,263
2015	40,118,578	19,749,097	20,369,481	7,467,000	4,914,257	6,764,474	603,366
2016	40,114,377	20,622,210	19,492,167	7,889,000	5,131,488	6,983,147	618,575
2017	36,230,649	17,656,037	18,574,612	8,122,000	4,720,557	4,337,939	475,541
2018-2022	166,107,877	85,647,976	80,459,901	44,985,000	23,695,000	16,967,976	0
2023-2027	134,107,197	72,590,000	61,517,197	39,335,000	12,940,000	20,315,000	0
2028-2032	114,530,156	68,790,000	45,740,156	46,880,000	4,195,000	17,715,000	0
2033-2037	107,861,377	79,540,000	28,321,377	58,370,000	670,000	20,500,000	0
2038-2042	75,469,101	65,225,000	10,244,101	10,180,000	0	55,045,000	0
<b>TOTAL</b>	<b>\$798,257,211</b>	<b>\$469,933,739</b>	<b>\$328,323,472</b>	<b>\$236,993,000</b>	<b>\$65,738,507</b>	<b>\$161,096,487</b>	<b>\$6,105,745</b>

Source: Debt information is from the 2012 audited annual financial statements for each institution.

<sup>a</sup> Lewis-Clark State College debt is comprised solely of short-term notes.

The State Board of Education reviews each institution's debt burden ratio measured by the institution's debt service (principal and interest) as a percentage of its operating

<sup>4</sup> Section 33-3802, Idaho Code.

budget. The board has set 8% as an informal debt ceiling. The institutions' current debt burden ratios are as follows: BSU, 5.91%; ISU, 3.7%; UI, 3.84%; and LCSC, 2.06%.

## Credit Rating Enhancement Committee Monitors State Indebtedness

To put the institutions' debt into perspective, we reviewed the other major debt sources within the state. We found that statewide there is an additional \$1.78 billion of debt, or nearly four times the amount of debt issued by the four-year institutions. Idaho has four primary methods of establishing debt for its various entities. For state government facilities, the primary method of financing comes from the Idaho State Building Authority.

- **The Idaho State Building Authority (ISBA)** - Established to “provide for a fully adequate supply of governmental facilities at costs that state government can afford . . . for the purpose of constructing and operating such facilities to meet the needs of the state government, and to provide for predevelopment costs, temporary financing, land development expenses, construction and operation of governmental facilities for rental to state government.” As of October 2012, current outstanding debt totaled \$185 million (plus \$76 million in interest).

There is no statutory limit on bonding through the ISBA, except that all projects to be funded by the ISBA need legislative approval through a concurrent resolution, with projects specifically defined in the bill.<sup>5</sup> According to staff at the ISBA, the state could incur as much as \$500 million of debt without jeopardizing its bond rating.

- **Idaho State Bond Bank Authority** - Allows municipalities to apply for a loan with the state with the goal of providing funds for infrastructure needs and access to the capital markets at competitive interest rates using the state's credit rating and state funds used as additional security of repayment.
- **School Bond Guaranty** - The Idaho School Bond Guaranty Act was created for the purpose of establishing a default avoidance program for voter-approved school bonds issued by Idaho public school districts.
- **Idaho Housing & Finance Association** - Issues 70% of the bonds in Idaho, including mortgage revenue bonds, nonprofit facilities bonds, GARVEE bonds (a debt financing mechanism for highway construction projects), and economic development bonds. The Idaho Housing & Finance Association is completely self-supporting and uses no state tax dollars in its operations. As of October 2012, the current outstanding principal was approximately \$2.13 billion, which includes \$596 million in GARVEE bond debt.

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<sup>5</sup> The ISBA is not subject to the bonding limitations outlined in Article 8, Section 1 of the Idaho Constitution. Their bonds are not debts of the state; rather the state's obligation is only to pay one year of “rent” or overhead/administrative fees to the ISBA. The debt holder is the individual who buys the bonds and is the one who takes the risk.

In order to better monitor the statewide debt, credit rating entities requested that Idaho create a debt oversight committee and the Legislature responded in 2005 with the creation of the Credit Rating Enhancement Committee (CREC). The CREC oversees the aforementioned funding authorities and advises the Legislature and Governor regarding policies and actions to preserve Idaho's credit rating, and to preserve the future availability of low cost capital financing. The CREC publishes an annual report on net debt capacity. Table 5 shows the amount of principal debt authorized by the state, various municipalities, and school districts for which they are liable. However, according to the office of the State Treasurer, in relation to bonds issued through the Bond Bank Authority and the School Bond Guarantee Program, if a school district or municipality were to default on its loan, the state would temporarily pay the borrowed amount until the school district or municipality regains adequate financial stability. The state has the ability to intercept revenues that would go to the school district or municipality to recover any amounts that the state pays on behalf of the school district or municipality.

**Table 5. State of Idaho Principal Debt Obligations**

	<b>2010</b>	<b>2011</b>	<b>2012</b>
Idaho Bond Bank Authority	\$200,900,000	\$234,395,000	\$271,165,000
School Bond Guarantee	\$642,245,000	\$617,340,000	\$703,897,143
Idaho Housing & Finance Assn. (GARVEE only)	\$563,890,000	\$542,960,000	\$596,070,000
Idaho State Building Authority	\$257,680,000	\$234,542,385	\$208,665,333
<b>TOTAL</b>	<b>\$1,664,715,000</b>	<b>\$1,629,237,385</b>	<b>\$1,779,797,476</b>

Note: The outstanding State Guaranteed and State Authority/Association Debt Obligations of July 1 for 2010, 2011, and 2012. Fluctuations are normal and will occur with refinancing, issuing and refunding of debt. The state issues about \$500 million in tax anticipation notes (TAN), but the notes are paid off by the end of the fiscal year.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Monday, January 28, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-9:00am	Department of Parks and Recreation LBB page 4-47	<i>Nancy Merrill, Director IDPR</i>
9:00am-9:20am	Department of Parks and Recreation: <i>Lava Hot Springs Foundation</i> LBB page 4-57	<i>Mark Lowe, Executive Director Lava Hot Springs Foundation</i>
9:20am-9:30am	<i>Break</i>	
9:30am-10:30am	Department of Lands LBB page 4-35	<i>Tom Schultz, Director Department of Lands</i>

**Senate Reconvenes: 11:30am**

**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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1/28/13

The hearing was held in Room C310, Statehouse, commencing at 8:05 a.m. and concluding at 10:20 a.m. with Chairman Cameron presiding.

## **Roll Call:**

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

Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Barron (for Miller), Youngblood, Ringo, King

Absent/Excused: None

Staff present: Houston

Others Present: Steve Martin, Fiscal Officer, Department of Parks and Recreation; Lisa Johnson, Fiscal Officer for Department of Lands, and Anita Hamann, Division of Financial Management

## **DEPARTMENT OF PARKS AND RECREATION (IDPR)**

**Presenter: Nancy Merrill, Director**

- ❖ Mission Statement: To improve the quality of life in Idaho through outdoor recreation and resource stewardship
- ❖ Governing Board
  - Six-member board representing six Idaho districts
  - Appointed by the Governor and confirmed by the Senate
  - Board hires the Director
- ❖ State Parks
  - Manage 30 state parks encompassing 60,263 acres
  - 5.2 million park visitors
  - 1.65 million out-of-state day-users
- ❖ Recreation
  - 2,500 students instructed in boat, ATV/motorbike and snowmobile avalanche safety classes
  - 2,000 miles of trail cleared and maintained for public use
  - 5,600 miles of snowmobile trail groomed throughout Idaho
  - Administer ten unique grant programs
    - Five advisory committees consisting of 47 members
    - \$7 million funded from federal grants
- ❖ 2012 Successes
  - All 30 state parks remained open

- Volunteers contributed over 86,000 hours annually
- Customer satisfaction increased from 92% to 94%
- Overnight occupancy increased by 2.69%
- Began implementing 30 marketing and business plans (one per park)
- Revenues from all sources are up by 7.45%
- Established better communication with constituents and community leaders
- Launched new website and established brands
- Strengthened relationships with partner state agencies
- Linked IDPR online mapping portal to Idaho Dept. of Fish and Game Hunt Planner
- Total direct economic impact from Idaho's state parks is about \$103 million annually
- Passport Program launched
- ❖ Passport Program
  - Launched program in October, 2012
  - 18,400 passports sold in a 3-month period (10/1/12-12/31/12)
  - Sales totaled \$232,000
- ❖ Marketing/Business plans
  - Increased public outreach
    - New website
    - Social media
    - Special Events
      - First Time Camper Program
      - Explore Your Parks – Winter Youth Camp
  - Increased revenue – park investments
    - Lodge at Castle Rock Ranch
      - IDPR invested \$29,794 to renovate a 1912 brick house into a lodge
      - Rental of the lodge at \$150 per night has grossed \$18,978 since May
  - Registration realignment - structure change with a proposed bill that would move registration of all recreational vehicles to ITD's new GARNET registration system
    - ITD modernizing its computer program
      - One customer, one record through identification using drivers license, social security or tax ID number which will tie registration through the owner ID number
      - Title tied to registration by owner
    - Duplication of State resources will be eliminated
- ❖ Workforce
  - 143.5 full-time people serve 5.2 million park goers and 270,000 recreationists who register recreational vehicles
  - Rely on 244 non-benefitted seasonal and 32 benefitted seasonal people to operate parks and programs
  - Volunteers contribute 86,000 hours annually

- ❖ FY 2013 Funding – Supplemental
  - Last year funds were appropriated for the following projects:
    - Henry's Lake State Park campground – engineering and permits are complete – will begin construction this spring
    - Heyburn's Benewah campground
    - Eagle Island State Park drilled a new well
  - Decision Unit 1 – To use park entry fees to market the Passport Program
    - To inform the public about the Passport Program's availability
      - Extensive ongoing advertising including radio and television
      - Production and distribution of promotional materials
      - Public relations efforts
      - Social media
    - Goal is to sell 250,000 \$10 passports annually
  - Decision Unit 2 – Marketing plan
    - Use of Passport revenue to implement key elements of the agency's Strategic Business and Marketing Plans
      - Each park will receive funding (seed) money to invest in equipment
  - Decision Unit 3 – Retail Sales
    - Requesting additional spending authority (ongoing) to accommodate increase in sales within park retail programs.
      - Incorporate Idaho products into retail sales locations
        - Nature Store inventory in the visitor centers
        - Fuel at boat docks
- ❖ FY 2014 Funding
  - Focus has shifted from acquiring land and increasing park opportunities to taking care of current assets by
    - Focusing on public health and safety projects
    - Repairs and maintenance issues
    - Raising revenues to replace General Fund reductions
    - Customer service
    - Building awareness about agency and offerings
  - Decision Unit 3 – Electric vehicles
    - Four electric vehicles at a cost of \$15,000 each to be used for collecting fees, customer service and maintenance
  - Decision Unit 5 – Castle Rocks Group Shelter
    - Use park entry fees to build a group shelter for weddings, family reunions and other group activities
      - Could be reserved through the park system
      - Estimate increased revenue would be about \$2,600 if rented 20 times per season
  - Decision Unit 6 – Ashton-Tetonia Trail Restrooms
    - One-time request to install two vault toilets at both public trailheads
  - Decision Unit 7 – Trail of the Coeur d'Alenes Volunteer Campsites

- To develop two volunteer campsites at Old Mission/Trail of the Coeur d'Alenes, (currently there are no campsites available for volunteers)
  - One-time request using money from the expendable trust funds (Union Pacific Trust) and dedicated funds
- Decision Unit 9 – Grant Awards – request spending authority
  - \$60,000 from the Cutthroat specialty license plate to provide grants to construct and maintain non-motorized access facilities for anglers
  - \$11,800 from the mountain bike specialty license plate for grants to develop new non-motorized trails for bike opportunities
  - \$13,200 from off-highway vehicle law enforcement designation to pass registration dollars to bona-fide motorbike and ATV programs
- Decision Unit 10 – Idaho Recreation and Tourism Initiative (IRTI)
  - Request spending authority to cover costs associated with IRTI program management and related projects
  - Partners include US Forest Service, BLM, Idaho Fish and Game, IDPR, IDL, Tourism, Idaho Transportation Department, Outfitters and Guides, and US Wildlife
  - Support programs such as “Stay on Trails” campaign, “Idaho State RV Guide” and the “Be Outside” campaigns
- Decision Unit 11 – Fund Farragut State Park Sewage Collection System from RV Funds
  - Earmark money for Phase Two of the sewer project based on the premise that users should pay for this mandated project
- Appropriation flexibility
  - IDPR uses the flexibility of “carry over” with development projects since it takes several years from authorization to design and engineer prior to a project being built
  - Lump sum spending has been used to move money from capital improvement projects to needed personnel

## **Lava Hot Springs Foundation**

**Presenter: Mark Lowe, Executive Director**

- ❖ Background
  - Land granted to Idaho by U.S. government in 1902 for public use
  - Idaho Legislature established the Lava Hot Springs Foundation in 1919 to administer state land in Lava Hot Springs
  - Governed by 5-member Board appointed by the Governor but not subject to Senate confirmation
- ❖ Mission statement: to ensure the public has access to healthful, clean and inviting facilities for recreation and healing purposes
- ❖ Olympic swimming complex was built in 1969
  - Had 123,411 visitors in 2012
  - Hydro tubes were built in 2001 funded through the State Building Authority

- 25 yard pool was covered in 2006-07
- Speed slides were built in 2009 funded through the State Building Authority
- Indoor Kiddie Pool scheduled for completion in May of 2013
- FY 2013 Supplemental request
  - \$1,365,000 in dedicated funds for construction of the Indoor Kiddie Pool facility
  - Request \$140,000 spending authority from dedicated funds to furnish Kiddie pool and install disinfection equipment. The shortfall is due to higher than expected construction costs and the requirement for a fire sprinkler system
- ❖ World Famous Hot Pools
  - 112 degree sulfur-free water
  - 2.5 million gallons per day
  - 209,919 visitors in 2012
  - Used year round
  - Dressing rooms replaced in 2006
  - Additional Hot Pool completed in 2009
  - Attendance and revenues are up which has helped to fund projects without using General Funds
- ❖ FY 2014 budget request
  - Spending authority for \$2,118,400 from dedicated funds
    - Personnel \$951,900
    - Operating \$743,900
    - Capital Outlay \$422,600
  - Requested Enhancements
    - \$50,000 to participate with Lava Hot Springs City for the construction of a pedestrian bridge
    - \$200,000 to construct restroom facilities at the Olympic Swimming Complex

## **DEPARTMENT OF LANDS**

**Presenter: Tom Schultz, Director**

- ❖ Introduction of Executive Team
  - Kathy Opp, Deputy Director
  - David Groeschl, Forestry and Fire Division
  - Bob Brammer, Lands, Minerals & Range Division
  - Patrick Hodges, Support Services Division
  - Kurt Houston, Southern Operations Division
  - Roger Jansson, Northern Operations Division
  - Donna Caldwell, Human Resources
  - Lisa Johnson, Financial Officer
- ❖ State Board of Land Commissioners
  - Governor C. L. "Butch" Otter

- Secretary of State Ben Ysursa
- Attorney General Lawrence Wasden
- State Controller Brandon Woolf
- Superintendent of Public Instruction Tom Luna
- ❖ Vision: trusted stewards of Idaho's resources, from main street to mountain top
  - Invest in Idaho's resources to maximize financial returns to endowment trust beneficiaries
  - Deliver programs with professionalism and integrity
  - Invest in employees so they are equipped, entrusted, and expected to make decisions
  - Be a unified and vibrant organization where all employees participate in constructive communication to meet the Department's missions
- ❖ Mission – two major functions
  - Manage state endowment lands according to the land grants given to Idaho at statehood and according to fiduciary trust law and principles
  - To help Idahoans protect and manage their private lands and the beds of navigable waterways.
  - Four areas of focus:
    - Organizational structure must align with Department's vision
    - Leadership development
    - Review of policies and procedures
    - Recruitment, retention and succession strategy
- ❖ Funding by fund source and by object (charts)
- ❖ Endowment Land asset types and acres
 

○ Range Lands	\$1,412,987
○ Forest Lands*	977,580
○ Agriculture	15,792
○ Minerals	2,131
○ Real Estate (Conservation)	22,825
○ Real Estate (Commercial)	15,855
○ Real Estate (Residential)	<u>841</u>
Total	\$2,448,011

\*Forest lands are the most productive land asset type with 75% to 95% of all income generated by timber production each year
- ❖ FY 2013 Distributions by Beneficiary
 

○ Public Schools	\$31,292,400
○ School of Science	2,997,600
○ Charitable Institutions	2,964,600
○ Normal School	2,670,000
○ University	2,552,400
○ State Hospital South	2,868,000
○ Penitentiary	1,246,800
○ Agricultural College	<u>916,800</u>
Total	\$47,508,600
- ❖ Timber Asset

- Timber asset alone earned \$31.7 million in FY 2012, down from \$49.2 million in 2007. Timber revenues are heavily influenced by the domestic housing market
- IDL expects timber markets to stabilize and slowly rebound over the next several years
- Harvest levels have increased (FY 2012 was a record); 35% of statewide timber harvests were from endowment lands
- ❖ Fire Management
  - Fires in Idaho are becoming larger
  - Fire seasons are extending longer – fires continue to burn through September and into October
  - IDL participates in the firefighting effort as an initial attack agency
  - Try to stop fires before they become large and expensive
  - Assign resources based on most efficient level (MEL), done by modeling fire costs based on fire activity, averaged over the last 10-year period
  - Pre-positioning of resources saves time and cost
  - IDL is developing an online burn permit service allowing for users to obtain a burn permit from anywhere with an internet connection
- ❖ Division of Lands, Minerals and Range
  - Endowment Land Management
    - Commercial Leasing – reduced the rate of downtown commercial endowment properties from 25.7% to 11.3% - Revenues expected to increase in 2013 by \$249,165
    - Grazing Leasing
      - Completed 17 lease auctions resulting in \$544,000 in additional revenue
      - Advertised and auctioned a lease on the Crane Creek Unit – had 26 applicants and a premium bid of \$49,000
      - Completed negotiated rulemaking to bring rules into compliance with 2012 code changes regarding management plan requirements
  - Oil and Gas Leasing
    - Completed auctions for 44 parcels resulting in about \$2,377 in additional revenue
  - Regulatory Programs
    - Public Trust Land Program
      - Issued 410 encroachment permits, 13 submerged land leases and 3 submerged land easements, and 3 disclaimers
      - Conducted four hearings for single-family dock encroachments
      - Resolved 61 violations of public trust regulations
- ❖ State Endowment Trust Lands
  - Transactions
    - McCall Outdoor Science School – 14 acres were exchanged for a 32,138 sq. ft. commercial office building on 3.14 acres in Idaho Falls with a projected cash return of 8.25% (compared with less than 2% for the McCall property)

- Camas Prairie Land Exchange traded 2,911 acres of timberland for 1,223 acres of farmland and 451 acres of timberland.
    - Helped to diversify the land portfolio
    - Acquired access to current assets and disposed of land without access
    - Increased the long-term cash return
  - Lot Solutions – platting
    - Priest Lake – 18 plats completed – recordation underway
    - Payette Lake
      - 7 plats completed – recordation is the next step
      - 4 final plats prepared
        - Cedar Knolls
        - Payette Lake Cottage sites
        - Pilgrim Cove
        - Pinecrest
- ❖ FY 2014 budget request
- Decision Unit Priority 1 is continued implementation of the Land Information Management System (LIMS). Request for one-time funding to implement a major component of IDL’s LIMS system along with ongoing funding for software maintenance costs
    - Will streamline timber sale planning, development and administrative activities into a single system that integrates with key external financial system and geographic information systems
    - This request is to integrate the LIMS with other IDL applications and includes:
      - \$660,000 for one-time professional services
      - \$61,000 for ongoing software maintenance
  - Decision Unit Priority 2 – requesting \$385,500 to support the fire preparedness program which will enable the Fire Management Program to operate at the Most Efficient Level (MEL) reducing response times, fire size, and property loss.
    - Request includes \$146,600 for group personnel costs for 31 man-months
    - \$63,000 for facility costs
    - \$175,000 to cover fuel, tires, and field supplies
  - Decision Unit Priority 3 requesting the purchase of additional equipment
    - \$16,500 for timber equipment
    - \$10,200 for fire equipment
  - Decision Unit Priority 4 (not included in Governor’s recommendation) Timber Protective Associations (CPTA) requested \$54,600 ongoing
  - Decision Unit Priority 5 – one-time funding for surfacing a parking and storage area behind the Eastern Idaho Supervisory Area office
  - Decision Unit Priority 6 – one-time funding of \$35,200 for an equipment storage building at Priest Lake Area administrative office. (60% was requested from the Permanent Building Fund Advisory Council but was not on the list of their funded projects)

- Decision Unit Priority 7 (included in Governor's recommendation as #1) for start-up costs for Rangeland Fire Protective Associations
  - Funds to provide personal protective equipment for firefighters, training, a water tender, and assistance with filing of legal documents and liability insurance
  - Includes \$50,000 from the General Fund and \$50,000 from dedicated fire preparedness funds for a lands program specialist
- Lump-Sum spending authority for the Forest and Range Fire Protection Program
- ❖ FY 2013 Supplemental
  - Fire Preparedness Fund Shift
    - IDL was notified that the Consolidated Payments Grant (CPG) from the U.S. Forest Service would be reduced for FY 2013.
    - Request a shift of \$97,000 in personnel costs from the federal grant to the Department of Lands Fund which will provide 36 man-months for seasonal firefighters who were previously paid from federal grants in past budgets.
  - Deficiency Warrants
    - One-time General Fund request for \$6,013,200 to pay deficiency warrants that covered the cost of fighting fires in FY 2012
    - Costs are incurred in the fire deficiency fund (0076) and are reimbursed by the General Fund

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Tuesday, January 29, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-9:00am	Department of Fish and Game LBB page 4-11	<i>Virgil Moore, Director Department of Fish and Game</i>
9:00am-9:25am	Public Utilities Commission LBB page 5-55	<i>Paul Kjellander, Commissioner Public Utilities Commission</i>
9:25am-9:35am	<i>Break</i>	
9:35am-10:00am	Office of Energy Resources LBB page 6-71	<i>John Chatburn, Interim Administrator Office of Energy Resources</i>
10:00am-11:00am	Department of Water Resources LBB page 4-63	<i>Gary Spackman, Director Department of Water Resources</i>

**Senate Reconvenes: 11:30am**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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1/29/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:47 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, Baron (for Miller), Youngblood, Ringo, King

Absent/Excused: None

Others Present: Michael Pearson & Sharon Keifer, Department of Fish & Game; Shelby Kerns, Division of Financial Management

Staff present: Houston

## **DEPARTMENT OF FISH AND GAME**

**Presenter: Virgil Moore, Director**

- ❖ Executive leadership
  - Introduced Staff
- ❖ Bureaus of Idaho Department of Fish and Game
  - Wildlife, Fisheries, Engineering, Administration, Communications, Enforcement, and Information Systems
- ❖ Regions/ commissioners
- ❖ FY 12 funding
  - No state general funds
  - All dedicated and federal funds
- ❖ FY 12 funding –non-game
  - Voluntary
  - Federal
- ❖ FY 12 funding, by function
  - Fisheries: \$33.2, 41%
  - Wildlife: \$18.2 million, 23%
  - Winter Feed/Habitat: \$2.6 million, 3%
  - Engineering,: \$0.9 million, 1%
  - Communications: \$3.5 Million, 4%
  - Enforcement: \$9.2 million, 12%
    - Total \$80.7 million
- ❖ Funding allows for direct service

- ❖ Perpetuation of Idaho's hunting and fishing tradition
  - Fish and game mentoring encourages youth to hunt
- ❖ Other projects
  - Deyo Reservoir
  - Springfield Hatchery
    - Saving the Sockeye: plan comes together
- ❖ Economic benefit
  - Fishing
    - Direct spending in Idaho due to fishing activities: \$421,491,000
  - Hunting
    - Direct spending in Idaho due to hunting activities: \$477,548,000
  - Over \$1.3 Billion in direct expenditures each year
- ❖ Resident cost to hunt and fish
  - Deer: \$32.50
  - Elk: \$43.50
  - Fish: \$26.00
- ❖ Resident license trend
- ❖ Non-resident deer/elk sales (includes license/tag/fees)
  - Deer: \$456.50
  - Elk: \$571.50
- ❖ Reduced fee license trends
  - Department response to educate the public
- ❖ Efficiencies
  - Proposed legislation allowing Idaho residents to buy a 3 year combo
- ❖ Idaho Wild Life Summit
- ❖ FY 13 supplemental requests (Governor's recommendation)
  - Boise headquarter roof replacement: \$50,000
  - Assist federal law enforcement: \$39,000
  - Fisheries projects: \$5,663,200
  - Wildlife projects: \$1,140,600
  - Education programs: \$1,094,300
  - Habitat surveys and improvement: \$218,600
    - Total supplementals: \$8,205,700
- ❖ FY 14 enhancements (Governor's recommendation)
  - Shooting range improvement: \$120,000
  - Fish screens and boating access: \$913,900
  - Wolf management: \$125,000
  - Native fish projects: \$2,069,000
  - Hatchery maintenance and production
    - One time: 1,079,900
    - On-going: \$582,400
  - Hunter and angler education: \$297,400
  - Big game management: \$353,300
  - Wildlife habitat projects: \$597,000
  - Fish habitat improvement (one time): \$865,000
  - Hydropower mitigation: \$752,200

- Conservation hatchery programs: \$367,700
- Fisheries coordination, implementation, and evaluation: \$836,500
- Habitat mitigation: \$190,200
- Regulation and data center operations: \$39,600
- Assist Federal law enforcement: \$39,000
- Manage Yellowstone grizzly: \$65,000
- Wetland restoration monitoring (one-time): \$58,900
- Regional office alterations and repair (one-time): \$90,800
- FY 14 Maintenance \$79,916,100
  - One- time items: \$3,223,500
  - On-going enhancements: \$6,219,500
    - Total FY 14 maintenance" \$89,359,500

## **IDAHO PUBLIC UTILITIES COMMISSION**

**Presenter: Paul Kjellander, Commission President**

- ❖ The commission was established 100 years ago by the 12<sup>th</sup> Session of the Idaho Legislature in 1913. Statutory authorities for the commission are set in Idaho Code titles 61 and 62
- ❖ The Public Utilities duties
  - Prevention of excess profits
  - Assurance of adequate earnings
  - Assurance of safe and reliable service
  - Establishing reasonable rates
- ❖ Regulatory compact: In return for the company's obligation to serve customers and be subject to regulatory oversight, the company is entitled to recover its prudently incurred investments and an opportunity to earn a rate of return on its prudently incurred investment
- ❖ The Commission regulates the following:
  - Regulates investor-owned electric, gas and water utilities.
  - It retains customer service and universal service fund jurisdiction over telephone companies, but large telecoms are not price regulated. Price regulation only for small, rural telephone companies
- ❖ The Commission does not regulate public utilities owned by cities, rural cooperatives, water districts, homeowner associations or cable television
- ❖ Governor appoints members of three-member commission and Senate confirms. Commissioners serve six-year terms
- ❖ Commissioner current commissioners
  - Paul Kjellander, Marsha Smith, and Mack Redford
- ❖ Currently there are 49 FTE plus five Deputy Attorneys General
- ❖ Commission Budget
  - PUC is a dedicated fund agency

- Operations are funded by annual assessment of not more than 0.3 percent on utility intrastate revenues and 1 percent on railroad intrastate revenues
- ❖ The FY 2013 utility assessment was 0.23 percent and railroad assessment was 0.9994 percent
- ❖ FY 2014 Governor's recommendation: \$5,491,400
- ❖ Pipeline Safety Inspector
  - Request for one additional FTE in pipeline safety program to comply with federal requirements and meet PUC mission to, "ensure the safe operation of pipelines in the state."
  - Heightened scrutiny of state programs from the Federal Pipeline and Hazardous Material Safety Administration (PHMSA)
    - Resulting in a report for Idaho that says the state is under-manned regarding inspectors in the field.
  - Idaho PUC currently has two part-time pipeline inspectors totaling 1.15 FTE
    - PHMSA says Idaho program should have 2.2 FTE's
  - 70 percent of new FTEs is funded by a federal grant
    - Remaining \$34,400 cost to PUC (\$23,700 in recurring cost and \$10,700 in on-time costs) will come from the dedicated assessment on regulated utilities
  - One-time costs for computer and office equipment and new FTE vehicle
  - PUC program oversees pipeline systems for Avista Gas, Intermountain Gas and Quest Gas

## **OFFICE OF THE GOVERNOR – Office of Energy Resources**

**Presenter: John Chatburn, Interim Administrator**

- ❖ Executive Order 2012-08
  - Continues the Office of Energy Resources
  - Coordinate energy planning and policy development in Idaho
  - Coordinate the state's comments on all federal energy policy issues and documents
  - Serve as Idaho's clearinghouse for energy information
  - Represent Idaho in Regional and National Energy Policy Forums and Processes
  - Administer Loan & Financial Assistance program
  - Coordinate the Idaho Strategic Energy Alliance
- ❖ American Recovery and Reinvestment Act update (ARRA)
  - Projects completed
    - City and counties \$7.1 million
    - Borah Building energy efficiency retrofit: \$617,800
    - Renewable Energy Enterprise Zones: \$1.2 million
    - LED manufacturing demo project: \$5 million

- Solar Panels for Schools: \$2.75 million
- Energy Assurance: \$339,800
- Appliance Rebate: \$1.37 million
- Industries of the Future: \$350,000
- Projects in final phase
  - Energy Efficiency for K-12 schools: \$17 million
  - Building Energy Code Implementation: \$500,000
  - Closeout monitoring and reporting requirements will be finalized with the October 2013 reporting cycle, per ARRA and DOE guidance
- ❖ Low interest Energy Efficiency & Renewable Energy Loan Program
  - Loans to home owners, businesses, and agriculture
  - Loan terms: 4% interest and 5 year repayment period
  - Currently open loans balance: \$532,700
- ❖ FY 2014 Governor's recommended budget
  - Maintenance of current operation for ongoing revenue sources (including federal grants)
  - FY 2014 staffing level includes 10 FTE's
    - Reduction for 18 FTE in FY 2012
    - Currently have 2 positions being held vacant
  - ARRA funding carry-forward request for any unobligated funds from FY 2013 into FY 2014 in order to finish ARRA reporting requirements in FY 2014
- ❖ Organizational chart
- ❖ Current major activities
  - Cooperating agency for Idaho
    - Gateway East Transmission Line Project
    - Hooper Springs Transmission Line Project
    - Boardman to Hemingway Transmission Line

## **DEPARTMENT OF WATER RESOURCES**

**Presenter: Gary Spackman, Director**

- ❖ FY 2014 Governor's recommendation by fund
 

○ General fund	\$11,231,400
○ Indirect	595,000
○ Aquifer Planning & Management	2,757,100
○ Fee	1,757,700
○ Snake River Basin Adjudication	35,000
○ Northern Idaho Adjudication	106,800
○ Federal	3,593,700
○ Miscellaneous revenue	<u>1,230,100</u>
• Total recommendation	\$21,316,880
- ❖ Supplemental recommendations

- \$400,000 in Water Administration Account to pay increased activity in Idaho Water Resource Board's Water Supply Bank
  - Spending authority for operating expenses is currently \$218,900
  - Total spending authority would increase to \$618,900
- \$35,000 in Snake River Basin Adjudication Account for personnel costs
- ❖ Decision units in recommendation
  - \$716,000 transfer to the Secondary Aquifer Planning, Management and implementation fund to assist with implementing the Eastern Snake Plain Comprehensive Aquifer Management plan
  - Legislative intent for the Northern Adjudication program
- ❖ FY 2012- FY 2013 specific appropriation of \$25,000 will be returned to the General Fund unspent

**Snake River Basin Adjudication;**  
**Coeur d'Alene-Spokane River Basin Adjudication**

**Presenter: Honorable Eric J. Wildman, Presiding Judge**

- ❖ Status of the Snake River Adjudication (SRBA)
  - As of January 2012
    - 1,815 decreed
    - 151,020 submitted awaiting decree
  - As of January 2013
    - 448 decreed
    - 158,080 submitted awaiting decree
- ❖ SRBA settlement progress for irrigation and other rights
  - Concluded proceedings and finalized form and content of final Unified Decree
  - Closed all basins to the filing of further late claims except deferrable domestic and stockwater claims
  - Majority of trials for remaining contested cases are scheduled for this spring
  - Preparing exhibits to Final Unified Decree (250,000-300,000 pages) and preparing files for archiving
- ❖ Update on the Coeur d'Alene-Spokane Adjudication (CSRBA)
  - 13,000 state law claims originally projected
  - Deadline for federal tribal claims is December 2013
  - January 2013 claims summary

**Presenter: Roger Chase, Chairman, Water Resources Board**

- ❖ State Water Plan
- ❖ Adopted by Water Board November 28, 2012
- ❖ Will be conserved by the 2013 Legislature for approval

- ❖ For the first time it includes strategies and milestones for executing management policies and to evaluate their effectiveness
- ❖ Water Board loan:
  - Gate replacement at Payette Lake Dam
  - Gravity-pressure pipelines at Preston-Whitney Consolidated Canal Company
- ❖ Project financing: ESPA Ground Water Districts purchase of trout farms in Thousand Springs
  - Thousand Springs discharge and Eastern Snake River Plain Aquifer cumulative storage change
- ❖ Eastern Snake Plain Aquifer Management Plan (ESPA) Ground Water Districts purchase of trout farms in Thousand Springs
- ❖ ESPA aquifer management – recharge projects
- ❖ Upper Salmon River Basin
  - Seek to avoid conflicts between water use for agriculture and water needs for ESA-listed fish species
- ❖ Drilling operations at Weiser Galloway Dam
- ❖ Arrowrock Dam on the Boise river
  - Additional water storage
  - Partnership with Corps of Engineers
  - Flood control and future water supply
- ❖ Rathdrum Prairie Aquifer Comprehensive Aquifer Management plan
  - Approved by 2012 Legislature
  - Establishers strategies to preserve Idaho's ability to manage its water resources for Idaho' needs and future economic growth, within an aquifer that is shared between two states
- ❖ Aquifer Planning & Management Fund
  - Comprehensive aquifer management planning
  - ESPA monitoring
  - ESPA modeling – ESPAM V2
  - Rathdrum CAMP studies (future water needs, etc)
  - Treasure Valley CAMP studies
  - Treasure valley aquifer investigations & ground water model
  - New priority – Wood River Basin Ground Water Model

**Presenter: Gary Spackman, Director, Department of Water Resources**

- ❖ Active transfer applications
- ❖ Reassignment of staff for Water Rights Licensing
- ❖ Active permits with proof submitted
- ❖ WSB pending lease applications
- ❖ WSB pending rental application
- ❖ Water supply bank rental revenue
- ❖ Pending water rights ownership change notices
- ❖ Technical Services Bureau accomplishments 2012

- Completion of a new version of the Eastern Snake Plain Aquifer ground water model
- 7 new irrigation return flow monitoring stations
- 5 new spring discharge gauges
- ❖ Cooperation with the Shoshone Bannock Tribes and Idaho Power company on monitoring and water resource evaluation initiatives
- ❖ New sites with continuous monitoring equipment

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Wednesday, January 30, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-8:55am	Department of Agriculture LBB page 5-5	<i>Celia Gould, Director Dept of Agriculture</i>
8:55am-9:25am	Soil & Water Conservation Commission LBB page 5-13	<i>Teri Murrison, Administrator Soil &amp; Water Conservation Com</i>
9:25am-9:35am	<i>Break</i>	
9:35am-10:00am	Office of Species Conservation LBB page 6-109	<i>Dustin Miller, Administrator Office of Species Conservation</i>
10:00am-11:00am	Department of Environmental Quality LBB page 4-3	<i>Curt Fransen, Director Dept of Environmental Quality</i>

**Senate Reconvenes: 11:30am**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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1/30/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:25 a.m. with Chairman Cameron presiding.

## **Roll Call:**

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

Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Barron (for Miller), Youngblood, Ringo, King

Absent/Excused: None

Staff present: Houston

Others Present: Floyd Knight, Laura Johnson and Kelly Nielsen from the Department of Agriculture; Shelby Kerns, Division of Financial Management; Mike Edmondson, Office of Species Conservation

## **DEPARTMENT OF AGRICULTURE (ISDA)**

**Presenter: Celia Gould, Director**

- ❖ Introductions – ISDA staff
  - Brian Oakey, Deputy Director
  - Pam Juker, Chief of Staff and Communications Officer
  - Fred Rios, Administrator for the Division of Ag Inspections
  - Cindy Stark, Bureau Chief for the Division of Ag Inspections
  - Laura Johnson, Bureau Chief for the Market Development Division and Legislative Liaison
  - Lloyd Knight, Administrator for the Plant Industries
  - George Robinson, Administrator for the Division of Ag Resources
  - Dr. Bill Barton, Administrator for Animal Industries and State Veterinarian
  - Kelly Nielsen, Financial Officer and Administrator for the Division Administration
  - Chanel Tewalt, Assistant to the Director's Office
- ❖ Others Introduced
  - Mark Duffin, Idaho Sugar Beet Growers Association
  - Dar Olberding, Idaho Grain Producers Association
  - Rich Garber and Dean John Foltz, University of Idaho CALS
- ❖ Divisions and Employees

- Department budget is allocated between six divisions
  - Administration
  - Agricultural Inspections
  - Agricultural Resources
  - Animal Industries
  - Market Development
  - Plant Industries
- FTP count
  - 14 FTPs
  - Count can reach 500 due to non-classified employees and seasonal part-time staffing
- ❖ Programs and Funds
  - Responsible for over 60 statutes in Idaho Code
  - Corresponding programs vary in size from \$7 million in annual revenues to \$3,000 with the Aquaculture Program
  - ISDA manages over 30 funds between six divisions as well as the Sheep and Goat Health Board and Animal Damage Control account
- ❖ FY 2013 Supplemental
  - Pest Deficiency Warrant
    - \$40,600 for pest survey (inspections related to surveys of apple maggot, brown garden snail, Asian long-horned beetle, Japanese beetle and many others)
    - \$308,800 for pale cyst nematode (PCN)
  - Base Adjustments
    - Remove 6.63 FTPs from budget
    - Fund Shift
      - \$375,000 in federal spending authority shifted to Market Development from Animal Industries and Plant Industries
      - Also requesting a fund shift between divisions to cover federal spending authority needs in the market development division for specialty crop grants. (The shift comes from two programs that have recently experienced reductions in federal grants.)
- ❖ Update on recent audit
  - Received no findings
  - Received several program recommendations
- ❖ FY 2014 Enhancements
  - General Fund
    - \$900,000 for Eurasian Water Milfoil
      - Prevention of widespread infestations of Eurasian Water Milfoil
      - Continue statewide survey effort
      - Water craft inspection stations
      - Aggressive treatments to continue effort to eradicate infestations
  - Dedicated Fund
    - Weights and Measures Program

- \$69,700 ongoing spending authority (dedicated funds) request for an Ag Investigator senior position in the Burley area
  - Additional personnel spending authority for \$20,000 ongoing for the Market Development Program (dedicated funds). Revenues received for participation fees and the fund balance are adequate to sustain the request
  - Increase Pesticide Program - \$120,000 ongoing dedicated operating spending authority for pesticide collection and container recycling programs
  - State Rail Plan (Intermodal State Transportation Plan)
    - \$40,000 ongoing dedicated operating spending authority
    - Revenues from interest on fund balance and existing loans adequate to cover request
    - Funding will be transferred annually to ITD for plan development costs
- ❖ Agriculture in Idaho
- Last two years have been record breaking
    - Farm gate receipts topped \$7.3 billion in 2011 (\$1 billion more than the next highest grossing year)
    - Farm income is the highest it has ever been
    - Idaho's agricultural export numbers are at an all-time high
  - Agriculture generates more sales than any other industry in Idaho
  - ISDA's job is to ensure that agribusiness keeps moving forward
    - Example: Chobani Yogurt Plant in Twin Falls
      - ISDA Dairy Bureau was instrumental in Chobani's move to the Magic Valley
        - Dairy Program Manager provided technical expertise to meet government regulations and avoid costly retrofitting

## **Soil and Water Conservation Commission (SWCC)**

**Presenter: Teri Murrison, Administrator**

- ❖ Background
- Commission was established in 1939 and a few years later soil conservation districts were established
  - Commission supplies technical expertise, funding and other resources to empower conservation districts to undertake locally led conservation projects with private landowners
  - Conservation means using natural resources to benefit landowners while maintaining resources in the same or better condition
  - "Voluntary and non-regulatory" means the focus is on cooperative efforts with farmers and ranchers
  - Statutory authority is contained in Idaho Code, Title 22, Chapter 27. SWCC facilitates non-regulatory, voluntary, and locally led conservation

that conserves, sustains, improves, and enhances soil, water, air, plant and animal resources.

- ❖ Major trends driving conservation in 2013
  - Urban growth: land-use conflicts, loss of agriculture land and open space
  - Continued reduction in funding and resources for voluntary conservation
  - Water quality/quantity (ground and surface water) challenges
  - State funding/program focus on water quality versus other conservation issues
  - Increasing regulatory, endangered species issues
- ❖ FY 2014 recommended budget of \$2,653,700
  - General Funds: \$2,311,700
  - Dedicated Funds: 342,000
  - By object of expenditure:
    - Personnel Costs (16 FTPs) \$1,151,400
    - Operating Expenditures 399,100
    - Trustee/Benefit \$1,103,200
- ❖ Core functions
  - Administration
  - Provide technical and other support to 50 conservation districts
    - Assist with five-year anti-degradation plans
    - Technical assistance includes:
      - Assistance with new projects
      - Assistance with ongoing projects
      - In 2012, 271 landowners served
  - Provide conservation programs via incentive-based and comprehensive programs that steward natural resources, benefit agriculture, and protect Idaho's traditional way of life/economic prosperity
    - Resource Conservation & Rangeland Development Program (RCRDP)
    - Conservation Reserve Enhancement Program (CREP)
    - Nitrate priority areas/groundwater
- ❖ Total Maximum Daily Load Program (TMDL)
  - Assist DEQ by preparing TMDL implementation plans to reduce agriculturally-generated pollutant loads in Idaho's EPA-listed impaired surface waters.
    - Since TMDL efforts began, SWCC has completed 85 implementation plans
    - Workload
      - DEQ releases an average of 7 new TMDL's annually.
      - In 2012, SWCC completed 3 plans
      - In 2009, completed 11 plans
      - Plans are reviewed every five years – currently seven are in progress

- On average DEQ generates five reviews per year but also considers addendums to existing plans which could add up to 7 plans to current workload.
- SWCC currently working on 10 backlogged plans (8 are considerably overdue)
- ❖ Services and Programs
  - SWCC lives within its means and budgets by prioritizing and balancing the workload
  - Priorities:
    - District Support
    - Conservation Programs (incentives)
      - Resource Conservation & Rangeland Development Program (RCRDP)
      - State Revolving Fund
    - Conservation Programs (comprehensive)
      - Conservation Reserve Enhancement Program (CREP)
      - Total Maximum Daily Load (TMDL) Implementation Plans
    - Administration
      - Including agency management and reporting, transparency, partner participation, communication, collaboration, etc.
- ❖ JFAC information requests
  - Workforce changes: no major changes
  - Alternative funding sources: none
  - Program structure: no major changes
  - Agency legislation requiring trailer bill: none
  - Appropriation flexibility: not requested
  - Legislative audit findings: in process
  - Performance evaluations: none to date

**OFFICE OF THE GOVERNOR: Office of Species Conservation**

**Presenter: Dustin Miller, Administrator**

- ❖ Introductions
  - Jon Beals, Fiscal Officer
  - Mike Edmondson, Program Manager
- ❖ Agency description
  - Established by Idaho Code 67-818, housed within the Executive Office of the Governor
  - Mission: to coordinate policies and programs related to the conservation and recovery of threatened, endangered and candidate species in Idaho
    - Balance protection of land-use activities in Idaho with the recovery of federally protected species
    - Engage willing partners in conservation efforts to preclude the need to list species under the federal Endangered Species Act (ESA)

- Work to find solutions for people impacted by the regulatory burdens of species listings and critical habitat designations
- ❖ Core functions
  - Coordinate federal ESA programs with state agencies
  - Solicit, provide and delegate funding for ESA programs
  - Provide input and comment to federal agencies on ESA related matters
  - Serve as the State's "one voice" on ESA policy
  - Provide a mechanism for Idaho citizens to voice ESA concerns
  - Facilitate collaboration between state, federal and private stakeholders
  -
- ❖ Organizational structure
  - Allocated 12 FTPs
  - Staff located in Boise, Salmon and Moscow
  - Changes in workforce
    - Filled vacancy for an attorney
    - Backfilled the Environmental Liaison position with a second attorney
    - Salmon office project manager position is currently vacant
- ❖ Alternate funding sources
  - Continue to solicit and expend federal funds for ESA protected species recovery, delisting and other related efforts
- ❖ FY 2014 Governor's budget request totals \$13,243,200
  - By object of expenditure
    - Personnel Costs \$ 969,900
    - Operating Expenditures 273,300
    - Trust/Benefits 12,000,000
  - Federal fund sources
    - Majority of funds are associated with salmon and steelhead recovery
      - Bonneville Power Administration Fish Accord is a 10-year \$65 million contract that ends in 2017
      - Pacific Coast Salmon Recovery Fund is a competitive grants program among several coastal states. Idaho usually receives about \$3 million annually
      - Snake River Basin Adjudication Program Habitat Trust Fund is a one-time settlement for \$25 million (\$11 million is currently available - the remaining funding is contractually obligated)
      - Aquatic Species Conservation Fund is an old program used to help both listed and non-listed resident fish populations on non-federal lands
      - Wolf Monitoring and Mitigation – OSE is in the middle of the 5-year post-delisting probationary period. US Fish and Wildlife Service has begun reducing funding available for wolf monitoring and mitigation efforts. OSC continues to administer this funding
      - Sage Grouse Conservation – OSC administers funding on sage grouse conservation projects and recently received funding from US Fish and Wildlife Service to help develop a plan to address

the needs of sage grouse while maintaining predictable levels of land-use activities

- ❖ Current activities
  - Greater Sage Grouse Conservation – most significant terrestrial wildlife priority
  - Salmon and steelhead habitat restoration
  - Bull trout recovery planning
  - Wolf depredation mitigation
  - North American wolverine (possible future listing)
  - Coordination and comment on agency actions (listing proposals, critical habitat designations, biological opinions, etc.)
- ❖ Recent successes
  - Slickspot peppergrass delisted
    - Agreement put in place in 2003
    - Species listed as “threatened” under ESA in 2009
    - District court vacated the determination in 2012
    - Species remains a candidate for listing but receives no federal protection
  - Woodland Caribou Critical Habitat scaled back
    - 375,000 acres proposed as critical habitat in the Idaho Panhandle in 2011
    - 30,000 acres finalized in 2012 (only 6,000 acres in Idaho)
    - Adheres to ESA policy – focused on areas occupied when species was listed as endangered in 1984
    - Provides protection for the species and its habitat and helps to preserve land-use activities in region

## **DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)**

**Presenter: Curt Fransen, Director**

- ❖ Introductions
  - Barry Burnell, Water Quality Administrator
  - Orville Green, Waste Management and Remediation Administrator
  - Tiffany Floyd, Air Quality Administrator
  - Dave Sande, Fiscal Officer
  - Jess Byrne, Deputy Director
- ❖ Background and Mission Statement
  - DEQ was created by the Idaho Environmental Protection and Health Act
    - To ensure clean air, water, and land
    - To protect Idaho citizens from the adverse health impacts of pollution
  - Office locations
    - State office is located in Boise
    - Six regional offices in Coeur d’Alene, Lewiston, Boise, Twin Falls, Pocatello and Idaho Falls

- ❖ DEQ implements Idaho's environmental programs through a broad range of activities:
  - Assessing environmental problems
  - Overseeing compliance by facilities that generate air, water, and hazardous waste pollution
  - Monitoring Idaho's air and water quality
  - Overseeing cleanup of contaminated sites
  - Responding to hazardous materials and emergency response calls
  - Issuing permits and authorizations for new and expanded businesses and manufacturing facilities
  - Administering grant and low-interest loan programs to fund new and upgraded wastewater and drinking water facilities
- ❖ Workforce
  - Authorized to have 376.05 full-time positions – only have funding for 355
  - Currently employ 18 part time, temporary non-classified employees (half provide support-type functions and the other half perform more technical duties)
  - Seasonal staff mostly in summer months to assist with water quality monitoring and crop residue burning programs
  - Recently developed a compensation/workforce management plan to carefully evaluate the vacancy to determine whether the position should be refilled, reclassified, or redirected toward higher priorities in DEQ
- ❖ Federal Funding concerns (60% of budget comes from federal funding)
  - Waste
    - Underground Storage Tank Program
      - Funding has been reduced from \$515,000 in 2012 to \$346,000 in 2013 with more reductions possible which will require identifying other funding sources or consider turning the program back to the EPA.
  - Water
    - Primary concern is the federal grants that provide low-interest drinking water and wastewater loans and fund the non-point source sub-grant program. Expect future funding to begin decreasing.
  - Air
    - Have not been notified of any definitive reductions but have been warned by EPA that funding reallocations may gradually reduce federal funding for Idaho's Air Quality Program.
- ❖ Success stories
  - Progress in the Coeur d'Alene Basin and the Bunker Hill Superfund Site
    - Cleanup activities by mining companies, the federal government and the state of Idaho have been ongoing since the 1980's.
      - Activities focused on reducing exposure of children to heavy metals, especially lead, by removing and replacing contaminated soils.

- To date 3,383 properties have been remediated at Bunker Hill by removing and replacing 6 to 12 inches of lead-contaminated soil from public, private and commercial properties.
- Estimate that about 500 more properties will be remediated
- Blood lead levels in children living in the Basin have dramatically reduced to levels similar to national averages
- Established the Basin Environmental Improvement Project Commission composed of county, state, tribal and federal representatives. Its purpose is to provide an effective forum to guide federal decisions regarding the cleanup.
- Established and funded a locally implemented Institutional Control Program which ensures the remedies will remain protective in the future while allowing for normal economic development and growth.
- Arsenic in drinking water (federal arsenic standard that applies to public drinking water systems)
  - The new standard posed serious challenges for about 80 Idaho public water systems. Because Idaho had primacy for implementation of the program when the standard was enacted, DEQ was able to work with public entities to fashion solutions not available through EPA.
    - 35 systems entered into Compliance Agreement Schedules providing additional time to investigate and implement cost-effective solutions
    - Through the State Revolving Loan Fund, DEQ provided a number of grants and “low to no” interest loans to smaller communities
    - DEQ approved “point-of-use” treatment technologies being used by about 25 small systems avoiding the capital costs of more expensive traditional centralized treatment facilities
    - DEQ has worked with some systems to meet standards by blending water from different sources and averaging water quality sample results
    - All but five systems in Idaho are in compliance. DEQ continues to work with those systems to reach compliance and find affordable methods of providing safe drinking water
- ❖ FY 2014 Governor’s recommended budget request is \$66,455,600
  - By fund source:
    - General Funds \$14,849,100
    - Dedicated Funds 11,389,000
    - Federal Funds 40,217,500
    - Authorized FTP’s 376.05
  - Enhancements
    - Statewide Fish Consumption Study - \$300,000 request
      - A one-time appropriation to conduct an investigation of the health risks to sensitive populations due to consumption of toxic pollutants concentrated in local fish. The study would review

previous surveys prepared for DEQ, conduct a fish consumption survey, analyze the survey results and prepare a report to use in setting the toxic pollutant criteria for submission to the EPA.

- Yard remediation
  - Additional federal spending authority for \$4,000,000 ongoing for the Basin Property Remediation Program for operating funds to be used to fund performance of the work by private contractors
- Cash Transfer of \$1.5 million from the Water Pollution Control Fund (WPCF) to the Environmental Remediation Fund to fund Idaho's 10% match to Superfund cleanup in the Coeur d'Alene Basin

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
 8:00 A.M.  
 Room C310  
 Thursday, January 31, 2013

**DEFICIENCY WARRANTS AND SUPPLEMENTALS**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-8:10am	General Fund Update	<i>Cathy Holland-Smith, Manager Budget &amp; Policy Analysis</i>
<b>8:10am-10:45am:</b>		
p.2 #3	<b>OFFICE OF THE GOVERNOR; Military Division</b> <i>HazMat Deficiency Warrants</i>	<i>Richard Burns Principal Budget &amp; Policy Analyst</i>
p.2 #1	<b>DEPT OF LANDS;</b> <i>Fire Deficiency Warrants</i>	<i>Ray Houston Principal Budget &amp; Policy Analyst</i>
p.2 #2	<b>DEPT OF AGRICULTURE;</b> <i>Ag Pest Deficiency Warrants</i>	
p.14 #26	<b>DEPT OF LANDS;</b> <i>Fire Preparedness Fund Shift</i>	
p.15 #27	<b>DEPT OF PARKS &amp; RECREATION;</b> <i>Market Passport Program</i>	
p.15 #28	<i>Marketing Plan</i>	
p.15 #29	<i>Retail Sales</i>	
p.16 #32	<b>Lava Hot Springs Foundation;</b> <i>Disinfection System and Pool Toys</i>	
p.17 #35	<b>DEPT OF AGRICULTURE Soil &amp; Water Conservation Comm;</b> <i>NRCS Technical Assistance Grant</i>	
p.5 #1	<b>DEPT OF HEALTH &amp; WELFARE Indirect Support Services;</b> <i>Medicaid Readiness Object Transfer</i>	<i>Matt Ellsworth Senior Budget &amp; Policy Analyst</i>
p.5 #2	<i>CHU Background Check Fees</i>	
p.8 #9	<b>Division of Welfare;</b> <i>Medicaid Readiness</i>	
LBB 2-77	<i>Grocery Tax Credit Donations (line item)</i>	
p.17 #36	<b>DEPT OF LABOR;</b> <i>Professional Services</i>	<i>Keith Bybee Principal Budget &amp; Policy Analyst</i>
p.17 #37	<i>Spending Adjustments</i>	
p.21 #49	<b>DEPT OF REVENUE &amp; TAXATION State Tax Commission;</b> <i>Additional Personnel Costs</i>	

p.19 #44	<b>SELF-GOVERNING AGENCIES Regulatory Boards;</b> <i>Licensing/Reg System- Bureau of Occupational Licensing</i>	<b>Keith Bybee</b> <b>Principal Budget &amp; Policy Analyst</b>
p.20 #46	<b>DEPT OF ADMINISTRATION;</b> <i>Purchasing Contract Costs</i>	<b>Robyn Lockett</b> <b>Budget &amp; Policy Analyst</b>
p.17 #38	<b>SELF-GOVERNING AGENCIES Commission on Hispanic Affairs;</b> <i>Idaho Program on Hispanic Health</i>	<b>Jared Tatro</b> <b>Budget &amp; Policy Analysis</b>
p.20 #47	<b>OFFICE OF THE GOVERNOR Comm for the Blind &amp; Visually Impaired;</b> <i>Provide Additional Client Support</i>	

# JFAC COMMITTEE MEETING MINUTES

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1/31/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:17 a.m. with Chairman Bell and Chairman Cameron 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: None

Staff present: Holland Smith, Burns, Houston, Ellsworth, Bybee, Lockett, Tatro

Others Present: Russ Barron, and David Taylor, Department of Health & Welfare; Sara Stover, Division of Financial Management

## **GENERAL FUND UPDATE**

**Presenter: Cathy Holland Smith, Division Manager, Budget and Policy Analyst**

- ❖ Governor's revised recommendation
  - Ending balance for FY 2013: \$51,738,000
- ❖ Fiscal Year 2014
  - Estimated Ending Balance: \$9,852,900

## **DEFICIENCY WARRANTS**

### **OFFICE OF THE GOVERNOR: Military Division**

**Presenter: Richard Burns, Principal Budget & Policy Analyst**

In cooperation with the Attorney General's Office, the Military Division seeks recovery of costs from the responsible party. The liability for costs associated with a hazardous substance emergency is the responsibility of the spiller. If the spiller is unknown, the Military Division may petition the Board of Examiners for issuance of a deficiency warrant to assure that local agencies are reimbursed for their expenses as soon as possible.

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the FY 2013 budget for the Military Division was reopened.

**Carried**

**Original Motion**

Moved by Bolz, seconded by Thompson, to approve for introduction \$28,100 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$28,100.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

**IDAHO DEPARTMENT OF LANDS**

**Presenter: Ray Houston, Principal budget & Policy Analyst**

Fire Deficiency Warrants: The budget request of \$6,013,200 matches the amount of the Fire Deficiency Warrant Fund as of June 30, 2012. Costs were incurred in the Fire Deficiency fund and are reimbursed by the Legislature annually from the General Fund. The Governor recommends the appropriation and transfer of \$6,013,200 from the General fund to the Fire Suppression Deficiency Warrant Fund for fiscal year 2013.

**Unanimous Consent Request**

On request by Eskridge, granted by unanimous consent, the FY 2013 budget for the Idaho Department of Lands was reopened.

**Disclosure of Possible Conflict of Interest**

Pursuant to Rule 39 (H), Senator Schmidt disclosed he has a possible conflict of interest under applicable law. He does plan to vote on the issue currently before the Committee.

**Carried**

**Original Motion**

Moved by Eskridge, seconded by Johnson, to approve for introduction \$6,013,200 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$6,013,200.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **IDAHO DEPARTMENT OF AGRICULTURE**

**Presenter: Ray Houston, Principal Budget & Policy Analyst**

Funding is requested to reimburse actual expenditures incurred in FY 2012 for exotic and invasive species monitoring including gypsy moth, karnal bunt, exotic pest, and cyst nematode. The existence of exotic or invasive pests in the state and the lack of information about the distribution of those pests can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and countries. There is no funding in the Base budget for most monitoring, control, and eradication activities. These programs are carried out under the authority of Title 22, Chapters 19 and 2, Idaho Code. The request will reimburse expenditures of \$134,500 in personnel costs and \$214,900 in operating expenditures for a total of \$349,400 from the General Fund. Fiscal year 2012 costs included \$40,600 for exotic pest monitoring and \$308,800 for potato cyst nematode monitoring and control. One-time spending.

### **Unanimous Consent Request**

On request by Youngblood, granted by unanimous consent, the FY 2013 budget for the Department of Agriculture was reopened.

### **Disclosure of Possible Conflict of Interest**

Pursuant to Rule 38, Representative Gibbs disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

**Carried**      **Original Motion**

Moved by Youngblood, seconded by Gibbs, to approve for introduction \$349,400 General Fund, \$0 dedicated funds, \$ federal funds for a total of \$349,400.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **IDAHO DEPARTMENT OF LANDS: Forest and Range Fire Protection**

**Presenter: Ray Houston, Principal Budget & Policy Analyst**

Fire Preparedness Fund Shift: On March 6, 2012, the department received notice from the U.S. Forest Service that funding for the Consolidated Payments Grant (CPG) would be reduced for FY 2013. The department depends on this grant to support the Fire Presuppression (Readiness) Program. This mid-year request is to shift \$97,000 in personnel costs from the federal grant to the Department of Lands Fund. The source of funding is from private forest landowner assessments including those collected from state endowment lands. One-time spending.

**Carried**      **Original Motion**

Moved by Eskridge, seconded by Johnson, to approve for introduction \$0 General Fund, \$97,000 dedicated funds, (\$97,000) federal funds.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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 PARKS AND RECREATION**

### **Market Passport Program**

**Presenter: Ray Houston, Principal Budget & Policy Analyst**

Last session, the Legislature approved H446 which offers Idahoans the opportunity to purchase the State Parks Passport when registering their passenger vehicle. Funds will be used to inform the public about the availability of the new Passport Program through an extensive, ongoing effort including radio and television buys, production and distribution of promotional materials, public relations efforts, and social media.

### **Unanimous Consent Request**

On request by Eskridge, granted by unanimous consent, the FY 2013 budget for the Department of Parks and Recreation was reopened.

**Carried**

#### **Original Motion**

Moved by Eskridge, seconded by Youngblood, to approve for introduction \$0 General Fund, \$120,000 dedicated funds, \$0 federal funds for a total of \$120,000.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

### **Management Services - Marketing Plan**

The request is to spend park entry and camping fees to implement key elements of the agency's strategic, business and marketing efforts. Funding includes \$17,300 for specific use equipment, \$13,500 for promotional materials necessary to increase awareness of park offerings, \$22,200 for advertising, and \$7,000 for park-specific enterprise efforts. One-time spending.

**Carried**

#### **Original Motion**

Moved by Eskridge, seconded by Schmidt, to approve for introduction \$0 General Fund, \$60,000 dedicated funds, \$0 federal funds for a total of \$60,000.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **Park Operations – Retail Sales**

Additional spending authority needed to restock the inventory.

**Carried**

### **Original Motion**

Moved by Eskridge, seconded by Youngblood, to approve for introduction \$0 General Fund, \$150,000 dedicated funds, \$0 federal funds for a total of \$150,000.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **Lava Hot Springs Foundation**

Disinfection System and Pool Toys. One-time spending

### **Unanimous Consent Request**

On request by Gibbs, granted by unanimous consent, the FY 2013 budget for the Lava Hot Springs Foundation was reopened.

**Carried**

### **Original Motion**

Moved by Gibbs, seconded by Lacey, to approve for introduction \$0 General Fund, \$140,000 dedicated funds, \$0 federal funds for a total of \$140,000.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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 AGRICULTURE: Soil and Water Conservation Commission**

**Presenter: Ray Houston, Principal Budget & Policy Analyst**

The USDA Natural Resources Conservation Service Technical Assistance Grant.

**Unanimous Consent Request**

On request by Youngblood, granted by unanimous consent, the FY 2013 budget for the Soil and Water Conservation Commission was reopened.

**Carried**

**Original Motion**

Moved by Youngblood, seconded by Thayn, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$20,000 federal funds for a total of \$20,000.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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 – Indirect Support Services**

**Presenter: Matt Ellsworth, Senior Budget & Policy Analyst**

**Unanimous Consent Request**

On request by Keough, granted by unanimous consent, the FY 2013 budget for the Department of Health and Welfare, was reopened.

**Unanimous Consent Request**

On request by Mortimer, granted by unanimous consent, to hold the supplementals for Indirect Support Services - Medicaid Readiness Object Transfer, and for the Division of Welfare - Medicaid Readiness, until February 7, 2013 time certain.

**Indirect Support Services**

This supplemental requests \$59,600, ongoing, consisting of \$3,100 from the General Fund, \$53,400 in dedicated funds, and \$3,100 in federal funds, to pay increased costs of processing fingerprint background checks through the Idaho State Police.

**Carried**

**Original Motion**

Moved by Keough, seconded by Bolz, to approve for introduction \$3,100 General Fund, \$53,400 dedicated funds, \$ 3,100 federal funds for a total of \$59,600.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bell

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.

**Division of Welfare – Benefit Payments – Grocery Tax Credit Donation**

Grocery Tax Credit Donations. This request is for ongoing spending authority to spend donated grocery tax credit funds on energy assistance for low-income individuals. To use the accumulated balance from this funding source, \$831,900, and ongoing spending authority for anticipated annual receipts in the amount of \$226,700.

**Carried**

**Original Motion**

Moved by Keough, seconded by Bell, to approve for introduction \$0 General Fund, \$831,900 dedicated funds, \$0 federal funds, for a total of \$831,900

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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 LABOR**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

**Professional Services:** Additional funds from the Equal Employment Opportunity Commission (EEOC) for 30 extra cases processed beyond the existing contract for 307 cases. This funding can be used to offset operating expenditures in the professional services category.

### **Unanimous Consent Request**

On request by Mortimer, granted by unanimous consent, the FY 2013 budget for The Department of Labor was reopened.

### **Carried Original Motion**

Moved by Mortimer, seconded by Nuxoll, to approve for introduction \$0 General Fund, \$0 dedicated funds, \$19,500 federal funds for a total of \$19,500.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bell

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.

**Spending Adjustment:** Transfer \$16,100 from Penalties and Interest Fund, and \$9,000 from Special Administration Fund to Miscellaneous Revenue

### **Carried Original Motion**

Moved by Mortimer, seconded by Keough, to approve for introduction \$0 General Fund, \$25,100 dedicated funds, \$0 federal funds.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bell

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 REVENUE AND TAXATION – State Tax Commission**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

The Governor recommends \$181,300 for additional personnel costs for the Audit & Collections Division, and \$18,700 for the Revenue Operations Division, for a total of \$200,000

### **Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the FY 2013 budget for the Department of Revenue and Taxation, State Tax Commission, was reopened.

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$200,000 General Fund, \$0 dedicated funds, \$0 federal funds for a total of \$200,000.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **SELF-GOVERNING AGENCIES – Regulatory Boards**

**Bureau of Occupational Licenses**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

The Bureau will be reverting excess appropriation of \$1,125,000 to dedicated funds. The original appropriation was for capital outlay to replace the licensing management system in FY 2013.

**Unanimous Consent Request**

On request by Mortimer, granted by unanimous consent, the FY 2013 budget for Bureau of Occupational Licenses was reopened.

**Carried**

**Original Motion**

Moved by Mortimer, seconded by Vick, to approve for introduction \$0 General Fund, (\$1,125,000) dedicated funds, \$0 federal funds.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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**

**Presenter: Robyn Lockett, Budget & Policy Analyst**

The Department of Administration requests \$49,400 in ongoing operating expenditures for purchasing contract costs. During FY 2013, the dollar volume increased by 30% on purchasing contracts costs primarily due to increased usage of the state's open contract system.

**Unanimous Consent Request**

On request by Johnson, granted by unanimous consent, the FY 2013 budget for the Department of Administration was reopened.

**Carried**

**Original Motion**

Moved by Johnson, seconded by Nuxoll, to approve for introduction \$0 General Fund, \$49,400 dedicated funds, \$0 federal funds

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

### **SELF GOVERNING AGENCIES – Commission on Hispanic Affairs**

**Presenter: Jared Tatro, Budget & Policy Analyst**

The Governor recommends an ongoing increase of \$10,000 to the Miscellaneous Revenue Fund to accommodate contributions received in excess of previous expectations for community activities such as the Hispanic Youth Summit.

#### **Unanimous Consent Request**

On request by Keough, granted by unanimous consent, the FY 2013 budget for the Commission on Hispanic Affairs was reopened.

**Carried**

#### **Original Motion**

Moved by Keough, seconded by Youngblood, to approve for introduction \$0 General Fund, \$10,000 dedicated funds, \$0 federal funds.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

### **OFFICE OF THE GOVERNOR – Commission for the Blind and Visually Impaired**

**Presenter: Jared Tatro, Budget & Policy Analyst**

This supplemental reflects a one-time request of \$21,200 for federal funds spending authority to be used in federal fiscal year 2013. The request also includes \$289,400 in on-going Title 1 federal funds, which is the result of the new split with the Division of Vocational Rehabilitation. This supplemental also includes a request for an ongoing increase of \$2,200 and 0.12 FTP to fully support the sale of adaptive aids and appliances that sold by the agency

#### **Unanimous Consent Request**

On request by Bayer, granted by unanimous consent, the FY 2013 budget for the Commission for the Blind and Visually Impaired was reopened.

**Carried**

**Original Motion**

Moved by Bayer, seconded by Thompson, to approve for introduction \$0 General Fund, \$2,200 dedicated funds, \$310,600 federal funds for a total of \$312,800, with 0.12 FTP.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Friday, February 01, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-8:30am	Statewide Cost Allocation	<i>Jared Tatro, Budget Analyst Budget &amp; Policy Analysis</i>
8:30am-8:50am	Secretary of State LBB page 6-147	<i>Ben Ysursa Secretary of State</i>
8:50am-9:15am	Office of Performance Evaluations LBB page 6-123	<i>Rakesh Mohan OPE Administrator</i>
9:15am-9:30am	<i>Break</i>	
9:30am-10:15am	Special Hearing- Evaluation Results by OPE: <i>State Employee Compensation &amp; Turnover</i>	<i>Bryon Welch OPE Sr. Evaluator</i>
	<i>Recruitment &amp; Retention of K-12 Teachers</i>	<i>Lance McCleve OPE Sr. Evaluator</i>

**Senate Reconvenes: 11:30am**

**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/1/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:50 a.m. with Chairman Cameron presiding.

## **Roll Call:**

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

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

Excused: Bell

Staff present: Tatro

Others Present: Dale Higer, Chairman, Commission on Uniform Laws, and Christopher Rich, Ada County Clerk

## **STATEWIDE COST ALLOCATION PROCESS (SWCAP)**

**Presenter: Jared Tatro, Budget Analyst, Budget & Policy Analysis**

- ❖ Statewide Cost Allocation (SWCAP) Process
  - Legislature appropriates a General Fund amount to the central service agencies listed below:
    - State Controller
    - State Treasurer
    - Attorney General
    - Also included is Risk Management (Department of Administration)
  - At the same time the Legislature appropriates to the central service agencies, it also appropriates a like amount to all other state agencies from either the General Fund, dedicated funds, or federal funds (or some combination)
  - The central service agencies then provide their services to other state agencies
  - Division of Financial Management (DFM) administers SWCAP. In July, DFM bills and subsequently collects, the amounts due. The agencies are to pay the amounts due from the fund(s) from which they were appropriated.
  - DFM then transfers the SWCAP receipts into the General Fund at the end of each fiscal year.
- ❖ Budgeting Statewide Cost Allocation

- State Controller
  - Accounting: \$0.31 per transaction
  - Payroll: \$3.92 per employee/month
  - The Controller is responsible for providing central accounting and reporting services for all agencies including disbursing funds, maintaining accounting records of all accounting transactions and preparing the state Comprehensive Annual Financial Report (CAFR). The Controller is also responsible for processing payroll and maintaining personnel information for all state employees.
  - Statewide cost allocation does not include the computer services provided by the Controller's office that are direct billed.
- State Treasurer
  - \$0.90 per warrant
  - The Treasurer is the central depository for funds collected by state agencies. It provides banking services for state government, including processing all warrants disbursed by the Controller's office.
  - The Treasurer's investment of state funds and investment funds are not reported as part of SWCAP
- Attorney General: \$54.37 per hour
  - The AG is the chief legal officer for Idaho and is required to prosecute and defend all causes (legal or criminal) when Idaho is a party
  - Also provides legal advice and guidance to all agencies
  - Costs associated with providing legal services to state agencies have been allocated based on hours of service
  - Costs associated with the consumer protection unit, criminal division, and lawsuits against the federal government are not allowed nor are they included in the SWCAP calculations
- Risk Management (Dept of Administration):
  - Projected costs for some insurance, bonds, and premiums
    - Not an indirect cost: added to SWCAP to ensure agency budgets reflect changes in "risk"
    - Risk management is Idaho's property and casualty insurance manager for several types of coverage including property, liability, and auto. Idaho is self-funded and commercially insured. Commercially, the State is self-funded to the amount of its deductible
- ❖ How agencies request their SWCAP appropriation change
  - State Controller
    - FY 2013 SWCAP appropriation: \$ 5,913,900
    - FY 2014 SWCAP recommendation: \$ 5,816,914
      - Change in General Fund: (\$24,500)
      - Change in Dedicated Fund: (\$35,000)
      - Change in Fed Fund: (\$ 7,300)
    - FY 2013 Gen. Fund appropriation: \$ 6,206,800

- State Treasurer
  - FY 2013 SWCAP appropriation: \$ 1,352,910
  - FY 2014 SWCAP recommendation: \$ 1,288,935
    - Change in General Fund: (\$23,500)
    - Change in Dedicated Fund: (\$ 4,500)
    - Change in Federal Fund: (\$18,700)
  - FY 2013 General Fund appropriation: \$ 1,341,600
  - FY 2014 Gov. recommendation for Gen. Fund: \$ 1,355,700
- Attorney General
  - FY 2013 SWCAP appropriation: \$ 9,800,531
  - FY 2014 SWCAP recommendation: \$10,026,187
    - Change in General Fund: \$116,800
    - Change in Dedicated Fund: (\$52,600)
    - Change in Federal Fund: \$ 92,700
  - FY 2013 General Fund appropriation: \$16,514,900
  - (Not all state agencies are required to use the Attorney General for legal services.) The \$6 million difference between the SWCAP and agency General Fund appropriation includes unallowable costs such as those from criminal cases, and lawsuits against the federal government.
- Risk Management
  - Fees are calculated based on estimates provided by a contracted actuary
  - FY 2013 SWCAP appropriation: \$ 8,065,720
    - FY 2013 collected amount: \$ 6,840,824
  - FY 2014 SWCAP recommendation \$ 9,227,981
    - Change in General Fund \$767,400
    - Change in Dedicated Funds: \$259,000
    - Change in Federal Funds: \$ 54,400
- ❖ Issues with current process and proposed solutions
  - Appropriation and collections are not consistent
  - Base amount needs to be evaluated
  - Risk management -- change does not need to be funded for FY 2014
    - General Fund savings: \$767,400
    - Found a discrepancy from what the Legislature has been appropriating to agencies and what the Department of Administration has been billing and collecting which leads to an inflated base amount shown on the SWCAP form sent to agencies from DFM.
  - Attorney General
    - At issue: Beginning in 2001, the AG staff was funded from the general fund and agencies would pay for their portion of legal services through statewide cost allocation. In the past few years, 5.5 legal service staff were added to the AG's office through a dedicated fund with agencies being directly billed for those services. To meet the intent of SWCAP and to provide consistency/accountability, the

positions should have been incorporated into SWCAP which aligns with what the AG is requesting in the budget request.

- Additionally, one of the FTPs is in Fish and Game and that position is included in SWCAP for calculating hours. The agency is paying SWCAP for services but the AG's office is compensating that staff member from the Consumer Protection Fund; that fund is intended to account for settlements and lawsuit money.
  - Propose that the Legislature bring these 5.5 staff positions onto SWCAP either in the traditional path or a modified approach
- ❖ Idaho Code
- Title 67, Section 3524 Equitable Distribution of Government Overhead Expenses
    - "...declared the public policy....that governmental overhead expenses should be equally distributed among and between all....entities"
  - Title 67, Section 3531 Annual Statewide Indirect Cost Allocation Plan
    - DFM in accordance with US Circular A-87 shall develop a plan for indirect cost recovery
- ❖ Summarizing the Issues
- Legislative Budget Book only reflects the change, not the total
  - FY 2014 SWCAP is \$25.2 million
    - Treasurer: \$ 1.3 million
    - Controller: 5.8 million
    - AG: 10.0 million
    - \$17.1 million
    - Risk Management: \$8.1 million (\$9.2 if FY14 is funded)
  - Risk management change does not need to be appropriated for FY 2014
  - Attorney General funding is deviating from SWCAP

## **SECRETARY OF STATE**

**Presenter: Ben Yursa, Secretary of State**

- ❖ Introductions
- Tim Hurst, Deputy Secretary of State
  - Patty Weakley, Fiscal Officer
  - Dale Higer and Rex Blackburn, Commissioners for the Commission on Uniform Laws
  - Christopher Rich, Ada County Clerk
- ❖ Administration
- Registers official acts of Legislature/Governor
  - Administers and certifies elections
  - Maintains a registry of tort claims, extraditions, deed, official oaths and gubernatorial appointments
  - Administers the Sunshine Law

- Maintains and operates the Centralized Uniform Commercial Code (relating to state, commercial, and farm product filings)
- ❖ FY 2014 Governor's recommended budget
  - Base budget of \$1,924,900
  - Decision unit 1 – Idaho Blue Book publication, \$40,000 one-time
  - Decision unit 2 – upgrade software/staff training \$35,800 one-time
  - Governor did not recommend \$2,700 for the Uniform Laws Conference or \$9,500 for the Electronic Recording Commission
  - Expenses down about 12% - no state elections this year
  - Will return about \$120,000 to the General Fund
- ❖ Audit Finding
  - One open item regarding Help America Vote Act
    - Working to keep better track of spending – to identify items at the time of expenditure
    - Implementation is not yet complete

### **Commission on Uniform State Laws**

**Presenter: Dale Higer, Chairman**

- ❖ Purpose
  - Attend national conference on uniform state laws
  - Report to the Legislature an account of its transactions
  - Advise and recommend issues needing legislative action
  - Commission was established in 1890
  - Idaho has adopted 124 of the Commission's recommendations
  - Commission members are Dale Higer, Rex Blackburn, Mike Brassey, and Bart Davis
  - Members are appointed by the Governor
  - Commissioners serve without compensation
- ❖ Budget
  - Requesting increase of \$2,700 to cover expenses (not recommended by the Governor)

### **LEGISLATIVE BRANCH: Office of Performance Evaluation**

**Presenter: Rakesh Mohan, Director**

- ❖ Division Description
  - Nonpartisan legislative office that promotes accountability and confidence in state government.
  - Works under the direction of the bipartisan Joint Legislative Oversight Committee (JLOC)
- ❖ Responsibilities
  - Conducts independent, objective, in-depth and timely performance evaluations of state agencies, programs, and functions

- Identifies financial savings and cost avoidance
- Makes recommendations to agencies for improvement
- Offers recommendations to the Legislature to help with policy and budget decisions
- ❖ OPE evaluations
  - Reported to JLOC and other legislative committees
  - Reported to state agencies to help them improve their operational efficiency and program effectiveness
- ❖ Awards/recognition
  - Excellence in Research Methods Award (2012 and 2010)
  - Alva and Gunnar Myrdal Government Award (2011) from the American Evaluation Association (AEA)
- ❖ Examples of OPE work
  - End-stage Renal Disease Program phasing out in June, 2013
    - Will save about \$500,000 annually
  - Delays in Medicaid claims processing
    - Saved \$2.7 million through contract amendments
    - Improved claims processing
  - Distribution and sale of liquor
    - Potential to save an estimated \$700,000 annually if 13 Idaho stores are converted to contract stores
  - Equity in Higher Education funding
    - Reframed the policy discussion about funding equity
    - Assisted policymakers with budgeting decisions
  - Reducing Barriers to Postsecondary Education
    - Linked education and employment
    - Offered solutions for reducing barriers, including revising the state's policies on scholarships
      - SB 1027 consolidated statewide scholarship program
  - Strengthening Contract Management in Idaho
    - Will improve monitoring of state contracts which could save the state millions of dollars
  - Workforce Issues affecting Public School Teachers
    - Informs policymakers on issues that are germane to public education reform efforts
    - Informs policymakers when making budget decisions
  - State Employee Compensation and Turnover
    - Informs policymakers when making budget and policy decisions
    - Recommends a task force that the Governor is implementing
- ❖ Impact of previous budget cuts
  - Lost one position
  - Conducted limited-focused studies
  - Relied less on consultants
  - Significantly reduced training that requires travel
  - Increased in-house training
  - Used interns and hired staff at entry level

- ❖ FY 2014 budget request
  - \$50,000 increase in operating expenditures
    - Support consulting costs for evaluation projects
    - OPE's operating expenditures declined over 50% during FY09-FY13
    - Consultants help by performing complex analyses and ensuring the quality of OPE's reports
  - \$70,000 for an additional performance evaluator
    - Position was lost in FY 2011
    - In recent years OPE received an average of 11 evaluation requests per year
    - Current staffing resources limit OPE to conduct only three to five new evaluations per year
    - The additional position will allow OPE to conduct at least one more evaluation every year

## **SPECIAL HEARING**

### **Evaluation Results by OPE: State Employee Compensation and Turnover**

**Presenter: Byron Welch, Senior Evaluator, OPE**

- ❖ OPE examined the challenges of implementing statewide compensation policies in order to understand why employees leave their jobs.
  - Surveyed over 17,000 classified and non-classified state employees and did not include teachers
  - Looked at pay in relation to state benchmarks
    - According to Idaho Code, Legislative intent is to fund a competitive employee compensation and benefits package that attracts qualified applicants and retains employees who are committed to public service excellence
    - Policy pay rates in current compensation schedule for classified employees (established in 2009) were set 4 percent below relevant market comparisons.
    - Schedule consists of minimum, policy, and maximum pay rates for each pay grade
- ❖ Findings
  - Statistics
    - Ninety percent of classified employees are paid less than their policy pay rate.
    - More than 45 percent earn between 20 and 32 percent less than their policy rate
    - On average, classified employees earn 85 percent of their current policy pay rate. Contributing factors are:
      - Recent economic decline, both nationally and in Idaho, led to state budget shortfalls

- CEC increases (change in employee compensation) were not appropriated for fiscal years 2010, 2011, and 2012
- CEC increases during the past ten years have been less than inflation
- Turnover Data
  - National research shows a strong link between compensation and turnover
  - In Idaho's survey, poor pay was one of the top contributing factors, as well as lack of opportunities for career advancement
  - Idaho Data does not provide enough detail to conclusively answer why employees leave state employment
- ❖ Considerations for policymakers to strengthen compensation policies and develop strategies to reduce employee turnover. Two key questions about compensation:
  - What would be an acceptable number of classified employees who earn less than their policy pay rate?
  - How evenly should these employees be distributed below their policy pay rate?
- ❖ Recommendations for the Division of Human Resources in two key areas:
  - Updating the compensation schedule to better reflect current and relevant market comparisons
  - Improving efforts for collecting statewide turnover data to ensure that agencies are collecting the type of data necessary to answer policymakers' questions about turnover.

## **Evaluation Report by OPE: Workforce Issues Affecting Public School Teachers**

**Presenter: Lance McCleve, Senior Evaluator, OPE**

- ❖ Education stakeholders want a more inclusive, more collaborative approach to implementing changes to the state's public school system
- ❖ Project scope
  - Educator recruitment
  - Teacher attrition
  - Teacher retention
  - With aging teaching workforce and a growing population, what are Idaho's anticipated needs for future educators
  - Teachers' skills/deficiencies
  - How does Idaho's retirement system (PERSI) treat educators moving from one pension to another
  - Identify challenges/opportunities to attract new teachers and retain current staff
  - Provide decade of historical data on supply of educators versus job openings
  - Segregate certified teachers associated with a classroom and examine class size variations in Idaho

- ❖ Considerations
  - Teacher profile and class size
    - Policymakers would be better served by studying class size at the district or school level
    - Examine other descriptive statistics in addition to an average, such as range of class sizes and factors affecting that range
  - Teacher preparation
    - Generally superintendent and principal respondents generally felt that new teachers are prepared to teach but identified three areas they would like to see improved in new teacher hires:
      - Multiple certifications or endorsements to broaden what a new teacher is qualified to teach
      - Better classroom management skills
      - An increased ability to integrate technology into classrooms
  - Recruitment, retention, and turnover
    - Superintendent and principal respondents attributed their recruitment and retention struggles to teacher compensation packages
    - Results from survey revealed a strong undercurrent of despair among teachers who seem to perceive a climate that disparages their efforts and belittles their contributions.
    - Expressed concern or dissatisfaction with specific aspects of their work or with conditions surrounding the public education environment in Idaho
  - Future workforce needs
    - Many respondents expressed concern about the long-term availability of dedicated, quality teachers to serve the state's public school system.
    - Teacher dissatisfaction and sense of being underappreciated could affect the state's ability to ensure a steady supply of dedicated/ effective teachers.

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Monday, February 04, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-8:30am	<b>State Appellate Public Defender</b> LBB page 5-103	<i>Sara B. Thomas</i> <i>State Appellate Public Defender</i>
8:30am-9:10am	<b>Department of Juvenile Corrections</b> LBB page 3-67	<i>Sharon Harrigfeld</i> <i>Director</i> <i>Dept of Juvenile Corrections</i>
9:10am-9:40am	<b>Office of the Governor</b> Military Division LBB 6-95	<i>Gary Saylor</i> <i>Adjutant General</i>
9:40am-9:50am	<i>Break</i>	
9:50am-10:00am	<b>Idaho Judicial Council</b>	<i>Jim Carlson</i> <i>Executive Director</i> <i>Idaho Judicial Council</i>
10:00am-11:00am	<b>Judicial Branch</b> LBB page 3-57	<i>Patti Tobias</i> <i>Administrative Director</i> <i>Idaho Supreme Court</i>

**Senate Reconvenes: 11:15am**

**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/4/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:15 a.m. with Chairman Cameron presiding.

## **Roll Call:**

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

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

Excused: Bell

Staff present: Burns

Others Present: Scott Johnson, Department of Juvenile Corrections, and Colonel Brad Ritchie, Bureau of Homeland Security

## **STATE APPELLATE PUBLIC DEFENDER (SAPD)**

**Presenter: Sara B. Thomas, State Appellate Public Defender**

- ❖ Right to Counsel
  - The right to effective counsel in an appeal is guaranteed by the United State Constitution
  - The right to counsel in a post-conviction action is provided by Idaho statute; it is discretionary in felony cases and mandatory in capital cases
  - Idaho Code Section 19-868 created the SAPD. The cost of legal representation for indigent defendants on appeal “is an extraordinary burden on the counties...”
- ❖ Capital Crimes Defense Fund (CCDF) was created in 1998, Idaho Code 19-863A and a Joint Powers Agreement
  - To reduce the burden, to provide competent counsel, and to avoid paying high hourly rates to independent counsel
  - CCDF acts like an insurance program
    - Counties pay an annual premium based upon population
    - Counties pay a \$10,000 deductible per case and the fund covers the additional defense costs
    - 43 of 44 counties participate
    - CCDF is managed by a 7-member Board of Directors elected by the counties

- Counties that participate in the fund also receive the services of the SAPD as defined in Idaho Code Section 19-868, et.seq.
- ❖ SAPD staff – total of 22
  - Administrative (2 FTP)
  - Capital Litigation Unit (6 FTP)
  - Appellate Unit (14 FTP)
- ❖ Appellate Unit Case Types
  - Direct Appeals
    - An appeal from the felony conviction itself
    - Review of what occurred in court, on the record
    - General review of whether the district court did its job consistently with the law
  - Habeas Corpus Appeals
    - Generally limited to claims regarding conditions of confinement
  - Post-conviction Appeals (I.C. Section 19-4901, et. seq.)
    - Civil action in which the former defendant sues the State asserting specific errors
    - Allows the petitioner to provide evidence of things that occurred out of court and off the record
    - How a person asserts that they did not receive effective assistance of counsel
- ❖ Appellate Unit Caseload versus Workload
  - Caseload measures the number of cases opened by the SAPD within a given fiscal year. The opened date is the date the Notice of Appeal is filed.
    - FY 2010            571 cases
    - FY 2011            602 cases
    - FY 2012            664 cases
  - Workload measures the average weighted value of casework handled by an appellate unit attorney. The point value is assessed at the time the case is assigned, or when an additional brief is filed.
    - FY 2010            50.25
    - FY 2011            47.20
    - FY 2012            50.00
- ❖ Capital Unit Case Types
  - Post-conviction proceedings in District Court
    - Filing of a Petition for Relief
    - Investigation
    - Summary Dismissal proceedings
    - Evidentiary Hearing
  - Consolidated Appeal
    - Includes both the Direct Appeal and the Post-conviction Appeal
    - Interlocutory Appeals in Post-conviction (only had two cases in the last three years)
  - Capital cases in 2012

- Azad Abdullah – Consolidated Appeal
- Timothy Dunlap-Consolidated Appeal
- Erick Virgil Hall (I) – Summary Judgment Proceedings
- Michael Jauhola – Investigation/Conflict Review
- Darrell Payne – Investigation
- ❖ FY 2014 Governor’s recommended budget
  - Personnel costs                                 \$1,758,800
  - Operating costs                                     313,700
  - Capital outlay                                     1,500
  - Total   \$2,074,000
- ❖ Conflict and Contract Cases
  - Conflict Cases
    - SAPD is properly appointed
    - SAPD has a legal/ethical conflict such that the case must be assigned to an outside attorney for representation
  - Contract Cases
    - SAPD is properly appointed
    - SAPD could represent the appellant
    - There is not a Deputy SAPD available to take the case due to pending workloads
- ❖ Appellate unit costs in FY 2014
  - Want to transfer \$67,800 from operating to personnel to hire one full-time appellate attorney to allow SAPD to keep more cases in-house and reduce contract costs
  - Contract case cost is \$125 per hour
    - In FY 2012, SAPD paid \$92,008.50 in contract case costs
    - July - December 2012 the SAPD paid \$57,817 in contract costs
  - In-house average cost is \$42.72 per hour: includes all personnel costs
- ❖ Managing capital case costs
  - Needed funds for a capital case can change within a given fiscal year depending on the changing status of a case
  - Funds are requested when costs can reasonably be expected to be incurred during a given fiscal year
  - May occur in a standard budget request for operating funds or in a supplemental request depending upon when the status of the case changes
  - Supplemental budget funds provided for capital cases are reverted to the General Fund if not expended for a specific capital case during the requested fiscal year
  - Capital case expenditures
    - FY 2012   \$3,220.63 in investigative costs
    - FY 2013 to-date                                 \$6,500.00 (estimated cost of depositions)
  - Capital Unit FY 2013 supplemental budget request is \$100,000
    - Jauhola v. State

- Possible conflict of interest discovered by SAPD
- District Court selected and appointed an attorney to review the case and determine if a conflict exists
- Estimated cost of conflict review is \$20,000 (original estimate was \$5,000, subsequent changes increased the projected cost by \$15,000)
- If conflict is found, client may waive conflict and keep SAPD as counsel and no conflict costs would be incurred
- Client may choose to not waive conflict and outside counsel will be hired to represent client at an estimated cost in FY13 of \$50,000
- If conflict is not found or conflict is waived, the case will be maintained by SAPD and conflict costs will not be incurred
- Hall v. State (Hall I)
  - Possible evidentiary hearing – awaiting District Court decision on summary dismissal
  - If hearing is granted on all issues, costs could be \$30,000 (\$24,000 in expert fees and \$6,000 in witness costs)
- Capital Unit costs in FY 2014
  - SAPD budget request does not currently include operating funds specifically designated for capital cases in FY 2014
  - When Hall II is decided by the Idaho Supreme Court, SAPD will have a better understanding of what is to occur in FY14 and the necessary costs – conflict review or investigation
  - Unsure of conflict costs for Jauhola in FY14 unless/until the potential conflict issue is resolved
  - FY 2014 budget request from the Governor is \$2,074,000
    - Personnel costs \$1,758,800
    - Operating costs 313,700
    - Capital outlay 1,500
    - Total \$2,074,000

**DEPARTMENT OF JUVENILE CORRECTIONS (IDJC)**

**Presenter: Sharon Harrigfeld, Director**

- ❖ Introductions
  - Scott Johnson, Administrator of Administrative Services Division
  - Monty Prow, Project Manager
  - Sharon Burke, Substance Use Disorder Program Manager
  - Jessica Moncada, Quality Improvement Program Specialist
- ❖ History of Juvenile Justice in Idaho
  - In 1903 opened Industrial Training School in St. Anthony
  - In 1905 Idaho passed its first juvenile court statute
  - In 1955 Idaho passed the Youth Rehabilitation Act
  - In 1995 Idaho passed the Juvenile Corrections Act

- Based on a Balanced and Restorative Justice Model (emphasizes juvenile and parental accountability)
- In 1998 contracted with Chinn Planning to complete an assessment of the entire juvenile justice system – looking to future capacity needs
  - Identified county and state growth trends
  - Resources and problems with the juvenile justice system
  - Assessed state operations and facilities
  - Report recommended:
    - More community-based substance abuse and mental health services
    - An increase in detention beds and other services at the local level
  - Have received funding for the following with key partners in juvenile justice:
    - Community Incentive Project
    - Mental Health
    - Clinical Services Project
    - Substance Use Disorder Services
    - Changes in Judicial Rule 19
- ❖ Continuum of Care
  - Prevention
  - Intervention
  - Rehabilitation
  - Community Transition
  - Statistics
    - Last year there were 12,677 arrests of youth ages 10 to 17
    - Daily average of 5,000 juveniles on probation
    - 200 juveniles in detention facilities
- ❖ Behavioral Health Resources
  - Serve juveniles at the community level
  - Intervene early to address mental health and substance use disorder issues
  - Maximize positive outcomes
  - Evaluate results to ensure continuous system improvements
- ❖ Substance Use Disorder Services – Most recent program appropriated by the Legislature. Established four goals:
  - Provide juveniles access to treatment services
  - No waitlist
  - Focus on maximizing successful outcomes
  - Continue to evaluate the results and work toward continuous system improvement
- ❖ Juvenile Commitment
  - Those with highest risk are committed to one of three state institutions located in St. Anthony, Lewiston, and Nampa
    - House up to 240 juveniles

- Programming includes cognitive restructuring, drug and alcohol treatment, outdoor and various victim awareness activities, family and individual work, and service learning
- Juveniles assessed with moderate to low risk are served in contract provider placements
- Some juveniles are placed out of state because of specific needs, such as:
  - Developmental disabilities
  - Autism
  - Fetal Alcohol Syndrome
- Achievements
  - Increased reading and math scores
  - Awarded high school diplomas and GED certificates
  - Family participation and satisfaction
- Challenges
  - Lawsuit by some department employees is in the discovery process
  - Tort claim filed by former staff member in Canyon County
- ❖ Change in programs and workforce structure to meet juvenile treatment needs
  - Reclassified position to clinician with specific mental health experience
  - Changed structure of Observation and Assessment Unit
  - Reviewed all programming and treatment to eliminate redundancy
  - Strengthened case management and provided more training
- ❖ Three levels of quality improvement at IDJC
  - Minimum standards, assuring administrative rules, laws and regulations are followed
  - Operational standards (assists in monitoring and improving conditions and treatment services using national standards)
  - Outcome standards – Idaho has adopted effective interventions for high-risk offenders’ research to monitor IDJC facilities and larger contract facilities
- ❖ FY 2014 Governor’s budget recommendation
 

○ General Funds	\$37,462,900
○ Dedicated Funds	\$ 7,782,300
○ Federal Funds	<u>\$ 3,838,000</u>
• Total	\$49,083,200

**OFFICE OF THE GOVERNOR: Military Division**

**Presenter: Major General Gary Saylor, Adjutant General for the State of Idaho**

- ❖ Introduction of those in attendance:
  - Brig. General John Goodale, Assistant Adjutant General, Army
  - Brig. General Dick Turner, Director of the Joint Staff
  - Col. Brad Richy, Chief of the Bureau of Homeland Security(BHS)
  - Col. Don Blunck, Commander of the 116<sup>th</sup> Brigade

- Col. Jeffery Aebischer, Air Guard Chief of Staff
- CSM Ken Downing, Senior Enlisted Leader of the IDNG
- Master Sgt. Grant Settle, NCO of Year, Youth Challenge Graduate
- Nancy Gollaher, State Budget Analyst
- Paula Edmiston, Human Resource Manager
- Robert Wells, Special Assistant to the Director, BHS
- Robert Feeley, Public Affairs Officer, BHS
- ❖ Mission
  - Provide highly trained ready forces for state and federal missions – responsive to the needs of our nation, state, and community
  - Coordinate activities to protect against, prepare for, mitigate the effects of, respond to and recover from natural and technological hazards, and man-caused threats
  - Provide structured alternative education for at-risk youth
- ❖ Personnel Strength
  - Idaho National Guard continues to recruit quality soldiers and airmen
  - Army National Guard is at 103% of its authorized strength
  - Air National Guard is at 98% moving toward goal of 100%
  - Retention rates remain among the highest in the nation
  - Governor’s initiatives
    - “Hire One Vet”
    - Hero’s 2 Hire
  - Deployments
    - Soldiers from the 1-168<sup>th</sup> General Support Aviation Battalion are finishing deployment in Afghanistan – to return this month
    - Airmen from the 124<sup>th</sup> Civil Engineer Squadron just concluded a deployment in Afghanistan
    - 116<sup>th</sup> Cavalry Brigade will deploy soldiers in May 2013 to Cambodia for ANGKOR SENTINEL
    - Idaho Agriculture Development Team (ADT) will deploy soldiers and airmen to Afghanistan in October 2013
    - The 1-183<sup>rd</sup> Aviation Group will deploy personnel and equipment to Afghanistan in October 2014
  - 2012 Wildland Fire Support – mission was to coordinate state disaster response in support of local jurisdictions
    - Activated State Emergency Operations Center and Joint Operations Center
    - Established traffic control points to secure fire areas
    - Secured two FEMA Fire Management Assistance Grants (Trinity Ridge Fire and Kearny Fire)
  - Other missions
    - Funerals and Honors
      - Supported 1,388 funerals last year (about 115 per month)
    - Civil Search and Recovery (SAR)

- Through Air Force Rescue Coordination Center (AFRCC) the Army Aviation Group has been dispatched for civil search and rescue assistance throughout Idaho
- Participated in six search and recovery missions last year
- State Partnership Program (SPP) – Cambodia
  - 100% federally funded program links Idaho with Cambodia in support of the security cooperation objectives to preserve peace and stability in the region
  - SPP facilitates economic, commercial, social and cultural government interactions in addition to military-to-military expert exchanges
  - SPP builds strong Military-to-Military relationships and long-term personal relationships
  - Governor Otter is scheduled to stop in Cambodia on his trade mission in April 2013

### **JUDICIAL BRANCH: Idaho Judicial Council**

**Presenter: Jim Carlson, Executive Director**

- ❖ Judicial Council Membership
  - Seven permanent members and one adjunct member
    - Three permanent attorney members, one of whom is a district judge appointed by the Board of Commissioners of the Idaho State Bar
    - Three permanent non-attorney members appointed by the Governor with the consent of the Senate
    - Term of appointment is six years
    - Chief Justice is the seventh member and serves as Chairman
  - Current Council members:
    - Chief Justice Roger S. Burdick
    - J. Philip Reberger
    - Ronald M. Nate, Ph.D.
    - Steven A. Tuft
    - Joel Hazel
    - Elizabeth Chavez
    - Honorable Ronald J. Wilper, District Judge
    - Honorable Thomas H. Borresen, Adjunct Magistrate Member
- ❖ Duties of Judicial Council
  - Conduct studies for the improvement of the administration of justice
  - Make reports to the Supreme Court and Legislature
  - Submit to the Governor two to four names of qualified persons for each vacancy in the office of justice of the Supreme Court, judge of the court of appeals, or district judge
  - Recommend the removal, discipline and retirement of judicial officers
  - Other duties as assigned by law

- ❖ Process to select candidates
  - Notice given to all attorneys
  - Background investigation
    - Criminal
    - Credit Report
    - Idaho State Bar
    - Criminal Case Records Clerk
    - Idaho State Tax Commission
  - Surveys sent to all attorneys and are available to members of the public at each County Clerk's office
  - Personal interview by Idaho Judicial Council with every applicant
  - Forward the names of two to four candidates to the Governor
- ❖ 2012 Nominations by Judicial Council
 

Vacancy	# of Apps.	# Nominees	Individual Appointed
4 <sup>th</sup> Judicial Dist.	10	4	Melissa N. Moody
1 <sup>st</sup> Judicial Dist.	9	3	Barbara A. Buchanan
3 <sup>rd</sup> Judicial Dist.	7	2	George A. Southworth
- ❖ Other Information
  - Complaints received in 2012
    - 54 verified
    - 42 not verified
  - Requests for ethics opinions
    - In 2012, the Council responded to over 48 requests for ethics opinions from judges
  - Judicial performance evaluations
- ❖ Critical Needs
  - Interviews in Judicial Districts where vacancy exists
  - On-going funding for contested disciplinary cases
  - Judicial Performance Evaluation Program

## JUDICIAL BRANCH

**Presenter: Patricia (Patti) Tobias, Administrative Director of the Courts**

- ❖ Overview of Idaho Courts
  - 44 counties are divided into 7 judicial districts, each with a courthouse
  - Elected clerk of the District Court (and over 500 deputy court clerks) who are county-paid employees, file court documents, receipt fines, fees, and forfeitures, manage all court records and attend all sessions of court
  - At least one Magistrate Judge resides in every county and presides over challenging cases
    - Over 200,000 cases are resolved annually by 87 magistrate judges
  - District Judges are chambered in 19 of Idaho's 44 counties. They hear felony cases, complex civil and business cases, and appeals of decisions from Magistrate Judges

- One District Judge from each district serves as the Administrative Judge. The judge manages the district, makes case assignments, prepares state and county budgets and performs many other duties
- Retired senior judges hear cases in various counties on a part-time basis. Currently there are 55 senior judges where workloads are the greatest
- Each county has Family Court Services which act as a resource for parties divorcing or modifying child custody plans; services for protecting children during difficult court cases and tools to help judges resolve cases quickly for the children
- A Court Assistance Officer, Deputy Court Clerk or another contact who provides information and forms in civil and family law cases for those who want to represent themselves and cannot afford an attorney
- 34 counties have a Drug Court, Mental Health Court, Domestic Violence Court, or Veterans Court (called problem-solving courts). These courts provide cost-effective community-based sentencing alternatives to incarceration, reduce recidivism, and keep communities safe and save taxpayers money
- Over 400,000 cases are resolved annually in county courthouses
- All appeals from district courts, the Public Utilities Commission, and the Industrial Commission are filed with the Supreme Court and then heard by the Supreme Court or are assigned to the Court of Appeals.
- Appellate courts hear oral arguments
- ❖ Assessment and distribution of court costs, fees, and fines
  - Assessments are ordered by judges
  - Payments are processed by county court clerks
  - In FY 2011, almost \$50 million was collected and distributed to more than 200 entities:
    - \$5 million to the General Fund
    - \$21.3 million to other state entities
    - \$16.2 million to the counties
    - \$7 million to cities
    - Working to streamline collection efforts
  - Emergency Surcharge enacted when Court's budget was cut
    - Court wants to repeal the emergency surcharge June 2013 sunset provision rather than seek \$4.3 million from General Fund
- ❖ Funding Idaho Courts
  - State – appropriated \$49.5 million from General Fund
    - \$30.3 General Fund (65% is for judicial salaries)
    - \$17.4 Dedicated Funds (60% distributed to counties)
    - \$ 1.8 Federal Funds (60% distributed to counties)
  - County
    - \$23.5 Elected and Deputy Court Clerks
    - \$22.4 Misdemeanor and Juvenile Probation
    - \$19.1 Jurors, court security, interpreters, law clerks, and other Court Operations

- County government is required to provide suitable and adequate facilities as well as staff, supplies and other expenses of the district court and the magistrate division
- FY 2014 Governor's budget recommendation
  - General Fund \$31,819,900
  - Dedicated Funds \$17,859,400
  - Federal Funds \$ 2,072,900
    - Total \$51,752,200
  - Decision Units recommended by Governor
    - Court Facilities Planning Specialist \$122,200
    - District Judges & Court Reporters \$673,200
    - Drug/Mental Health Courts \$324,000
    - Magistrate Judges \$300,000
    - Domestic Violence Courts \$200,000
    - Family Court Services \$200,000
    - Judicial Council \$ 34,000
    - Guardian Ad Litem Training/Recruitment \$ 50,000
    - Guardian Ad Litem Interest Earnings \$ 3,700
    - Substance Abuse Provider Rate Increase \$275,900
- ❖ Plans for E-Court
  - Investing in technology to save money and improve services
  - In the future, court users will be able to complete most court business electronically -- in real time, online, 24/7 without going to the courthouse
  - Next year will present a detailed revenue, expense, cost-saving plans

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Tuesday, February 05, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-9:00am	Office of the Attorney General LBB page 6-29	<i>Lawrence Wasden</i> <i>Attorney General</i>
9:00am-9:30am	Commission of Pardons and Parole LBB page 3-53	<i>Olivia Craven</i> <i>Executive Director</i> <i>Comm of Pardons and Parole</i>
9:30am-9:40am	<i>Break</i>	
9:40am-11:00am	Department of Correction- Board of Correction LBB page 3-3	<i>Brent Reinke</i> <i>Director</i> <i>Dept of Correction</i>

**Senate Reconvenes: 11:15am**

**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/5/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:30 a.m. with Chairman Cameron 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: None

Staff present: Lockett, Bybee, Ellsworth

Others Present:

Medical Boards:

Mark Johnson, Executive Director, Board of Pharmacy

Nancy Kerr, Executive Director, Board of Medicine

Carol Youtz, Exec. Director, Board of Veterinary Medicine

Susan Miller, Executive Director, Board of Dentistry

Sandy Evans, Executive Director, Board of Nursing

Crime Victims Compensation:

George Gutierrez, Chief, Crime Victims Compensation Bureau

## **OFFICE OF ATTORNEY GENERAL (AG)**

**Presenter: Lawrence Wasden, Attorney General**

- ❖ Review of past activities
  - In 2012, office was appropriated almost \$18 million
  - Because of various settlements/recoveries the AG's office was able to return \$55 million to the General Fund
  - In the past the AG's office assisted counties with criminal prosecutions if requested. Last year the office had to turn away 15 prosecution requests from 9 counties and 1 city for lack of resources
  - Before the recession the Special Prosecutions Unit had 3 prosecutors and 4 investigators; after the recession, there were 2 prosecutors and 2 investigators
  - Robert Hall murder case

- Staff was required to take the case to trial which involved using 2 attorneys, 1 paralegal and 1 victim coordinator. The guilty verdict consumed most of the AG's prosecution resources for 17 months.
- ❖ Comparison of using state counsel versus outside counsel (hourly rate)
  - Private Attorney's rate \$125.00
  - SWCAP (interagency billing for legal services) 54.37
  - AG – median hourly salary \$ 35.73
- ❖ Highlights of the past year
  - Defended decision to delist wolves from the ESA
  - Defended Idaho's sovereignty concerning Healthcare Reform
  - Medicaid recoveries
    - Medicaid Fraud Unit recovered \$617,991 for FY 2012
    - Medicaid Estate Recovery recovered \$5,392,187 for FY 2012
  - Consumer Protection Division recovered \$24,255,635 in FY 2012
    - Recoveries transferred to the General Fund \$16,101,601
    - Restitution to consumers & state Medicaid \$ 5,772,757
  - Tobacco Master Settlement Agreement (MSA)
    - In FY 2012 received \$24,922,225
    - In FY 2013 expect to receive a similar amount in April 2013
    - Tobacco recoveries could be in jeopardy
      - Tobacco companies withholding millions of dollars in payments
      - Companies are seeking to wipe out tens of millions of dollars in future payments
    - Defended Idaho's right to MSA payments in National Arbitration
      - Significant resources were used to uphold contested payments
      - Continue to defend payments
  - Natural Resources Division
    - Snake River Basin Adjudication
      - Over 150,000 water rights adjudicated
      - Only 130 cases remain
    - Water management
      - 2 out of 3 cases decided
      - Awaiting decision on "Surface Call"
  - Land Board Litigation
    - By Idaho Constitution, endowment lands are to be managed for the benefit of present and future beneficiaries (removes discretion of management from the Land Board and the Legislature) which was re-affirmed by the Idaho Supreme Court in 2012
- ❖ FY 2014 budget request
  - State legal services \$19,039,900
  - Special Litigation 669,400
  - Total \$19,709,300
  - Statewide Cost Allocation
    - Transfer to General Fund
      - 4.5 FTP from Professional Services Fund

- 2 DAG – Department of Transportation
  - 2 Paralegals – Department of Health and Welfare
  - 0.5 DAG – Military Division
  - 1.0 FTP from Consumer Protection Fund
    - 1 DAG – Department of Fish and Game
  - Cost covered by Agency payments
- Special Prosecutions
  - Additional county prosecutor support \$293,600
    - Requesting 1 attorney & 2 investigators
  - Idaho State Police \$100,800
    - Adding 2 to ABC
    - Request 1 attorney (added workload)
  - Idaho Transportation Department \$100,800
    - Attorney (condemnations on rights of way)
  - State Tax Commission \$ 64,700
    - New paralegal (increased workload)
- Other requests
  - Continue interagency billing authority
  - Continue lump sum authority which allows for flexibility to address turnover, employee morale, and employee retention
  - Pay equity
    - Continuing to lose competent attorneys to higher paying agencies, counties, cities and law firms
    - State's legal work is specialized and sophisticated – retaining knowledgeable, competent attorneys is critical
- ❖ Internet Crimes Against Children Task Force (ICAC)
  - Protects Idaho children from internet crimes and predators
  - ICAC has identified more than 5,000 people in Idaho suspected of trading child pornography
  - Investigations and arrests show that 70% to 80% of predators have also committed physical sexual abuse
  - Removing predators saves children

## **DEPARTMENT OF CORRECTION: Commission of Pardons and Parole**

**Presenter: Olivia Craven, Executive Director**

- ❖ Mission is protection of the public, respecting victims, and the fair assessment of every offender reviewed
- ❖ History of Commission
  - Established in 1969 with 5 part-time commissioners under the authority of the Board of Correction
  - In 1998 the Commission was removed from the Board of Correction and placed directly under the Governor
  - Dedicated fund agency that operates in tandem with the Idaho Department of Correction

- Purpose is to conduct parole hearings, clemency hearings, and release designated offenders into the community on parole
- Grant or deny early discharges from parole
- Process parole violations
- ❖ Organizational structure of the Department of Correction
  - According to Idaho Code, Section 20-201, the Department of Correction consists of the Board of Correction and the Commission of Pardons and Parole.
    - Both agencies deal with the same prison population and parolees in the community
    - The IDOC director is responsible for all incarcerated offenders (programming and security), and supervises all parolees and probationers in the community
    - The Commission of Pardons and Parole is responsible for conducting hearings, determining whether parole-eligible offenders will be paroled, entering into contracts with offenders when they are ready to be released, and determining what violations should be issued warrants. The Commission has clemency authority (pardons, commutation, remission of fines).
  - Organization structure of the Commission of Pardons and Parole
    - Five commissioners appointed for 3-year terms
      - Janie Dressen, Coeur d'Alene
      - Mike Matthews, Declo
      - Bud Langerak, Idaho Falls
      - Gary Scheihing, Payette
      - Lisa Bostaph, Boise
- ❖ Process of an Incarcerated Offender
  - Offender sentenced
  - Establish date offender is eligible for parole and set initial parole hearing
    - About 18% of offenders are eligible for parole on the day they are committed to prison
  - Three months before the hearing/review, a hearing officer conducts an interview with the offender
  - Commissioners conduct a hearing or review of the case and make a decision on course of action
    - If parole is granted:
      - Commission sets a tentative parole date
      - Also sets the conditions of release and conditions of parole (Pathways programming)
    - If parole is denied:
      - Commission usually schedules another hearing
      - Or: passed to full-term release date
  - Additional information
    - Judge determines when an offender is eligible for parole release
    - Offender needs a good parole plan

- Commission works to get offenders out on their expected parole date (PED)
- Medical parole (terminally ill and/or permanently incapacitated)
- Victim process
- If parole is granted, Commission staff receives an electronic notification from Corrections that all programming has been completed and the offender has accepted the parole plan
- ❖ Parole consideration criteria
  - Seriousness and aggravation and/or mitigation in the crime
  - Prior criminal history of the offender
  - Failure or success of past probation and parole
  - Institutional history to include conformation to established rules, involvement in programs and jobs, and overall behavior
  - Evidence of the development of a positive social attitude and the willingness to fulfill the obligations of a good citizen
  - Information or reports that address medical or mental health concerns
  - Strength and stability of the proposed parole plan, to include adequate home placement and employment or maintenance and care
- ❖ Process of an offender on parole
  - Parole supervision is under Corrections not the Commission of Pardons and Parole
  - Various paths an offender can take
  - Parole violation
    - Huge increases in parole violators in last two years
  - Revocations
- ❖ Statistical information – Compare 2011 and 2012
  - Had 29 additional hearings in 2012
  - Parole releases were down by 205 in 2012
  - Parole granted rate was 63% in 2011 and 60% in 2012
  - Conducted 94 more revocation hearings in 2012
  - Reinstatements to parole were about the same in both years
  - Issued 68 fewer warrants in 2012
  - Types of violations
    - 33% felony crimes (another 2% have pending felonies)
    - 31% misdemeanor crimes
    - 21% abscond (probation officer could not supervise)
    - 11% were technical violators (violated rules of parole, had crimes dismissed, or were sex offenders who violated terms of their sex offender agreement)
  - Parole time can be forfeited or credited

## **Department of Correction**

**Presenter: Brent Reinke, Director**

- ❖ Introduction of members of the Board of Correction

- Robin Sandy, Chairman
- J. R. VanTassel
- Dr. David McClusky
- ❖ Priorities
  - Staff
  - Population
  - Balla and mental health
- ❖ Audit findings – the Department of Correction has no audit findings
- ❖ Management Services (first section of the budget includes the Director's Office, human resources and functions including fiscal operations, information technology and contract management)
  - Contract Administration Unit oversees \$77 million which is approximately 40% of the agency budget – most of the costs are for housing and services for offenders
    - The four largest contracts are:
      - Idaho Correctional Center (\$29 million) which houses 2,060 inmates, the majority are medium custody. The contract is administered by Corrections Corporation of America.
      - Kit Carson Correctional Center in Colorado houses 248 inmates. The contract is administered by Corrections Corporation of America.
      - Correctional Alternative Placement Program is a treatment facility with 432 beds managed by Management Training Corporation.
      - The medical contract provides services to inmates housed in CAPP, eight state prisons and four community work centers. Corizon is the medical provider.
  - Budget request
    - Spending authority through the Inmate Management Fund to pay for two new grant and contract officers
    - Law suit settlements
      - Legal fees in the Balla lawsuit
      - Legal fees in lawsuit by news organizations seeking access to view executions
    - Technical Records & HR Specialists – two positions
  - Challenges
    - Hiring and retaining staff are major challenges for IDOC
    - Building adequate information technology to support current needs
    - Contract administration
- ❖ Prisons
  - There are eight prisons in Idaho with an operating capacity of 4,950 beds
    - Women's prisons
      - South Boise Women's Correctional Center
      - Pocatello Women's Correctional Center

- Facilities that serve primarily medium and close custody inmates – some specialized beds for mental health, medical and the most dangerous inmates housed in administrative segregation
  - Idaho State Correctional Institution (ISCI)
  - Idaho Correctional Institution – Orofino
  - Idaho Maximum Security Institution (IMSI)
- Facilities serving lower-custody inmates and offer treatment and work opportunities
- Four community work centers and contractors, including county jails, provide the balance of the beds
- Inmate Population
  - Population as of today is 8,026 inmates
- Budget requests include items associated with the Balla settlement, a technical adjustment at ISCI and spending authority for funds
  - IDOC houses more than 2,100 inmates with mental health needs which is 27% of Idaho's inmate population
  - ISCI correctional officers – 5 mental health staff and 7 correctional officers
  - IMSI houses the most dangerous inmates requesting 5 officers to staff Units E and G
    - To fund operating expenses and capital outlay for radios
  - North Idaho Correctional Institution near Cottonwood houses a retained jurisdiction program and 414 inmates
    - One-time spending authority for proceeds received from the sale of department-owned property located at Cottonwood
- Contract Beds – budget request
  - ICC inflation increase (3%)
  - County jail and out-of-state beds (\$6.5 million supplemental)
  - CAPP increase beds from 359 to 400 and includes a 3% contract increase
  - Population Management
    - 6% growth and an increase of 486 inmates during this fiscal year
    - Challenges
      - Manage inmates and movement daily – try to maintain beds at 98% occupancy
- Prison challenges
  - Inmates flow through the system challenges the 98% occupancy rate
  - Currently house over 8,000 inmates but admit and release thousands more. (Last year IDOC managed more than 13,000 inmates.)
  - Logged 14,908 inmate moves between prisons last year which does not include thousands of moves within facilities
  - Other challenges include the continued growth of security threat groups (or gangs), managing contraband
- ❖ Community Corrections

- Offenders supervised in communities statewide through the Probation and Parole Division which provides pre-sentence investigation to the courts and manages interstate compact transfers
  - Probationer and parolee numbers are increasing – added 300 to caseload this year
    - Actions in this division helped stabilize the prison population
    - Efforts of the Pardons and Parole Commission also helped decrease prison population
    - Substance use disorder funds also helped by giving IDOC tools to divert a probationer into treatment instead of prison
- ❖ Education Treatment and Re-entry Division helped increase the number of releases and also helped offenders be successful
  - Nearly 400 offenders received GED's in prison last year
  - 3,500 received treatment through substance use disorder funds
  - Treatment pathways helped thousands receive parole
  - This division also includes the health care services contract and the final piece of the Balla settlement
- ❖ Medical Services
  - Medical Healthcare contract (Balla lawsuit – specific to ISCI)
    - Request for spending authority for a nurse manager to monitor the contract
    - Add 10.6 positions (add nurses and a regional medical director)
    - One-time capital outlay to expand the “pill call” area
    - Funds inflation for the contract
    - Provides for the medical contract 4% increase in FY14 which equals \$14.29 per inmate, per day
- ❖ Additional challenges
  - Challenges in probation and parole and education treatment divisions:
    - New court-ordered assessments go into effect in March 2013
      - New tools will add more offenders to the substance use disorder system each month
      - Reached the ceiling on what can be provided and are starting to limit some services
      - Will add to the workload for pre-sentence investigators
    - Balla monitoring - Cost of supervision fees
      - Fees fund 95 of the officers that manage offenders
      - Have 7 unfilled officer positions
- ❖ Correctional Industries
- ❖ FY 2013 Budget Supplemental request: 29.0 FTPs and \$8,414,200
- ❖ FY 2014 Governor's recommendation: 1592.93 FTPs and \$200,066,100

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Wednesday, February 06, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00am-9:00am	Idaho State Police LBB page 3-75	<i>Lt. Colonel Ralph Powell Acting Director Idaho State Police</i>
9:00am-9:35am	Office of the Governor- Division of Human Resources LBB page 6-85	<i>Vicki Tokita Administrator Div of Human Resources</i>
9:35am-9:45am	<i>Break</i>	
9:45am-10:15am	Office of the State Treasurer LBB page 6-153	<i>Ron Crane State Treasurer</i>

**Senate Reconvenes: 10:30am**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/6/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:49 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: None

Others present: Matt Orem, Division of Financial Management; Laura Steffler, State Treasurer

Staff present: Burns, Lockett, Tatro

## **IDAHO STATE POLICE**

**Presenter: Lt. Colonel Ralph Powell, Acting Director**

- ❖ Legislation – Idaho State Police (ISP) proposals
- ❖ Amend various drug-related sections of the Idaho Code to create an additional \$20.00 penalty imposed by the courts to fund an existing dedicated account for the ISP investigations program
- ❖ Amend I.C. Section 18-3001 to add a definition and to provide an expungement process for fingerprints maintained under the FBI “Rap Back” program
- ❖ Allow for transfer of liquor-by-the-drink licenses issued under I.C. section 23-903
- ❖ Amend I.C. section 67-2901 to clarify that ISP Forensic Services facilities, equipment, supplies and other resources may not be used by private consultants or for gain
- ❖ Workforce changes
  - 16 FTPs and funding lost since FY 2011
  - Currently vacant and unfunded:
    - 3 trooper positions in Patrol
    - 4 detective positions in Investigations
    - 2 Technical Records Specialist positions in Support Services
  - Appropriation flexibility

- Lump sum authority in the FY 2013 budget allowed ISP to more easily manage federal grants and to move money into personnel for smaller programs
- ❖ ISP Mission
  - Providing public safety across the state of Idaho through law enforcement excellence
- ❖ Investigations:
  - Conduct major criminal investigations to include crimes against persons, and property, drug crimes, racketeering, and computer crimes
  - Investigations begun in Idaho reach across state and international borders
  - Investigation detectives partner with a number of local law enforcement and federal agencies
- ❖ Alcohol Beverage Control (ABC)
  - 2012 House Bill 450: Created dedicated account for funds from licensing fees to provide staff, OE and CO for licensing, enforcement, education and other ABC activities
- ❖ Executive protection
  - Security for the Governor and Supreme Court year-round, and for the Legislature during Legislative Session
- ❖ Patrol
  - Prevent/detect crime
  - Apprehend criminals
  - Patrol highways
  - Assist those in need
  - Prevent hazardous driving
  - Enforce federal motor carrier law
  - Enforce hazmat laws
  - Investigate crash scenes
  - Testify in court
  - Assist local agencies
- ❖ Commercial Vehicle Safety
  - Enforce law, perform inspections related to motor carrier safety and hazardous materials for interstate carriers
- ❖ Communications
  - Transmit and broadcast information between law enforcement entities and other entities within and outside of Idaho
- ❖ Training
- ❖ Forensics
  - All labs perform controlled substances and breath alcohol analysis; calibrate breath testing instruments; provide assistance at crime scenes and clandestine drug labs; training in evidence identification, collection and submission, and certification for breath testing specialists.
  - Additional Services

- Coeur d'Alene – firearm and tool mark analysis, blood alcohol analysis, and drugs in urine analysis
  - Meridian – DNA, DNA database, forensic biology, latent print comparison and processing, shoe/tire track comparison, AFIS entry and breath alcohol instrumental calibration
  - Pocatello – drugs in blood and urine, blood alcohol analysis, and breath alcohol solution verification
- ISP's forensics labs analyze evidence for every law enforcement agency in Idaho
- ❖ Bureau of Criminal Identification
  - Provides information and identification services; manages the state's central repositories of criminal records and fingerprints; coordinated access to ILETS; is the control terminal agency for the FBI National Crime Information Center
  - Registered and tracked 3,836 sex offenders
  - 64,887 arrest fingerprint cards processed – 82.5% recidivism rate
  - 66,187 applicant fingerprint card – processed for positions of trust, 19% hit rate
  - Matched 335 unidentified fingerprint submissions from crime scenes
- ❖ Criminal Justice information Systems
  - Maintain the Criminal Justice Information Network, interface with Vehicle Title and Registration System and the Driver's License System, and support linkage to FBI National Crime information Center (NCIC), DNA data base (CODIS)
- ❖ Management Services
  - Human resources
  - Financial services
  - Purchasing
  - Warehouse activities
- ❖ Peace Officer Standards & Training
  - Establish training requirements and standards, all aspects of certification, record keeping, and related professional standards for peace officers and other criminal justice professionals.
- ❖ Racing Commission
  - The Idaho State Racing Commission is funded through fees collected from licenses, pari-mutuels, and simulcasting
- ❖ Brand Board
  - The Brand Board verifies the ownership of all livestock in the state and investigates livestock crimes
- ❖ Savings
  - Sought and received nearly \$500,000 in federal grants-technology upgrades
  - Savings through renegotiated office and laboratory leases total approximately \$38,000 annually

- ISP Forensics established Real Time Video Testimony with Ada County, saving \$20,000 in personnel and operating expenses. More savings will be realized as the program expands to more counties.
- ❖ Efficiencies – statewide deployments
  - Electronic ticketing delivers ticket data to the courts, reducing errors and expediting the process
  - Life-Loc portable breath testing devices for efficiency and accuracy
  - POST distance learning saves classroom time and travel expenses for students
- ❖ Partnerships
  - Daily partnerships with BHS, local and federal law enforcement agencies improve Idahoans' quality of life
  - ISP and the Idaho Transportation Strategic Alliance creates mutual goals without requesting additional resources
  - ISP/IPTV exchange surplus video equipment for professionally-produced recruiting video
  - ISP/Office of the Governor/Idaho Legislature partnerships
    - Control “spice” and “bath salts”
    - Designed and refined DNA testing, costs and conditions
    - Dedicated funding source for Alcohol Beverage Control activities
    - Increase POST funding
    - POST authority to charge for certain services and equipment
- ❖ Governor's budget recommendations
  - Replacement Capital Outlay
    - \$3,075,000 one-time from General Fund
    - \$163,300 one-time dedicated funds
    - \$113,800 one-time federal funds
    - Total replacement - \$3,352,100
  - Forensics
    - FY 2014 \$89,200 ongoing from General Fund
    - FY 2013 appropriation
      - Partial first-year funding
      - 2 FTP's – Forensic Scientist 2
      - \$334,000 for 1st year salaries, equipment and supplies
  - Patrol expenditures fund shift into CHOICE account
  - Reversed fund shifts
    - Spending authority of \$4,919,500 restores CHOICE to its intended purpose
  - CHOICE spending authority
    - \$941,900 ongoing spending authority for 4<sup>th</sup> and 5<sup>th</sup> year enhancements
  - 700 MHz Radio Technology
    - \$1,672,000 one-time General Fund for final phase in migration to the 700 MHz radio system replacement
  - ISP ongoing spending authority
    - \$95,300

- Fund 2 vacant positions to address work backlog related to offender increase, amount of information collected, and research required for each offender
  - \$48,200 for the legal assistant to handle all processes related to increased ABC enforcement litigation
- Support Services
  - \$279,900 one-time federal funds spending authority for BCI and the Idaho courts to digitize backlogged fingerprint cards, replace the state's store and forward server and fund changes in the court system commitment records
- POST
  - Capital outlay : \$54,900
  - Land purchase: \$552,400
    - One-time spending authority to purchase 3 vacant lots
  - Move \$67,000 from OE to personnel, plus 1 FTP for POST scenario developer/coordinator
  - \$88,600 ongoing and \$30,900 one-time spending authority, plus 1 FTP for a regional training coordinator
  - \$40,000 spending authority for high-threat high-stress firing range
  - \$28,800 spending authority for purchase and maintenance of a 15-passenger van
- Brand Board: \$84,500 replacement capital outlay for 5 vehicles and 2 computers

## **OFFICE OF THE GOVERNOR – Idaho Division of Human Resources (DHR)**

**Presenter: Vicki Tokita, Administrator**

- ❖ Mission statement
- ❖ DHR dedicated fund
  - Fees collected from state agencies' classified employees only
  - FY 2012 total fund revenues: \$1,716,700
  - FY 2012 expenditures: \$1,493,300
- ❖ FY 2012 contracts
  - Professional-Technical Education (PTE) \$243,800
  - State Controller's Office: I-PERFORM \$104,646
  - Idaho Department of Labor: Applicant Tracking System (ATS) \$65,300
- ❖ Governor's FY 2014 budget recommendation: \$1,678,300
- ❖ FY 2013 projects
  - Director Reference Manual
  - Idaho Personnel Commission Reference Manual
  - Agency Employee Policy Manual Template
  - Ongoing Statewide Training Needs Assessment
  - Ongoing Risk Management Analysis
  - HR Rule & Statutes Review
  - I-PERFORM Phase 2

- Applicant Tracking System (ATS) – Automatic Password Reset
- Supervisory Academy

## **IDAHO STATE TREASURER**

### **Presenter: Ron Crane, State Treasurer**

- ❖ The Treasurer's position is the state's banker and handles accounts receivable
- ❖ The State Controller is Accounts Payable
- ❖ Accounts Receivable
  - All moneys that come into the state's Treasury
- ❖ Electronic file from Controller for the amount of each check
- ❖ Invest leftover balance daily
  - On any given day \$2.5 billion is invested for the state and its political subdivisions
- ❖ Public School appropriation is the largest expenditure of the state's General Fund
  - November 15<sup>th</sup> expended 4 of the 6 disbursements to the school district
  - 82% of the public school appropriation
  - First 4.5 months of the fiscal year approximately 62% of the entire General Fund budget
  - Creates a deficit
  - Tax Anticipation notes issued to meet anticipated cash flow requirements
- ❖ FY 2014 budget request
  - First request: \$109,200 from operating expenses to personnel costs within Unclaimed Property Division's fund
  - Second request: An appropriation to pay the custodial bank fees directly
  - Third request: Unexpended and unencumbered balances of the LGIP appropriation to be re-appropriated
- ❖ Audit response
  - Finding #1 - closed: \$8,000 figure is a bit misleading:
    - Covers a three year period – roughly \$2,600 per year spent on gas for state related travel
    - Letter from Attorney General dated May 24, 2012 stating the State Treasurer violated no state travel policy or no statute in Idaho Code
  - Finding #2 - open:
    - Started the SWSM conference in 1999 to promote financial literacy among the women of Idaho
    - Supported by several state agencies

- Stopped General Fund expenditures for support of the event, instead support the conference with money from the Unclaimed Property Fund
- Finding #3 – closed:
  - Following the same practices that previous treasurers have followed for the past 30 years and which are the industry standard
  - In compliant with all IRS rules and regulations and the documentation for each TAN issuance

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Thursday, February 07, 2013**

SUBJECT	DESCRIPTION	PRESENTER
8:00-10:45am	<b>Supplementals &amp; Deficiency Warrants</b>	
	DEPT OF HEALTH & WELFARE	<i>Matt Ellsworth</i>
	<b>Indirect Support Services:</b>	<i>Senior Budget &amp; Policy Analyst</i>
p.5 #1	Medicaid Readiness Object Transfer	
	<b>Division of Welfare:</b>	
p.8 #9	Medicaid Readiness	
	<b>Medical Assistance Services:</b>	
p.6 #3	Res Hab Rate Increase	
p.6 #5	PA Provider Rate Increase	
p.6 #6	Return Excess Funding - Rescission	
	<b>Public Health Services:</b>	
p.7 #7	Vaccine Assessment/Fund Increase	
p.7 #8	TRICARE Vaccines	
	DEPARTMENT OF CORRECTION	<i>Richard Burns</i>
	<b>Management Services</b>	<i>Principal Budget &amp; Policy Analyst</i>
p.8 #10	Contract Administration	
p.9 #11	Lawsuit Settlements	
	<b>State Prisons</b>	
p.9 #12	Balla Medical & MH Care Staff	
p.10 #13	ISCI Correctional Officers	
p.10 #14	IMSI Correctional Officers	
p.10 #15	Miscellaneous Revenue Proceeds	
	<b>County &amp; Out-of-State Placement</b>	
p.10 #16	Inmate Housing	
	<b>Education &amp; Treatment</b>	
p.11 #17	Medical Contract Monitoring	
	<b>Medical Services</b>	
p.11 #18	Balla Medical Contract Services	
	SELF-GOVERNING AGENCIES	
	<b>State Appellate Public Defender</b>	
p.19 #45	Capital Litigation Costs	

p.12 #20 DEPARTMENT OF FISH AND GAME  
p.12 #21 Headquarters Roof Replacement  
p.13 #22 Assist Federal Law Enforcement  
p.13 #23 Fisheries Projects  
p.14 #24 Wildlife Projects  
p.14 #25 Education Programs  
Habitat Surveys & Studies

*Ray Houston*  
*Principal Budget & Policy*  
*Analyst*

p.16 #33 DEPARTMENT OF WATER RESOURCES  
p.16 #34 Water Supply Bank Payments  
Adjudication Filing Fees

SELF GOVERNING AGENCIES  
**Medical Boards**  
p.18 #39 Licensing System- Board of Medicine  
p.18 #40 Licensing- Board of Pharmacy  
p.19 #43 Licensing System- Bd of Dentistry  
p.18 #41 Rx Monitoring System - Bd of Pharmacy  
p.18 #42 PC Increase & Temp Staff- Bd Vet Medicine

*Matt Ellsworth*  
*Senior Budget & Policy Analyst*

OFFICE OF THE GOVERNOR  
**Military Division**  
p.20 #48 Youth Challenge Program

*Richard Burns*  
*Principal Budget & Policy*  
*Analyst*

# JFAC COMMITTEE MEETING MINUTES

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2/7/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:55 a.m. with Chairman Cameron presiding.

## **Roll Call:**

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

Representatives: Bolz, Eskridge, Gibbs, Stevenson, Barron (for Miller), Youngblood, Ringo, King

Excused: Thompson

Staff present: Ellsworth, Burns, Houston

Others Present:

## **FY 2013 SUPPLEMENTAL APPROPRIATIONS**

### **DEPARTMENT OF HEALTH AND WELFARE**

Presenter: Matt Ellsworth, Senior Budget & Policy Analyst

#### **Indirect Support Services**

##### **Medicaid Readiness Object Transfer**

The budget for Medicaid Readiness in Indirect Support Services was initially based on a 50/50 split between CO and OE. In the first year of the project (FY 2012), the department spent more on CO than budgeted, and was able to work with DFM to adjust the budget accordingly within the limitations outlined in statute. Idaho Code requires legislative approval to move funds from CO to any other object code, so this request is to transfer a portion of FY 2013 funding from CO to OE to complete remaining contract systems development work in the current year.

##### **Unanimous Consent Request**

On request by Keough, granted by unanimous consent, the FY 2013 budget for the Department of Health and Welfare was reopened.

#### **Carried**

##### **Original Motion**

Moved by Keough, seconded by Bell, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00. CO to OE transfer = \$1,250,000

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Division of Welfare**  
**Self-Reliance Operations**

**Medicaid Readiness**

The primary purpose of requested funds is to reprogram Idaho Benefits Eligibility System (IBES) to process applications using modified adjusted gross income as the basis for determining income/eligibility.

The federal match rate for Medicaid Readiness is 90/10 (i.e., ten percent non-federal funds). However, the Division of Welfare proposes using \$632,000 of federal Supplemental Nutrition Assistance Program (SNAP, or food stamps) performance bonus payments for the non-federal share. Although the source of the performance bonus payments is federal (as reflected in the request), states are granted flexibility in the use of these funds, allowing states to use performance bonus payments as non-federal match or for other purposes.

**Carried**     **Original Motion**

Moved by Keough, seconded by Bolz, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$6,320,000 Federal Funds for a total of \$6,320,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Legislative Intent**

Clarifying approval of Fiscal Year 2013 supplemental requests by the Department of Health and Welfare for the Medicaid Readiness project on February 7, 2013, it is the intent of the Legislature that funding provided for the Medicaid Readiness project support only the “mandatory” changes to the Medicaid program that are required by the Patient Protection and Affordable Care Act. Funding for the Medicaid Readiness project is not intended to support 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.

#### **Carried**      **Original Motion**

Moved by Stevenson, seconded by Bayer, to approve the legislative intent language shown above.

#### **Ayes: 17**

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

#### **Nays: 2**

Ringo, King

#### **Ab/Ex: 1**

Thompson

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

### **Medical Assistance Services**

#### **Enhanced Medicaid Plan**

#### **Residential Habilitation Rate Increase**

Five residential habilitation service providers sued the department for the way reimbursement rates were determined. The court ruled in 2011 in favor of the plaintiffs, and the requested funding allows the department to pay the increased amount per the court’s ruling. The department is appealing the ruling.

#### **Carried**      **Original Motion**

Moved by Keough, seconded by Bolz, to approve for introduction \$3,660,000 General Funds, \$0 Dedicated Funds, \$8,540,000 Federal Funds for a total of \$12,200,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Coordinated Medicaid Plan**

#### **PA Provider Rate Increase**

The department indicates that it reviews rates paid for services each year, and is able to identify differences in rates for the same services provided in different settings. The department indicates that it found a lower rate for in-home personal attendant workers than attendant workers in facilities (which are more expensive points of care). The department requests this rate increase to bring in-home care providers in line with those who provide similar services in facilities.

#### **Carried Original Motion**

Moved by Keough, seconded by Schmidt, to approve for introduction \$475,200 General Funds, \$0 Dedicated Funds, \$1,108,800 Federal Funds for a total of \$1,584,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Basic, Coordinated and Enhanced Plans**

#### **Return Excess Funding - Rescission**

Medicaid tracks actual program expenditures each month to the budget to determine how much, if any, actual expenditures differ from the amount funded for the year. As of October 2012, the department estimates that it is overfunded to the tune of

\$46,277,100. The one-time portion of this proposed action reflects one-time carry-over funding approved by the Legislature last session. The ongoing portion reflects the amount the program's ongoing appropriation exceeds forecasted need for FY 2013.

**Carried**      **Original Motion**

Moved by Keough, seconded by Bell, to approve for introduction \$(46,277,100) General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$(46,277,100) with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Public Health Services**

**Physical Health Services**

**Vaccine Assessment/Fund Increase**

This request aligns spending authority with the department's estimated cost of the program for FY 2013. The source of funding for the program is an insurance carrier assessment based on the number of children served.

**Carried**      **Original Motion**

Moved by Keough, seconded by Schmidt, to approve for introduction \$0 General Funds, \$10,100,000 Dedicated Funds, \$0 Federal Funds for a total of \$10,100,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **TRICARE Vaccines**

In August, the department received notice from the federal government that, effective October 1, 2012, the federal vaccine grant funding the state was using to purchase vaccines for TRICARE children was no longer an eligible funding source. As a result, an estimated 7,700 children were at risk of losing immunization coverage. In order to prevent this gap in coverage, the Governor directed the department to use its existing FY 2013 General Fund appropriation to purchase vaccinations for TRICARE children, and this one-time funding is intended to replace those funds.

#### **Carried**

#### **Original Motion**

Moved by Keough, seconded by Bolz, to approve for introduction \$441,400 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$441,400 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **DEPARTMENT OF CORRECTION**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

#### **Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the FY 2013 budget for the Department of Correction was reopened.

### **Management Services**

#### **Contract Administration**

The Department of Correction currently contracts over \$70 million in services, which now comprise one-third of the department's entire budget. The contract administration unit is responsible for contract development, negotiation, and management of all binding contracts. This unit is comprised of a business support manager, a correctional program coordinator, and one-and-one-half grant and contract officers. The department

is requesting an appropriation from the Inmate Management Fund (Miscellaneous Revenue) to cover the cost of two new grant and contract officers that were hired July 1, 2012, to monitor contract services. Of the amount requested, \$135,000 is ongoing and \$1,500 is one-time.

**Carried**      **Original Motion**

Moved by Bolz, seconded by Keough, to approve for introduction \$0 General Funds, \$136,500 Dedicated Funds, \$0 Federal Funds for a total of \$136,500 with FTP of 0.00.

OT=\$1,500

**Ayes:    19**

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

**Nays:    0**

**Ab/Ex:   1**

Thompson

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

**Lawsuit Settlements**

The motion includes \$184,600 to reimburse attorney fees associated with the Walter D. Balla et al v. Idaho State Board of Correction court case. Pending before the U. S. District Court is a petition for the award of interim attorney fees and costs. The fees and costs were incurred by attorneys, appointed by the court, for the specific purpose of monitoring the injunctive relief of the Balla cases. The attorneys have incurred fees monitoring compliance and bringing motions when there was a need for clarification or to ensure the injunctive relief was being complied with by the IDOC and ISCI. It also includes \$29,300 for legal fees in a case filed by news organizations seeking full witness access to view executions from start to finish. The state lost and was ordered to pay attorney expenses. Combined these two cases total \$213,900 and are one-time in nature.

**Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$213,900 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$213,900 with FTP of 0.00.

**Ayes:    19**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller,

Youngblood, Ringo, King

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **State Prisons**

#### **Balla Medical and Mental Health Care Staff**

In an effort to bring the 31-year-old Walter Balla, et al v. Idaho State Board of Correction lawsuit to a successful and final resolution, the department is requesting 12 additional state positions to improve medical and mental health care at the Idaho State Correctional Institution (ISCI) in Boise. Seven of the positions requested are correctional officers needed for two new essential posts. One post will provide security during "pill call". This post will ensure safety to manage an expanded prescription distribution process. The second post is to manage medical transports offsite.

The remaining five positions address medical and mental health needs. This plan includes one clinical supervisor to manage processes such as mental health follow-ups and audits; and four mental health professionals to meet the requirements of the stipulation concerning the need to provide services at specialized units and to general population inmates. Of the amount requested, \$688,500 is ongoing and \$26,700 is one-time.

**Carried**

#### **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$378,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$378,000 with FTP of 12.00.

OT=\$26,600

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **ISCI Correctional Officers**

The Idaho State Correctional Institution in Boise (ISCI) opened Building 24 as a temporary measure to handle offender growth. After two-and-one-half years, it has become apparent to the department that this is not a temporary housing measure and now wants to ensure they have the permanent staff to manage this unit. In 2010, it was determined they need 12 correctional officers to staff Building 24, but opted instead to use temporary fills to cover their personnel hires. The Department of Correction is now requesting 12 permanent full-time positions to staff this facility. Funding for the temporary fills will be used to finance these twelve new positions.

#### **Carried      Original Motion**

Moved by Bolz, seconded by Mortimer, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 12.00.

no additional funding needed

**Ayes:    19**

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

**Nays:    0**

**Ab/Ex:   1**

Thompson

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

### **IMSI Correctional Officers**

Funding is requested to hire five correctional officers needed to re-open G Block and double bunk both G and E Blocks at the Idaho Maximum Security Institution (IMSI). Re-opening and double bunking these units will provide the department with 60 additional beds and thus reduce the need for sending offenders out of state. This request also includes operating expenses for food, institutional supplies, officer training, staff protective vests, and liability insurance. The beds were made available August 27, 2012, requiring additional resources for ten months this year and annualizing the remaining two months in FY 2014. Of the amount requested for the year, \$286,800 is ongoing and \$7,500 is one-time.

**Carried**

**Original Motion**

Moved by Bolz, seconded by Mortimer, to approve for introduction \$87,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$87,000 with FTP of 5.00.

OT=\$7,500

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Miscellaneous Revenue Proceeds**

The Governor recommends one-time spending authority from the Miscellaneous Revenue Fund for proceeds received from the sale of department-owned property located in Cottonwood. This will allow the department to construct a sewage treatment monitoring system for the North Idaho Correctional Institution at Cottonwood.

**Carried**

**Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$0 General Funds, \$136,500 Dedicated Funds, \$0 Federal Funds for a total of \$136,500 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

## **County and Out-of-State Placement**

### **Inmate Housing**

Because of the increased number of inmates now housed in county jails and in out-of-state contract facilities, an additional \$8,583,200 is requested to cover this added cost. Of the amount requested, \$3,894,100 is to cover the cost of housing a daily average of 713 offenders in county jails; \$4,613,400 is to cover the cost of housing a daily average of 237 offenders in out-of-state contract facilities; and \$75,700 is requested to cover the cost of monitoring out-of-state contract providers. These figures are supplied by the department and are based upon current population trends. With county jails at or above capacity, the department has little option but to contract with out-of-state providers to house the inmate overflow until alternative options are found (\$8,580,400 ongoing and \$2,800 one-time).

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Thayn, to approve for introduction \$6,502,800 General Funds, \$72,900 Dedicated Funds, \$0 Federal Funds for a total of \$6,575,700 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

## **Education and Treatment**

### **Medical Contract Monitoring**

Ongoing funding is requested from the Miscellaneous Revenue Fund to pay for a nurse manager position to monitor the medical contract. The contract with Corizon was amended to have the contractor return these funds, from the General Fund appropriation made for services, back to the department so they could hire the nurse manager. The department put this in place using an existing position.

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Thayn, to approve for introduction \$0 General Funds, \$87,700 Dedicated Funds, \$0 Federal Funds for a total of \$87,700 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 1**

Schmidt

**Ab/Ex: 1**

Thompson

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

## **Medical Services**

### **Balla Medical Services Contract**

On May 15, 2012 a Stipulated Motion to Modify Injunctive Relief was entered into by and between plaintiffs (Walter D. Balla, et al) and defendants (Idaho State Board of Correction, et al) in the lawsuit captioned as Walter Balla, et al v. Idaho State Board of Correction, et al, Case No. 1:81-cv-1165-BLW, United States District Court for the District of Idaho. The stipulation includes modified compliance plans that, if followed, will bring the 31-year-old Balla lawsuit to a successful and final resolution on the issues raised with respect to medical and mental health care at the Idaho State Correctional Institution (ISCI).

The department's plan to meet the terms of the stipulated agreement requires additional medical contract services and other resources included in the ISCI supplemental appropriation. The department's medical contract services provider will hire 10.6 full-time equivalent positions to provide improved medical and mental health care at the ISCI. These positions include registered nurses (2.6), licensed practical nurses (7.6), and elevating the regional medical director to full-time (0.4). Additional hours would also be added for telemedicine services. Additional services will include an enhanced pharmacy, emergency response, long-term care, and provider competency. These enhanced services are outlined in the Balla settlement and must be met to bring the lawsuit to a final resolution. Of the amount requested, \$593,100 is ongoing and \$205,800 is one-time. This request is for a partial year (273 days) with the balance of funding requested as an annualization for FY 2014.

Of the \$205,800 that is requested as one-time, \$180,800 is to expand the existing medical building at ISCI by 773 square feet of space for a new pharmacy medication distribution area. The addition will have four pass-through openings cut into the existing medical building. There will be four openings for pill distribution with two drinking fountains. The open space of the addition will be used for a queuing area for offenders.

The room was designed for a desk area to be staffed by a correctional officer when the building is occupied. The new structure will have new lighting, a new HV AC system and will include fire sprinklers. There will be no walking access or doors from the addition into the existing medical building. The entrance to the existing medical building will remain in its present location but the department is planning to install a new ADA compliant door. The expansion area will have a separate entrance and exit door. In addition, a one-time request of \$25,000 is included to rent temporary building space, while the expansion is underway.

**Carried**      **Original Motion**

Moved by Bolz, seconded by Mortimer, to approve for introduction \$798,900 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$798,900 with FTP of 0.00.

OT=\$205,800

**Ayes:    19**

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

**Nays:    0**

**Ab/Ex:   1**

Thompson

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

**SELF-GOVERNING AGENCIES**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**State Appellate Public Defender**

**Capital Litigation Costs**

One-time funding is requested to procure sufficient support for the litigation of capital cases, and to resolve a potential conflict of interest by hiring outside counsel. The request includes \$30,000 in the Eric V. Hall v. State (Hall I) case, who has filed a final amended petition for post conviction relief. The state of Idaho has moved for summary dismissal of the petition. If the district court does not summarily dismiss the petition, it will order an evidentiary hearing on some or all of the claims in the petition. The funds requested would be used to cover expert witness fees and court costs. In addition, \$55,000 is requested to hire outside legal counsel due to a potential conflict of interest in Jauhola v. State. The Governor recommends \$70,000 for the department's conflict counsel caseload in Jauhola v. State, and \$30,000 for Hall v. State.

**Carried**

**Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$100,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$100,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**DEPARTMENT OF FISH AND GAME**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

**Unanimous Consent Request**

On request by Gibbs, granted by unanimous consent, the FY 2013 budget for the Department of Fish and Game was reopened.

**Administration**

**Headquarters Roof Replacement**

The Governor recommends, for the Idaho Department of Fish and Game for FY 2013, an additional appropriation in the amount of \$50,000 from dedicated and federal funds, one-time, to be used for roof replacement at the Boise headquarters building.

**Carried**

**Original Motion**

Moved by Gibbs, seconded by Eskridge, to approve for introduction \$0 General Funds, \$30,000 Dedicated Funds, \$20,000 Federal Funds for a total of \$50,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Enforcement**

#### **Assist Federal Law Enforcement**

The appropriation is to be used by the Enforcement Program to assist federal agencies with removal of nuisance bears in the Panhandle, monitoring of fishing usage on the South Fork of the Snake River, and monitoring for hunting closures in the Hot Tea area north of Mountain Home.

**Carried**      **Original Motion**

Moved by Eskridge, seconded by Bayer, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$39,000 Federal Funds for a total of \$39,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Fisheries**

#### **Fisheries Projects**

The appropriation is to be used by the Fisheries Program for fish screening, maintenance of fishing access sites, fish habitat improvement, and hatchery programs.

**Carried**      **Original Motion**

Moved by Eskridge, seconded by Gibbs, to approve for introduction \$0 General Funds, \$1,791,300 Dedicated Funds, \$3,871,900 Federal Funds for a total of \$5,663,200 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Schmidt, Thompson

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

## **Wildlife**

### **Wildlife Projects**

The appropriation is to be used by the Wildlife Program to develop a statewide wetland monitoring plan, conserve endangered species, improve wildlife habitat, and develop a web-based habitat information system to assist land-use managers.

#### **Carried Original Motion**

Moved by Gibbs, seconded by Youngblood, to approve for introduction \$0 General Funds, \$241,400 Dedicated Funds, \$899,200 Federal Funds for a total of \$1,140,600 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

## **Communications**

### **Education Programs**

The appropriation is to be used by the Communications Program to promote fishing, involve conservation volunteers, and improve hunter education throughout the state. About 39% or \$428,000 is to construct a hunter education classroom in the Panhandle Region.

#### **Carried Original Motion**

Moved by Eskridge, seconded by Gibbs, to approve for introduction \$0 General Funds, \$28,600 Dedicated Funds, \$1,065,700 Federal Funds for a total of \$1,094,300 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Winter Feeding and Habitat Improvement**

#### **Habitat Surveys and Studies**

The appropriation is to be used by the Winter Feeding and Habitat Improvement Program to conduct rare species habitat surveys for the U. S. Forest Service and the Bureau of Land Management and to conduct habitat improvement studies in the Boise and Payette River drainages.

**Carried**

#### **Original Motion**

Moved by Gibbs, seconded by Youngblood, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$218,600 Federal Funds for a total of \$218,600 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 1**

Nuxoll

**Ab/Ex: 1**

Thompson

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

## **DEPARTMENT OF WATER RESOURCES**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

### **Unanimous Consent Request**

On request by Gibbs, granted by unanimous consent, the FY 2013 budget for the Department of Water Resources was reopened.

### **Water Management**

#### **Water Supply Bank Payments**

This motion provides an additional dedicated appropriation for Water Supply Bank rental fees due to increased activity in the Water Supply Bank. This will allow water rights owners to be paid this fiscal year. The motion is for a \$400,000 ongoing appropriation and will increase the base to \$618,900.

**Carried**

#### **Original Motion**

Moved by Gibbs, seconded by Eskridge, to approve for introduction \$0 General Funds, \$400,000 Dedicated Funds, \$0 Federal Funds for a total of \$400,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Adjudication Filing Fees**

The motion provides additional spending authority to the Water Management Program for adjudication of the Snake River Basin Adjudication. This additional \$35,000 appropriation from dedicated moneys will be ongoing through FY 2014 to provide funding to fill in a shortage in personnel funding for adjudication staff caused by budget cuts.

**Carried**

#### **Original Motion**

Moved by Eskridge, seconded by Gibbs, to approve for introduction \$0 General Funds, \$35,000 Dedicated Funds, \$0 Federal Funds for a total of \$35,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

## **SELF-GOVERNING AGENCIES**

### **Medical Boards**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

#### **Unanimous Consent Request**

Moved by Keough, granted by unanimous consent, the FY 2013 budget for Self-Governing Agencies was reopened.

### **Board of Medicine**

#### **Licensing System – Board of Medicine**

Last session, the board requested and received \$250,000 in one-time capital outlay to procure a new online licensing system in partnership with several other medical and regulatory boards. The assumption at the time was that the board needed the full anticipated amount to make the purchase this year. The boards have since completed a request for proposal process, and the selected vendor will provide the new system for a monthly maintenance/user fee rather than an upfront purchase. As a result, the board requests a realignment of \$50,000 to pay monthly fees in FY 2013. The \$200,000 reduction zeros out the remaining unneeded portion of capital outlay appropriation.

**Carried**

#### **Original Motion**

Moved by Keough, seconded by Bell, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00.

CO to OE transfer = \$50,000

CO Reduction = \$200,000

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Board of Pharmacy**  
**Licensing System - Pharmacy**

Last session, the board requested and received \$250,000 in one-time capital outlay to procure a new online licensing system in partnership with several other medical and regulatory boards. The assumption at the time was that the board needed the full anticipated amount to make the purchase this year. The boards have since completed a request for proposal process, and the selected vendor will provide the new system for a monthly maintenance/user fee rather than an upfront purchase. As a result, the board requests a realignment of \$50,000 to pay monthly fees in FY 2013. The \$200,000 reduction zeros out the remaining unneeded portion of capital outlay appropriation.

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Lacey, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00.

CO to OE transfer = \$50,000

CO reduction = \$200,000

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Board of Dentistry**  
**Licensing System - Dentistry**

Last session, the board requested and received \$48,000 in one-time capital outlay to procure a new online licensing system in partnership with several other medical and

regulatory boards. The assumption at the time was that the board needed the full anticipated amount to make the purchase this year. The boards have since completed a request for proposal process, and the selected vendor will provide the new system for a monthly maintenance/user fee rather than an upfront purchase. As a result, the board requests a realignment of \$10,500 to pay monthly fees in FY 2013. The \$37,500 net reduction zeros out the remaining unneeded portion of capital outlay appropriation.

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Johnson, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00.

CO to OE transfer = \$10,500

Reduction in OE = \$37,500

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Board of Pharmacy**  
**Rx Monitoring Program**

The purpose of the program is to reduce the inappropriate use of controlled substance prescriptions.

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Keough, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$98,100 Federal Funds for a total of \$98,100 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Board of Veterinary Medicine**  
**PC Increase and Temp Staff**

The purpose of this request is (1) to pay out leave for a staff member who will be off the job for at least six months for personal medical reasons, and (2) to bring on office staff from a temp agency in the absence of the regular, full-time incumbent.

**Carried**

**Original Motion**

Moved by Schmidt, seconded by Bell, to approve for introduction \$0 General Funds, \$31,400 Dedicated Funds, \$0 Federal Funds for a total of \$31,400 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**OFFICE OF THE GOVERNOR**  
**Military Division**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**Unanimous Consent Request**

On request by Nuxoll, granted by unanimous consent, the FY 2013 budget for the Office of Governor, Military Division, was reopened.

**Youth Challenge Program**

Located in Pierce, Idaho, the Youth Challenge Program is a youth intervention program that provides a structured, disciplined, 22-week residential phase focusing on education and practical life skills. This is followed by a 12-month post-residential phase involving skilled and trained mentors supporting graduates engaged in positive, durable placement. Eligible candidates for the program must be high school dropouts between

16 to 18 years of age, unemployed, drug-free, not on parole and who have no felony convictions. Funding for this program includes a mix of dedicated and federal funds. Dedicated funds will come from private donations, and from Public School average daily attendance state moneys that will be available once the school begins in January 2014. According to the Military Division, the success of this program involves receiving a supplemental.

**Carried**      **Original Motion**

Moved by Nuxoll, seconded by Johnson, to approve for introduction \$0 General Funds, \$970,300 Dedicated Funds, \$421,800 Federal Funds for a total of \$1,392,100 with FTP of 5.00.

**Ayes:    19**

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

**Nays:    0**

**Ab/Ex:   1**

Thompson

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

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Friday, February 08, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00-8:45am	Department of Administration LBB page 6-3	<i>Teresa Luna</i> <i>Director</i> <i>Department of Administration</i>
8:45-9:15am	Permanent Building Fund LBB page 6-23	<i>Tim Mason</i> <i>Administrator</i> <i>Division of Public Works</i>
9:15-9:30am	Capitol Commission LBB page 6-15	<i>Andy Erstad</i> <i>Chairman</i> <i>Capitol Commission</i>
9:30-9:40am	<i>Break</i>	
9:40-10:15am	Group Insurance/ Emp Health Insurance and Risk Management	<i>Teresa Luna</i> <i>Director</i> <i>Department of Administration</i>
10:15-10:45am	Idaho State Historical Society LBB page 5-73	<i>Janet Gallimore</i> <i>Executive Director</i> <i>Idaho State Historical Society</i>

**Senate Reconvenes: 11:15am**

**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/8/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:28 a.m. with Chairman Bell presiding.

## **Roll Call:**

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

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

Excused: Schmidt

Staff present: Lockett

## **Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, to reopen the FY 2013 budget for the State Appellate Public Defender, which was inadvertently overlooked in the meeting held on February 7, 2013.

## **DEPARTMENT OF ADMINISTRATION**

**Presenter: Teresa Luna, Director**

- ❖ Notable Achievements
  - Idaho Education Network
  - Idaho Cyber Exercise
- ❖ Legislative audit
  - FY 2012 Management Report: Comprehensive Annual Financial Report
- ❖ Performance Evaluation
  - OPE Report: 13-02: "Strengthening Contract Management in Idaho"
- ❖ Structural changes
  - Wellness Program – Office of Group Insurance
- ❖ Changes in workforce
  - Authorized FTP's, 148.75
  - Vacant positions, 11.0
  - Non-benefitted, temporary employees, 6.0
- ❖ FY 13 Supplemental
  - E-procurement charges: \$49,000, dedicated spending authority
- ❖ Bond payment program - Current bonds, annual payments
  - Capitol restoration \$20,115,055
  - Department of Correction 4,148,292
  - Health & Welfare 649,625
  - Parks & Recreation 430,061

- Administration 234,874
- State Board of Education (8 bond issues) 5,820,633
- Idaho State Police 179,430
- Total \$31,577,970
- ❖ FY 2014 budget recommendation: original base \$21,351,700
  - Employee benefit costs, \$121,800
  - Replacement items, \$148,000
  - Statewide cost allocation, (\$1,400)
  - Line item recommendations: \$4,480,300
  - Idaho Education Network:
    - \$1,028,400 general funds
    - \$874,000 dedicated funds
- ❖ Office of the Chief Information Officer (OCIO): \$1.2 million
  - State Network
    - Intrusion protection
    - Malware protection
    - Email threats
    - Spam filtering
    - Firewalls
    - Cyber security
    - Fiber optic
    - Internet
- ❖ On-line transaction examples (2012)
  - 8,534,779 Idaho Transportation Department transaction: \$26.4 million
  - 177,043 vehicle registration renewals: \$11.3 million
  - 51,411 tax payments: \$66.7 million
  - 25,507 child support payments: \$12.3 million
- ❖ Out of maintenance/at capacity network
  - \$939,500 general funds
  - \$26,400 dedicated funds
- ❖ Out of maintenance/at capacity security
  - \$679,100 general funds
  - \$12,500 dedicated funds
- ❖ Enterprise infrastructure
  - \$349,300
  - \$22,600 dedicated funds
- ❖ Enterprise security-infrastructure: \$315,600 General Fund
- ❖ Division of Purchasing – dedicated funds
  - Purchasing officer position: \$93,600
  - Postal coordinator: \$59,500
  - Federal surplus freight: \$79,800
- ❖ Mission: to provide responsive, cost effective, and timely support to Idaho's policy makers, public agencies and state employees as they serve Idaho citizens

## Division of Public Works

**Presenter: Tim Mason, Administrator**

- ❖ Authority – IC 57-1108- Permanent Building Fund Created
  - Dedicated to the purpose of building needed structures, renovations, repairs to and remodeling of existing structures at the several state institutions and for the several agencies of state government
- ❖ Permanent Building Fund Advisory Council Organizational Chart
- ❖ Funding sources for Permanent Building Fund – statutory allocations
  - Income tax (corporate and individual)
  - Cigarette tax
  - Alcohol tax
  - Sales tax
  - Lottery proceeds
  - Interest income
- ❖ Agency funding
  - Fees, grants, bonds, donations, foundations
- ❖ Current snapshot
  - 327 projects: \$273 million total
- ❖ Projects by region
- ❖ Recent history
- ❖ Project review –
  - University of Idaho – Memorial Gymnasium
  - Lava Hot Springs Foundation
  - Idaho Department of lands – Lake Pend Oreille
  - Military – Readiness Center, Preston
  - Juvenile Correctional Center - Nampa
  - Idaho State Historical Society – History Center
  - Boise State University – Student Housing
  - Public Safety Communications – Schweitzer Peak
  - Military Division - Readiness Center, Pocatello
  - Lewis Clark State College – Fine Arts Building
  - Boise State University – Athletic Facilities, Dona Larsen Park
  - Idaho Veterans Cemetery expansion
  - Idaho State University – Meridian Health Science Center
- ❖ Permanent Building Fund FY 2014 recommendation
  - Alteration & Repair Permanent Building Fund Advisory Council (PBFAC)

• A & R projects	\$14,000,000
• ADA compliance	800,000
• Asbestos abatement	114,140
• Capitol Mall maintenance	<u>120,000</u>
• Total projects	\$15,034,140
  
- ❖ FY 14 A & R projects, agency requests: \$84,648,866

- PBFAC recommendation: \$15,034,140
- Governor's recommendation: \$15,034,100
- ❖ Governor's recommendations
  - Dept. of Administration – renovate Capitol Annex
  - Idaho State University – Treasure Valley Anatomy Lab
  - University of Idaho – Integrated Research and Innovation Center
  - Idaho State Historical Society – Idaho State Historical Museum
  - Military – remodel Readiness Center, Rexburg
- ❖ Capitol Annex Renovation – continuation of multi-year project
  - FY 11 Geo/chilled water to building – funding \$500,000
  - FY 12 Demolition/protection – funding \$1,500,000
  - FY 13 Mechanical/plumbing – funding \$1,500,000
  - FY 14 Plumbing/electrical, elevator – request for \$1,500,000
- ❖ Idaho State University – Treasure Valley Anatomy Lab
  - Total project cost: \$3,915,000
  - FY 14 recommendation: \$1,957,300
- ❖ University of Idaho- Integrated Research and Innovation Center
  - Total project cost: \$47,800,000
  - FY 14 recommendation: \$2,500,000
- ❖ Idaho State Historical Society – Historical Museum
  - Total project cost: \$8,900,000
  - FY 14 recommendation: \$2,400,000
- ❖ Military Division – remodel Readiness Center, Rexburg
  - PBAC recommendation: \$722,500
  - Federal match: \$722,500
  - Total project cost: \$1,445,000

## **Office of Group Insurance**

**Presenter: Teresa Luna, Director**

- ❖ Six employees
- ❖ Annual operating budget \$896,500
- ❖ Administers over nine different plans including
  - Active employees medical and dental
  - Retiree medical
  - Life Insurance, short-term and long-term disability
  - Flexible spending account
- ❖ Over 44 plan participants
- ❖ Notable achievements
  - Wellness Benefits Initiative
  - Remarketing life and disability insurance
  - Higher Education Collaboration
    - Premium tier changes for part-time employees
    - Expanded open enrollment period
    - Flexible spending account enrollment waiting period removed

- Enhanced the vision benefit
- Expanded voluntary term life policy
- ❖ Fiscal 2012 Enrollment by plan type
- ❖ Cost sharing history – premium split
- ❖ Funding
  - Costs are projected 18 months in advance and refined prior to each budget setting
  - Unique funding mechanism
  - Reserves
- ❖ Projected cash balance and medical plan cost
- ❖ Projected medical reserve cash balance
- ❖ Appropriation per employee – FY 2014
  - Active medical appropriation: \$8,931
  - Active dental appropriation: \$169
    - Final FY 2014 appropriation: \$9,100
- ❖ The Group Insurance Advisory Committee meets quarterly
- ❖ Wellness benefits initiative
  - What is worksite wellness
    - “Organized, employer-sponsored programs that are designed to support employees as they adopt and sustain behaviors that reduce health risks, increase quality of life, enhance personal effectiveness and benefit the organization’s bottom line.”
  - Conducted focus groups
  - Presenting wellness plan to the germane committees in February
    - Year 1: baseline data gathering
    - Year 2-5: incentives-based plan

### **Risk Management Program**

- ❖ Manages the state’s property and casualty insurance manager
  - Six employees
  - Annual operating budget of \$595,600
- ❖ Major coverage provided – types of coverage include, but are not limited to
  - Comprehensive Public Liability
  - Major Property
  - Boiler and Machinery
  - Employee Bond and Crime
  - Optional
    - Inland Marine
    - Auto Physical Damage
    - Aircraft Liability
    - Foreign Liability
    - Out-of-State Workers’ Compensation, etc...

- ❖ Billing
  - Agencies are billed for the cost of coverage and an administrative fee for personnel and office operations
  - All agencies receive these statewide coverages
    - Property
    - Boiler/machinery
    - Liability
    - Employee bond/crime
  - Only agencies using optional coverages are billed for them
- ❖ Risk Management Reserves
  - Reserves are kept in the Retained Risk Account and used for
    - Payment of premiums
    - Investigative costs
    - Payment of claims
    - Defense of litigation
    - Settlements or judgments
  - Reserves amount going down: FY11 = \$22,020,674; FY 12 = \$18,342,624; FY 13 = \$14,888,915
- ❖ Claims processing
  - Governed by the provisions of the Idaho Tort Claim Act and Risk Management statutes
  - Average of 400 open claims at any given point in time
  - Claims are tracked by date of loss, and the actual claim count increases over time as new reports are received or suits filed
- ❖ Defense of claims
  - Defense is directed and paid for by Risk Management with the oversight of the Office of Attorney General (AG)
  - Cases are assigned to the Civil Litigation Division of the AG's Office or to outside counsel
  - For outside counsel, there is a list of attorneys/firms that responded to the RFP process and were approved by the Board of Examiners at the rate of \$125/hour
  - Cases may require deviation from the list of approved outside counsel in the event of conflicts or needed specialties/expertise
- ❖ Billing for outside counsel goes through a multi-level review process
- ❖ Risk Management Advisory Committee plans to meet twice per year

## **Idaho Capitol Commission**

**Presenter: Andy Erstad, Chairman**

- ❖ Funding Sources
  - Statehood Land Endowment
  - Current Land Endowment – 7,222 acres
    - Managed by the Department of Lands
  - Capitol Permanent Endowment Fund

- Managed by the Endowment Fund Investment Board
- Capitol Income Fund
- ❖ Brief funding history
- ❖ Administrative Budget: \$317,000
  - Semi-annual commission meetings
    - Capitol Endowment Fund and Income Fund Oversight
    - Proposals involving art, memorials, statutes, exhibits
    - Capitol Maintenance and Construction Oversight
  - Management and investment fees for the Department of Lands and the Endowment Fund Investment Board

## **SELF GOVERNING AGENCIES – Idaho State Historical Society**

**Presenter: Janet Gallimore, Executive Director**

- ❖ Founded in 1881 – State Agency 1907
- ❖ Agency departments
  - Idaho State Archives and State Records Center
  - Idaho State Historical Museum and Old Penitentiary
  - Idaho State Historic Preservation Office and Historic Sites
  - Administration, including State Historian
- ❖ Preserve and promote Idaho's history
- ❖ Deploy cultural resources to inform the future
- ❖ Idaho State Archives use FY 2012: 22,547
  - Daily visitors: 3,396
  - County government: 1,536
  - City government: 199
  - State government: 759
  - Offsite request: 2,965
  - Research Center Collection: 13,692
- ❖ State Records Center requests – by source in FY 2012: 4,762
- ❖ Destination Facilities, Title 67-41
  - Idaho Historical Museum
  - Old Idaho Penitentiary
  - Franklin Historic Properties
  - Stricker Ranch and Rock Creek Station
  - Pierce Courthouse
- ❖ Collections
- ❖ Signature programs
- ❖ Visitor attendance
  - Destination facility program: 100,842
- ❖ National Historic Preservation Act 1966
- ❖ State Historic Preservation Office
  - Federal Projects reviewed in FY 2012
- ❖ Work force changes

- FY 2013 merger of Idaho State Archives and State Records Center increased FTP count from 47 to 49
- ❖ Program structure change
  - 2012 merger of State Records Center and the Idaho State Archive under the direction of Idaho State Historical Society
  - Merged both entities
  - Created efficiencies-alignment in best practices
  - Hired consultant for records study
  - Report June 2013
- ❖ Alternative funding sources
- ❖ Earned income
  - Compelling programming
  - Increased marketing, key to increased program participation
  - Track marketing results through web diagnostics
- ❖ Enterprise revenue
- ❖ Federal grants & contracts
  - State Historic Preservation Office - \$750,000
    - 60% federal
    - 40% state
  - Other grants per Strategic Plan
- ❖ Foundation for Idaho History
- ❖ Lincoln legacy
- ❖ History advances economic development
- ❖ Essential services
  - Two-thirds of services are mandated without discretion
  - Essential records management
  - National Historical Preservation Act
- ❖ Governor's budget recommendations – line items
  - Shift fund source for Archeologist: \$89,300 to the General Fund and off of federal funds
  - Miscellaneous revenue for group positions: \$50,000 dedicated funds
  - Enhance Capitol Curation Program: \$5,000 dedicated funds
  - Idaho Digital Newspaper Project: \$188,700 federal funds
  - Use federal reimbursement in dedicated funds: \$155,000 federal funds
- ❖ Idaho State Historical Society leads Territorial Sesquicentennial
- ❖ Abraham Lincoln's appointment of Wallace in 1863

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Monday, February 11, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00-9:15am	Idaho Transportation Department LBB page 5-117	<i>Brian Ness Director Idaho Transportation Department</i>
9:15-9:40am	Commission for Libraries LBB 5-81	<i>Ann Joslin State Librarian Commission for Libraries</i>
9:40-9:50am	<i>Break</i>	
9:50-10:20am	Industrial Commission LBB page 5-33	<i>Thomas Limbaugh Commissioner Industrial Commission</i>
10:20-10:45am	Medical Boards LBB page 5-91	<i>Matt Ellsworth Senior Budget &amp; Policy Analyst Legislative Services Office</i>

# JFAC COMMITTEE MEETING MINUTES

2/11/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:27 a.m. with Chairman Cameron 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: None

Staff present: Lockett, Bybee, Ellsworth

Others Present: Medical Boards:

Mark Johnson, Executive Director, Board of Pharmacy  
Nancy Kerr, Executive Director, Board of Medicine  
Carol Youtz, Executive Director, Board of Veterinary Medicine  
Susan Miller, Executive Director, Board of Dentistry  
Sandy Evans, Executive Director, Board of Nursing  
Crime Victims Compensation Bureau:  
George Gutierrez, Chief

## IDAHO TRANSPORTATION DEPARTMENT (ITD)

**Presenter: Brian Ness, Director**

- ❖ Introductions
  - Jerry Whitehead, ITD Board Chairman
  - Joel Drake, Budget Analyst, ITD
  - Rik Hinton, Technical Writer, ITD
- ❖ ITD's mission:
  - Your safety
  - Your mobility
  - Your economic opportunity
- ❖ FY 2014 Governor's budget recommendation
  - Base \$453,643,300
    - Adjustments 29,961,300
    - Adjusted Base \$483,604,600
    - Line Items (8) 8,209,400
    - Appropriation Recommendation \$491,814,000

- By Fund Sources:
  - State Funds \$244.6 million
  - Federal Funds \$242.6 million
  - Other Funds \$ 4.6 million
  - Total program funding \$491.8 million
  - Debt Service \$ 58.3 million
  - Total program funding \$550.1 million (includes GARVEE debt pmt.)
- How the budget is divided:
  - Contract Construction \$245.2 million
  - Highway Operations 170.3 million
  - Other Divisions 76.3 million
  - Debt Service 58.3 million
  - Total \$550.1 million
  - Historically, administration and planning expenditures have been kept under 5% of the total budget
- Audit Findings
  - OPE audit was closed in November and accepted by JLOC
  - Last legislative audit was completed for 2011 – no audit findings
- Legislation with Fiscal Impact
  - Change in how motorcycles are registered – staggered vehicle registration
  - Pilot registration change – eliminates current pilot registration fees
  - Aircraft registration increase – Raise registration rate from one cent per pound to three cents per pound
    - Establishes a minimum fee of \$20 per aircraft
    - Raises the existing cap from \$200 to \$600 per aircraft
    - Should generate approximately \$167,000 in revenue annually
    - Will allow ITD to continue pilot-safety education programs and increase funding for the state's backcountry airports
- ❖ Federal Transportation Funding Bill (MAP-21)
  - Two-year federal funding bill that expires September, 2014, 3 options:
    - Continue to supplement with dollars from the General Fund
    - Increase federal transportation taxes to raise revenue
    - Cut appropriations to the states (could reduce Idaho's federal funding by up to \$100 million per year)
- ❖ Strategic Plan has 3 goals - each has measurable performance indicators developed to support ITD's mission
  - Goal: Commit to having the safest transportation system possible
  - Goal: Provide a mobility-focused transportation system that drives economic opportunity
    - Accomplishments:
      - New U.S. Dover Bridge removed traffic bottleneck
      - U.S. 95 Sand Creek Byway improving safety and commerce
      - I-90 Interchange constructed using STAR financing
      - Partnership with the Nez Perce will build new U.S. 95 rest area

- Idaho 162 project removes economic bottleneck
- I-84 GARVEE projects in the Treasure Valley
- Chobani Yogurt factory – provide safe access to U.S. 30
- Partnership with Pocatello to increase safety and keep commercial trucks moving on I-15
- I-15 Pancheri Drive Overpass (Idaho Falls)
- Idaho Freight Study (6 recommendations)
  - Expand sources for freight infrastructure funding
  - Align transportation policy and projects with economic development goals
  - Strategically invest in a freight network including corridor improvements and new/expanded multimodal facilities/connections
  - Facilitate the efficient movement of freight
  - Create an institutional framework for communication, collaboration, and partnership
  - Collect and analyze freight data
- Goal: Become the best organization by continually developing employees and implementing innovative business practices
  - ITD leadership summit (above study) was focused on customer service and identified leadership gaps
  - Changed ITD's organizational structure
    - Reduced nine layers of management and supervision to five
    - Each of the five layers now has clearly defined roles, responsibilities and measurable expectations
    - Eliminated 62 positions that only supervised one employee
    - 11 Assistant positions were eliminated
    - Current organization
      - Director
      - Chief Officers
      - Administrators
      - Managers
      - Supervisors
      - Front Line
  - Employee Development Accomplishments
    - Realignment generated \$5.7 million in savings the first year and another \$7 million the second year
    - Barriers were employee compensation and turnover
      - Implemented an employee compensation package
      - Reduced employee turnover rate
      - Have more experienced technicians and for some positions the turnover rate has been reduced to zero
  - ITD recognized nationally for innovative practices in 2012
  - Accomplishments
    - \$100 million made available for additional projects

- \$80 million invested in additional GARVEE projects
  - GARVEE innovation will save \$40 million in interest
  - Saved \$12.5 million in personnel and insurance costs
  - Reduced temporary employee costs by 40% in FY 09-12
  - Office consolidation saves \$140,000 in lease payments
- ❖ Potential for Revenue Enhancement – based on Governor’s Funding Task Force
    - Task Force concluded that transportation in Idaho is underfunded by \$543 million annually; \$262 million annually is needed just to preserve the existing system in its present condition
      - Bridge needs – one-third of bridges on the state highway system are more than 50 years old and designed to last 40 to 60 years
      - Current investment level of \$40 million annually is not enough to meet ITD’S performance target
      - At current funding levels, the bridges will have to last 120 years
    - Pavement needs
      - Using data driven management systems to more accurately predict pavement conditions
      - Currently invest \$100 million per year
      - Without an additional investment, the pavement conditions will be below performance target in four years – and conditions deteriorate more rapidly from that point on
      - Failing pavements are far more expensive to repair than pavements that are properly maintained
    - Return on Investment
      - Every 25% reduction in fatalities and serious injuries reduces the cost to every man, woman and child in Idaho by \$300 per year
      - An additional \$262 million annual transportation investment would create or sustain an additional 4,700 jobs
      - Reducing or eliminating height, weight, or width restrictions improves the ability to transport goods more efficiently and less expensively
- ❖ Major focus areas for this year
    - Continue to focus on implementing ITD’s strategic plan and measure the results and transform them from “lag to lead” measures
    - Using lead measures will be another step in improving performance, accountability and transparency, and delivering better customer service
    - Implement a succession plan that trains new leaders and closes the gap on leadership deficiencies identified in the survey
    - 50% of employees are eligible for retirement over the next five years
    - Continue to deliver high quality products and services

## **SELF-GOVERNING AGENCIES: Idaho Commission for Libraries**

**Present: Ann Joslin, State Librarian**

- ❖ Background
  - Idaho Free Library Commission was created as a state agency in 1901 to assist in the establishment and improvement of free public and school libraries throughout Idaho
  - Name has changed but the work is the same – Idahoans want traditional library services as well as 24/7 electronic information services and a place (physical and virtual) to participate
- ❖ New survey from the Pew Research Center's Internet and American Life project shows:
  - Libraries are key technology hubs
  - Many patrons would like even more tech-centered services and feel that print books remain important in the digital age
  - Free access to technology at public libraries now rival books and reference librarians as a key library service
  - Key library services:
    - 80% borrowing books
    - 80% reference librarians
    - 77% free Internet and computer use
- ❖ Idaho use of public libraries is consistent with national findings:
  - Circulation and reference increased significantly over the past five years
  - Use of the LiLI databases increased 65% over the last two years
  - No longer have a traveling library or have to sort through a large card catalog to find what people want
  - Have a library of online resources available through any internet connection
  - Growth area for the library is supporting digital literacy training in libraries- people of all ages are turning to librarians to help them figure out:
    - How to use what they have
    - How to find what they need
    - How to do what they need to do online
- ❖ Workforce challenges
  - Personnel
    - The library is understaffed
    - Staff is undercompensated
    - Since 2009 the Library has lost 7 full-time positions and moved 8 more to federal LSTA funds. Four positions are being held open to stay with the personnel appropriation
    - 32% decrease in state funded positions and a 235% increase in federal funded positions
    - Average length of service is almost 12 years
    - No classified staff is paid at market rates

- Recruitment is difficult and locally cannot compete with salaries offered by higher education, large public libraries or school districts
- Alternative Funding Source is one-time grants, such as:
  - Idaho Humanities Council
  - Bill & Melinda Gates Foundation
  - NTIA
  - Institute of Museum and Library Services
  - Leverage national campaigns that support the library's mission and require only moderate resources:
    - Designing programs to help public and school libraries celebrate annual Teen Tech Week and Teen Read Week
    - Money Smart Week
- ❖ Commission's programs and services called "From Readers to Leaders"
  - Read to Me (RTM) program is in its 16<sup>th</sup> year
    - By the time children are ten years old, usually in the 4<sup>th</sup> grade, they will have only spent 7% of their lifetime in school and 93% out of school.
    - To become a proficient reader, a child must read outside of school
    - Program helps level the playing field so any family, regardless of income or location, can raise a proficient reader
    - Focus is increasing access to books for young children who are unlikely to have books at home
    - RTM mini-grants from FY 2012 \$100,000 appropriation will make books available so children can read
      - Elementary school and public libraries were invited to apply
      - 97 applicants requesting a total of \$357,000
      - 29 received mini-grants (unable to fund the other 68)
    - \$250,000 Grade Level Reading Grant (one of only 19 awarded nationwide) – "Routes to Reading"
    - "Books to Go"
    - "Virtual Storytime" project for families who do not attend storytime at the library
    - Summer Reading Program – has increased 300% in the last 12 years
  - "online at your library" is another major grant project
    - Significantly increased broadband speed in 55 of the least connected public library buildings that serve 500,000 Idahoans
    - The project delivered 700 new devices to 55 buildings
    - Provides more online resources
      - LearningExpress Library (LEL) – most LEL resources in 2012 were related to the GED test which soon will be offered only online
      - GED tools were used 9,529 times – a good step toward helping more Idahoans gain a college degree to certification by 2020
      - To-date, Idahoans have used LEL career and study guides, practice tests, courses, and tutorials more than 42,200 times

- Also includes public information to ensure people know about online resources
  - Support from Idaho Public Television
  - Support from Department of Labor
  - Use of public access technology in 55 target libraries increased 57% over the two years of the project – in other libraries, use doubled, tripled or quadrupled
- ❖ Public Use Technology (PAT) - how it is used:
  - 86% accessed from outside the library, including with mobile devices
  - 50% used library public access technology even though they have access elsewhere
  - 68% received 1-on-1 technology help from library staff or volunteers
  - 47% e-commerce:
    - Researching products/services
    - Online banking, purchasing, bill paying
    - Checking credit rating
    - Finding potential customers
    - Applying for licenses/permits
  - 44% use for health or wellness
  - 43% employment or career
  - 42% e-government
  - 40% education
  - 29% civic engagement
  - To interview online for a new job
  - To find scholarships
  - To find customers
  - Importance of having access to PAT
    - 41% of Idaho's rural population does not have residential broadband
    - Public libraries in 140 communities offer broadband and computers free to the public
    - In many Idaho communities, the Internet and computers at the public library provide primary access to the economy, business resources, education and volunteer opportunities
- ❖ FY 2014 Governor's recommended budget request is \$4,767,400
  - Includes \$27,800 for contract inflation for the LiLI databases
  - Requested moving some spending authority in the Federal Grant Fund (\$224,400) from T&B to operating
- ❖ Challenges
  - Libraries' challenge is to plan for and sustain the necessary trained staff, collections, and technology to meet the growing demand for a range of services when, and where, people want them
  - The Commission's challenge is to help build the capacity of Idaho libraries to sustain their services and thrive in a demanding, rapidly changing environment

## **INDUSTRIAL COMMISSION**

**Presenter: Thomas Limbaugh, Chairman**

- ❖ Administer workers compensation law under Title 72, Idaho Code
  - Decide contested cases
  - Administer insurance requirements
  - Approve settlement agreements
  - Mediate worker's compensation disputes
  - Provide no cost return-to-work services
  - Decide unemployment insurance appeals
  - Administer the Crime Victims Compensation Program
- ❖ Common misconceptions – the Commission does/is not:
  - Pay workers' compensation benefits
  - The State Insurance Fund
  - An insurance company
  - Set workers' compensation rates
- ❖ Statistics:
  - In Fiscal Year 2012 there were 31,568 workplace accidents reported and 33 fatalities
  - In Calendar Year 2011 sureties reported:
    - \$233.8 million total benefits paid
    - \$150.7 million Medical (64%)
    - \$83.1 million in wage loss (36%)
- ❖ Adjudication Division
  - The Industrial Commission is an administrative court with exclusive jurisdiction over Workers' Compensation Law
  - The Commission decides disputed workers' compensation cases
    - Hearings
    - Case settlements
    - Mediations
  - Resolves medical fee disputes
  - Provides final decisions on unemployment appeals from the Department of Labor
- ❖ Employer Compliance Division
  - Staff receives Idaho business registrations from the state's online registration program, and notices of insurance cancellations from the National Council of Compensation Insurance (NCCI)
    - 9,018 Idaho business registrations
    - 4,804 letters sent due to cancellations
  - Corresponded with 14,318 employers last year regarding their coverage status
    - 13,657 employees became covered by workers' compensation insurance as a result of contact by the Employer Compliance Division



- ❖ Claims and Benefits Division
  - Collects and maintains status information on over 31,000 claims filed each year to ensure workers' compensation benefits are paid properly and timely
  - Conducts audits to ensure compliance with Idaho claims adjusting rules and in-state adjusting requirements
  - Reviews and makes approval recommendations on lump sum settlement agreements proposed between employer and employee
  - Provides a Workers' Compensation Certification Program (CIWCS) to industry professionals
    - Since 2002, 47 courses given involving 958 attendees
- ❖ Rehabilitation Division
  - Created in 1974 with the support of industry to assist injured workers return to gainful employment
    - Services are provided to employers, insurers and employees
    - Works closely with employers, medical providers and sureties to facilitate medical recovery and return to work
- ❖ Advisory Committee
  - 16-member committee representing:
    - Workers
    - Employers
    - Insurance industry
    - Attorneys representing injured workers and employers
    - Physicians and hospitals
    - 2 special members, generally a member from the Senate and House Commerce and Human Resources Committees
  - Meets quarterly to discuss issues and generate recommendations regarding Idaho's Workers' Compensation System
- ❖ Crime Victims Compensation Program
  - Provides financial assistance to innocent victims of crime
    - Helps pay for medical, psychological, sexual assault forensic examinations, wage loss, death benefits, and funeral expenses
    - 88% of cases filed involve criminal misconduct against women and children (64% of the children are under the age of 18)
    - \$25,000 maximum benefit
    - Since the program's inception, approximately 34,600 victims have been assisted by the program
  - Crime Victims Program Funding
    - No General Fund dollars
    - Fines imposed on offenders convicted of crimes in Idaho, and
    - The Victims of Crime Act of 1984 (VOCA) Federal Grant Award
    - In FY 2012, \$2,152,242 was paid to innocent victims of crime and service providers



- ❖ Division of Building Safety
  - Logging and Industrial Safety Bureau is funded by the Commission through workers' compensation premiums
    - Logging safety: \$383,300
      - Safety training for loggers
      - Inspects logging operations
    - Safety Inspections \$718,100
      - Perform workplace safety inspections pursuant to agreement
      - Inspects state-owned/maintained buildings to ensure safe working conditions
      - Inspects political subdivisions upon request
- ❖ Workforce Update
  - 137.25 positions – all are permanent, benefitted employees
  - Four vacancies as of 12/31/12 have all been filled
  - FY 2012 turnover (one-third were retirees)
  - Classified: 21.3%
  - Non-classified: 12%
- ❖ Changes to funding
  - The Commission is a dedicated fund agency and receives no General Funds
  - House Bill 240 passed by the 2011 Legislature amended Idaho Code, Section 72-523 to reduce the premium tax rate by 20% effective from January 1, 2012 through December 31, 2013
  - Premium tax is collected semi-annually; first collection period under the new rate was July 31, 2012
  - The expected decline in premium tax collections was somewhat mitigated by the increase in premium volume
- ❖ FY 2014 Governor's recommended budget totals \$15,297,600
  - Includes replacement items totaling \$166,100
  - Includes a line item for new equipment totaling \$31,800
  - Includes another line item – an object transfer from Trustee and Benefits to Personnel Costs of \$3,900 in the Peace and Detention Officer Temporary Disability Reimbursement Fund
- ❖ No Audit Findings from 2009, 2010, or 2011 audits

## **SELF-GOVERNING AGENCIES: Medical Boards**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

- ❖ Division Description
  - The Division of Medical Boards includes five boards that regulate various medically-related professions in Idaho
- ❖ FY 2014 Governor's recommended budget: \$5,120,800
  - Inflation: Medicine/Nursing/Pharmacy \$ 6,900
  - Replacement Items
    - Dentistry/Medicine/Nursing/Pharmacy \$ 39,700

- Line Item 1: New Licensing System
  - Dentistry/Medicine/Pharmacy \$ 157,200
  
- Line Item 2: Salary Increase (Medicine) \$ 26,200
- Line Item 3: Salary Increase (Medicine) (not recommended) 0
- Line Item 4: Physician Health Contract (Medicine) \$ 18,100
- Line Item 5: Workforce Development (Nursing) \$ 100,000
- Line Item 6: ED Salary Increase (Nursing) \$ 10,700
- Line Item 7: New Computers (Nursing) \$ 5,400
- Line Item 9: Dep. ED (Pharmacy) \$ 44,200
- Line Item 10: Tech Records Specialist (Pharmacy) \$ 50,800
- Line Item 11: Rx Monitoring Program (Pharmacy) \$ 58,900
- Line Item 12: Salary Increases (Veterinary) (not recommended) 0
  
- FY 2014 Budget totals broken down by Board
  - Board of Dentistry \$ 489,700 with 3.0 FTP
  - Board of Medicine \$1,623,100 with 13.8 FTP
  - Board of Nursing \$1,235,400 with 10.5 FTP
  - Board of Pharmacy \$1,534,000 with 14.0 FTP
  - Board of Veterinary Med. \$ 238,600 with 2.0 FTP
    - Total Budget \$5,120,800 43.3 FTP

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Tuesday, February 12, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00-8:40am	Department of Commerce LBB page 5-21	<i>Jeffery Sayer, Director Department of Commerce</i>
8:40-9:40am	Tax Commission LBB page 6-139	<i>Rich Jackson, Chairman Tax Commission</i>  <i>Doreen Warren, Administrator Revenue Operations Division</i>  <i>Mark Poppler Financial Officer</i>
9:40-9:50am	<i>Break</i>	
9:50-10:15am	Board of Tax Appeals LBB page 6-135	<i>Steve Wallace, Chairman Board of Tax Appeals</i>

**Senate Reconvenes: TBD**  
**House Reconvenes: 10:30am**

# JFAC COMMITTEE MEETING MINUTES

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2/12/13

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: None

Staff present: Bybee

Others Present: Steve Fiscus, State Tax Commission

## **DEPARTMENT OF COMMERCE**

**Presenter: Jeffery Sayer, Director**

- ❖ Introductions
- ❖ Foundation of success
  - Low cost environment
  - Robust workforce
  - Strong infrastructure
- ❖ Project 60 Idaho
- ❖ Idaho Annual exports – 2011, \$5.90 billion
- ❖ 2% Idaho lodging tax FY 2012: \$7.07 million
- ❖ State grants deployed FY 2012
  - 5 business and jobs grants
  - 15 Gem grants
  - 17 rural Economic Development Professionals (ED pros)
- ❖ Funding levels and number of State Grant Programs charts
  - RCBG
  - GEM grants
  - Small business grants
  - Business & Jobs fund
- ❖ FY 2014 Governor's recommendations
  - Business and Jobs Development Fund: \$3,000,000
    - Recommendation for one-time General Fund transfer
    - Critical tool for recruiting efforts
    - Integration of best practices

- ❖ Performance Metrics Report

## **DEPARTMENT OF REVENUE AND TAXATION: State Tax Commission**

**Presenter: Commissioner Rich Jackson, Chairman**

- ❖ Fiscal 2012 revenues versus cost of collecting
  - Approximately \$94 raised per \$1 of budget
  - Revenues: \$3.3 billion
  - Cost to collect: \$34.8 million
- ❖ Successes
  - Saved money by using first class mail instead of certified mail to send certain notices;
    - Saved \$104,000 in the first six months of FY 2013
    - On target so will save \$200,000 and about 2,400 employee hours by end of FY 2013
  - Upgraded imaging equipment
  - Modernized IT infrastructure
- ❖ Historical numbers on receipts
- ❖ Focus for FY 2014: Upgrade GenTax (the tax processing system)
  - Three versions behind
  - Upgrade will help
    - Keep taxpayer information safe
    - Fight tax fraud and identity theft

**Presenter: Doreen Warren, Administrator, Revenue Operations Division**

- ❖ Agency mission
  - Collect 95% of Idaho's revenues (\$3 billion)
  - Administer 17 tax types
- ❖ GenTax was introduced in 2002
  - Current version implemented in 2005
  - Supports the secure processing of \$2.3 million tax returns, payments, and other transactions annually
  - Allow taxpayers to make ACH debit payments
  - Aids in the audit process
- ❖ Problems
  - Software is now three versions behind
  - It takes approximately two years to upgrade a complicated system like GenTax
  - Microsoft and other software companies continue to make changes, the old GenTax system will become more expensive to maintain
- ❖ Risks
  - The risk of system incompatibilities and the inability to maintain security patches will prove insurmountable

- Losing taxpayer accounting system would significantly impact the ability to:
  - Communicate with taxpayers
  - Process returns and payments
  - Distribute revenue
  - Would negatively affect efforts to collect delinquent taxes
- Data security
- ❖ Governor's recommended solution
  - Invest \$5.2 million
    - Ensure the reliability of GenTax
    - Generate benefits for the citizens and state of Idaho
- ❖ Taxpayer benefits
  - Citizens have greater access to control their own accounts through e-service
- ❖ Technical benefits
  - Reduces the risk of depending on 10-year-old technology by moving to a browser-based system
- ❖ Positive return on investment (ROI)
  - Cost of modernizing GenTax (FY14 -15): \$5.2 million
  - Estimated increase in Idaho's base revenues in the first full year of operation (FY16-17): \$2.6 million to \$6 million
  - Improved reporting tools

**Presenter: Mark Poppler, Financial Officer**

- ❖ Supplemental requests: \$200,000
- ❖ Base adjustment: (\$72,300)
- ❖ FY 2014 budget: \$36,065,100
  - Benefit costs 376,100
  - Inflation 153,500
  - Replacement items 407,400
  - Interagency items 28,000
- ❖ FY 2014 maintenance \$36,271,400
  - GenTax version 9 upgrade 5,200,000
  - State Vendor Intercept Project 72,000
  - Administration of local option taxes 200,000
- ❖ FY 2014 Governor's recommendation \$41,743,400
- ❖ Replacement items: \$407,400
  - Primarily servers and other IT equipment
  - Mail processing equipment upgrade: \$17,200
  -
- ❖ GenTax upgrade: \$5,200,000
  - Improve security by replacing outdated technology with current version
  - 18 to 24 month implementation
  - Substantial additional Web access for taxpayers
  - Increased efficiencies and improved ability to analyze data

- Potential for break-even return after full year
- Cost is 85% General Fund: 15% dedicated funds
- ❖ State Vendor Intercept Project: \$72,000
- ❖ Administration of local option sales taxes: \$200,000
  - Spending authority only
  - City of Ketchum local sales tax
  - Authorized per Idaho Code section 50-1049
  - Commission retains fee equal to cost
  - Utilize existing systems and personnel
- ❖ Fund shift of \$100,000, net zero
  - From federal grant to fuels administration fund
  - Requested by Idaho Transportation Department
  - Fairness issue – all beneficiaries will share in administrative costs
  - Reduction in paperwork and administrative time for both agencies

**Presenter: Commissioner Rich Jackson**

- ❖ Thanked the dedicated employees for their hard work

### **Board of Tax Appeals**

**Presenter: Steve Wallace, Chairman**

- ❖ Introduced Board members and staff
- ❖ Mission
  - Part of the Department of Revenue and Taxation, the Board is not a taxing authority.
  - Established in 1969 to be a fully independent and impartial tax tribunal
  - The Board is not subject to the supervision or control of the State Tax Commission
  - Neutrality is critical to provide fair hearings and judicial-like review of contested tax assessments
  - Fairly hear and seek to timely decide contested cases
- ❖ Supported solely through the General Fund
- ❖ The Board travels to locations near the taxpayer to conduct what are relatively straightforward, yet still “due process” hearings
- ❖ For a final decision to be issued, at least two members of the Board must concur in the result
- ❖ Board staff
  - Five permanent, full-time benefitted positions which includes the director
  - Additional personnel include the three part-time board member positions
- ❖ Budget
  - Current funding level for both FY13 and FY14 is estimated to address about 500 appeals
  - Board’s recommended budget: \$485,000
- ❖ Legislative audit findings

- One finding pertaining to the Board's ability to meet a statutory May 1<sup>st</sup> decision deadline for property tax appeals
- SB 1009 provides certain taxpayers with quicker hearing dates
- Earlier hearings will allow for decision making earlier
- ❖ Board of Tax Appeals 2002 – 2012 Ad Valorem Appeals Filed

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Wednesday, February 13, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:00-8:30am	Department of Finance LBB page 5-27	<i>Gavin Gee, Director Department of Finance</i>
8:30-9:00am	State Lottery Commission LBB page 5-87	<i>Jeff Anderson, Director State Lottery Commission</i>
9:00-9:30am	State Liquor Division LBB page 6-89	<i>Jeff Anderson, Director State Liquor Division</i>
9:30-9:40am	<i>Break</i>	
9:40-9:50am	Department of Labor, Analyst Briefing	<i>Keith Bybee Principal Budget &amp; Policy Analyst</i>
9:50-10:20am	Department of Labor LBB page 5-45	<i>Roger Madsen, Director Department of Labor</i>

**Senate Reconvenes: 10:30 am**  
**House Reconvenes: 11:00 am**

# JFAC COMMITTEE MEETING MINUTES

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2/13/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:55 a.m. with Chairman Cameron presiding.

## **Roll Call:**

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

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

Absent/Excused: Bell

Staff present: Bybee

Others Present:

## **DEPARTMENT OF FINANCE**

**Presenter: Gavin Gee, Director**

- ❖ Introductions:
  - Lisa Baker, Administrative Assistant
  - Marilyn Chastain, Securities Bureau Chief
  - Mike Larsen, Consumer Finance Bureau Chief
  - Dave Jensen, Supporting Services Bureau Chief
  - Mary Hughes, Financial Institutions Bureau Chief (not present)
  - 62 FTP
- ❖ Background Information about the Department of Finance:
  - Administers 23 laws
  - Regulates the following industries
    - Commercial banks
    - Savings banks
    - Bank holding companies
    - Credit unions
    - Trust companies
    - Securities issuers and brokers
    - Residential mortgage originators, brokers and lenders
    - Investment advisers and sales personnel
    - Endowed care cemeteries
    - Business and industrial development corporations
    - Consumer finance companies

- Collection agencies
- Money transmitters
- Corporate take-overs
- Independent escrow companies
- ❖ 2011 Legislative Audit for Fiscal Years 2009-11
  - No findings, no recommendations
  - No findings or recommendations in prior audit
- ❖ FY 2012 transferred \$5,427,512 to the General Fund
- ❖ Financial Institutions Bureau is responsible for state chartered banks and credit unions
  - Choices about chartering
    - Can choose State or Federal
    - Since 1979
      - 20 new banks have chosen the state charter
      - 1 bank chose federal charter
    - Since 1997
      - 16 banks converted to state charter
      - 2 converted to federal charter
    - If a financial institution is healthy, the charter can be changed at any time
  - On-site examinations
  - Off-site monitoring and oversight
  - Bank failures from 2008 through 2012
    - Idaho has only had one failure of a federally chartered and regulated thrift institution during that time (First Bank of Idaho – in 2009)
    - Bank failures for western states, failures from 2008-12: 99
    - Total nationwide failures from 2008-12: 448
- ❖ Securities and Consumer Finance
  - Those holding licenses:
    - Broker dealers, investment advisors, and their agents
    - Mortgages and Escrow Industries
    - Collection agencies and their agents
    - Regulated lenders
    - 152,316 businesses, entities and professionals licensed by end of FY 2012 - 95% of licensees reside outside of Idaho
  - FY 2012 Restitution Statistics
    - Initiated/completed 40 to 45 actions
    - \$10 million in refunds and restitution
    - Robo-signing Settlement with nation's 5 largest mortgage servicers, for signing thousands of documents/affidavits without verifying information
      - \$1 million fine payable to the Department of Finance
      - \$14 million payable to Idaho Attorney General's Office
      - \$100 million to Idaho Homeowners (\$45 million distributed by August 2012)

- ❖ Technology – financial institutions are heavily dependent upon technology
  - Information is highly sensitive and confidential
  - Requires constant adaptation because of new products, technology, and problems that emerge
  - Department operates over 60 unique databases, programs and applications
    - Secure Encoded Email
    - Remote Users
    - NMLS/CRD/IARD Reconciliation
    - Full SharePoint Services
  - Licensing
    - Offer NMLS licensing to money transmitter licensees
    - Department wants to expand licensing to other areas, such as:
      - Collection agencies
      - Consumer lenders
      - Escrow companies
- ❖ FY 2014 Governor’s budget recommendation
  - Department is a dedicated fund agency and receives no General Funds or Federal Funds
  - Funding comes from fees paid by the industries the Department regulates
  - Department of Finance does contribute to the General Fund
    - Since 1994 Department has transferred over \$66.3 million
    - FY 2013 is expected to be a record year
  - Governor recommends two new FTPs
    - A money transmitter examiner in the Securities Bureau
      - Examinations have increased in frequency, complexity and importance
      - Money transmission averages over \$3.1 billion per year in Idaho
    - A clerical FTP in the Financial Institutions Bureau
- ❖ Strategic Workforce Development
  - Staff succession planning
  - Interviewing
  - Training
  - Testing
  - Grade Increase
  - Retention

**SELF-GOVERNING AGENCIES: State Lottery Commission**

**Presenter: Jeff Anderson, Director**

- ❖ Mission: to responsibly provide entertaining games with a high degree of integrity, to maximize the dividend for Idaho Public Schools and the Permanent Building Fund

- ❖ Vision: to become the highest performing jurisdiction in North America (not the biggest, just the best)
- ❖ Lottery Commission Organization
  - Self-governing, dedicated fund agency
  - Receives no General Funds
  - Five-member commission provides oversight and sets policy
  - Commission members are appointed by the Governor with the consent of the Senate
  - Executive team is made up of the Director and four deputies
  - Security division has law enforcement authority
- ❖ Dividend Beneficiaries:
  - Idaho Public Schools and Permanent Building Fund each receive 50%
  - Proceeds above \$34 million are distributed to the Bond Levy Equalization Fund per a formula as outlined in Idaho Code, Section 67-7434
    - This provision will have generated \$23.5 million when the provision sunsets in September 2014
  - During the first 24 years the Idaho Lottery is projected to return almost \$600 million in dividends to the citizens of Idaho
  - The Idaho Lottery Commission provides oversight to protect the integrity of charitable gaming in Idaho
  - Financial benefits beyond the dividend – almost \$43 million, such as:
    - Interest on deposits, income taxes from high tier winners, etc.
- ❖ Spending Authorization
  - Unused spending authorization resulting from rigorous cost management is returned to the dividend
- ❖ Current state of the Lottery
  - FY 2013 through January 31, 2013
    - Adjusted game portfolio sales are up 22%
    - Forecast FY 2013 final: \$188,100,000, up 7.0%
  - Challenge
    - Wyoming legislature set to approve the establishment of a lottery which could impact Idaho by as much as \$3,000,000 in border sales
- ❖ Other information
  - History of key vendors
    - 1990 – GTECH contract
    - 2005 – GTECH contract
    - 2012 – Intralot contract
    - 1990 – Dittler Brothers contract (scratch ticket printing vendor)
    - 2012 – Scientific Games Intl. contract (scratch ticket printing vendor)
  - Mandated limits – Limits set in Idaho Code apply to both continuously appropriated and regularly appropriated funds
    - Section 67-7449 - \$15% cap administrative costs
      - 1989 – 2012 average = 8.82%
    - Section 67-7414 – 6% cap retailer commissions
      - 1989-2012 average = \$5.85%

- Section 67-7449 – 3.5% cap advertising/promotion
  - 1989-2012 average costs = 2.65%
- ❖ FY 2014 Governor's budget recommendation totals \$5,425,000

## **OFFICE OF THE GOVERNOR: State Liquor Division (ISLD)**

**Presenter: Jeff Anderson, Director**

- ❖ Introductions
  - Tony Faraca, Chief Deputy and CFO
- ❖ Mission – to provide control over the importation, distribution, sale and consumption of distilled spirits; curtail intemperate use of beverage alcohol; and responsibly optimize the net revenues to the citizens of Idaho
  - ISLD is citizen owned for the benefit of all
  - Focus is on responsible customer service, continuous process improvement, efficiency and cost management
  - Authority comes from Article III, Sections 24 and 26 of the Idaho Constitution
  - Beer and wine are not under ISLD authority nor is on-premise licensing
- ❖ Vision – to be the most respected and highest performing purveyor of distilled spirits in the USA
- ❖ Organization
  - Director and three deputies
  - 164 retail liquor store locations
  - 31 of 44 counties with Sunday sales
  - Headquartered in Boise
  - Currently 96 stores (36 state and 60 contractors)
- ❖ Overview
  - Dedicated Fund agency
  - 66 State retail stores, 98 contract stores
  - Full-service distribution center receives and ships one million cases annually
  - \$153,600,000 in sales in FY 2012
  - Forecast \$165,900,000 in FY 2013
  - 205 FTPs plus up to 150 temporary associates
  - 21% of total sales are to licensees (bars, restaurants)
  - 83% of total ISLD sales occur at 66 state-operated stores
  - 98 contractors serve smaller communities where a state store isn't feasible. Product is provided on consignment and contractors are paid a commission based on sales (\$2.5 million in FY 2012)
- ❖ Additional information
  - Liquor Distribution Funds
    - For fiscal year ending June 30, 2012: \$63,052,921
    - Total distribution for the last ten years: \$403,000,000
  - Consumption of distilled spirits

- Per capita consumption remains low (well below the national average)
- Idaho remains below both license states and control states in outlet density
- Hours remain convenient but limited, with no state stores open past 9:00 p.m.
- Steady and predictable growth
  - Growth in FTPs over the last decade was related to opening 18 additional state stores since 1995
  - OPE recommended ISLD get more out of existing stores rather than adding more stores
  - One store did open in October 2012 in State Line to address the increased volume due to changes in the state of Washington
- ❖ FY 2014 Governor's recommended budget
  - Decision units
 

• Capital outlay – remodeling of 5 stores	\$197,700
• Labor to prepare for stores opening	11,100
• Enhanced hours of operation in 6 stores	102,000
• Network security gateway	20,000
• Battery Backup System	65,900
• Website Development	15,000
  - Request totals \$16,949,000

## **DEPARTMENT OF LABOR (IDOL)**

**Presenter: Keith Bybee, Principal Budget and Policy Analyst**

- ❖ Brief history of the Department of Labor
  - On July 1, 1996 the Department of Employment became the Department of Labor (Chapter 13, Title 72, Idaho Code) and now houses the following programs:
    - Wage and Hour (1996)
      - Administers laws regarding the payment of minimum wage and claims for unpaid wages
    - Disability Determinations Service (DDS) (added in 2007)
      - Funded by Social Security and performs the medical adjudication for SSA of Social Security Disability Insurance and Supplemental Security Income disability claims
    - Career Information Systems (added in 2008)
      - Purpose is to provide current occupational, educational and related career information to help citizens understand the link between education preparation and work, explore education and career alternatives and successfully seek work.
    - Human Rights Commission (added in 2010)
      - A stand-alone program

- Receives services, shares in overhead cost and is supported by the Department of Labor
- Handles complaints under federal law deferred to them by the Equal Employment Opportunity Commission
- Established to help protect persons in Idaho from illegal discrimination
- Serve Idaho (2009) (Governor's Commission on Service and Volunteerism)
- ❖ List of all funds at the Department of Labor
  - Appropriated Funds
    - General Fund
    - Unemployment Penalty and Interest
    - Employment Security Special Admin.
    - Miscellaneous Revenue
    - Federal Grant
  - Continuous Funds
    - Unemployment Penalty and Interest
    - Employment Security Special Admin.
    - Workforce Development Training
    - Miscellaneous Revenue
    - Unemployment Compensation
      - This fund receipts and disburses unemployment benefits
      - Large increase in expenditures for FY 11 and FY 12 is partially because of payments made for principal and interest on bonds sold for the repayment of federal advances
  - Labor Federal Funds
    - The formula for distribution of funds is inversely related to the strength of the economy. In a weak economy or recession, the Department receives additional funds to help disburse benefits; when the economy grows or strengthens, less funding is available.
    - Labor Federal Funds are grants for the administration of the unemployment insurance program from the U.S. Department of Labor
    - There was a \$12 million expenditure reduction between FY 2011 and FY 2012
      - Idaho has two mechanisms to help with the loss of federal dollars for a more seamless transition from a weak economy to a growing economy
        - Penalties and Interest Fund – receipts are from penalties and interest on judgments or accounts secured by liens. Funds are used at the director's discretion to pay costs of administration, for the purchase of real estate and construction of buildings, or to cover expenditures for federal funds that have been requested but not yet

received and are subject to reimbursement. Expenditures from this fund are subject to approval by the Board of Examiners.

- Employment Security Special Administration Fund (or Special Admin Fund) - receipts are from interest earned from investment of the Employment Security Reserve Fund. This fund is used for costs related to Department programs administered under employment security law and approved by the Workforce Development Council
  - There are also smaller grants issued by the U.S. Department of Labor which pay for specialized employment-related services
- ❖ Request to appropriate funds
  - Penalties and Interest Fund and Employment Security Special Administration Fund per Idaho Code have perpetual appropriations
    - Human Rights Commission received appropriations from the two funds when General Funds were phased out
    - Fund money is also used for other programs
  - Board of Examiners request
    - DFM and IDOL to bring all spending on budget
    - Total on budget appropriation is \$14.4 million, of which \$2.8 million is already appropriated.

**Presenter: Roger Madsen, Director**

- ❖ Idaho's economy is improving
  - Nonfarm Growth – running about 1.2% higher than one year ago
  - U.S. vs. Idaho growth comparison – nation has recovered about half the jobs lost while Idaho has recovered only one-fifth of its losses
  - Unemployment rate in Idaho peaked at 8.9% in August 2010
    - Idaho's unemployment rate has dropped faster than most states
    - Rate as of December 2012 was 6.6%
    - Still have 50,000 workers without jobs
    - Custer County is the only county where the unemployment rate rose in 2012
- ❖ Workforce
  - With declining unemployment rate, have experienced a contraction in the labor force
    - About 7,400 workers dropped out of the workforce between May and November 2012
    - Three hundred workers came back in December 2012, but it is the smallest November-December increase in three decades
    - Two cautions:
      - Last time there was a decline in the workforce to this extent was in 2008-09
      - A workforce decline may create problems for employers trying to expand

- New hires for both new jobs and to fill vacancies rebounded to near 2008 levels in 2012
- Employers – stable last year at about 53,500
  - Employment covered by unemployment insurance was up about 10,000 in June 2012 from the two previous Junes
  - Idahoans per job opening
    - Jobless workers available for every posted job opening dropped to less than half the number at the peak of the downturn
    - Still an Idaho employer's market, with about two unemployed workers for every job listed
    - Does not count the estimated 10,000 Idahoans who have given up looking for work and the 50,000 working part-time because they cannot find full-time work
    - As of February 1, 2013, there were almost 96,000 people registered as job seekers
- Wages are still short of regaining pre-recession peak
- Business profits have rebounded after falling 24% during the recession
  - Over last 10 years, business profits have been responsible for an increasing share of the gross state product
  - Since 2003 business profits have grown from 36.5% of gross state product to over 42% in 2010
  - With limited wage growth and profits rising significantly, a shift will likely come
  - State's training fund is a successful business incentive
  - Average hourly wage has risen to nearly \$17 plus benefits
- ❖ Unemployment payments/benefits
  - Drain on the Unemployment Insurance Trust Fund has been reduced
    - Payments from the trust fund in 2012 dropped under \$200 million for the first time since 2007, down 9 percent from 2011 and less than half the record payout of over \$400 million in 2009
    - Federal extended benefit payments were down 40 percent from 2011
    - Number of unemployed workers receiving benefits has declined significantly
  - 19,000 people received regular benefits in January 2013, down from around 22,000 in January 2011 and half the number in 2010
    - Average benefit is \$252 per week (maximum benefit is \$357 and minimum is \$72 per week)
    - Over 16,000 did not find a job before payments ceased
  - Over 100,000 Idaho workers have received \$916 million in federal extended benefits over the last 4.5 years
    - Benefit period (federal and state combined) has declined
      - From 99 weeks during worst of recession, to 93 weeks last spring
      - Then to 86 weeks in June 2012, and 73 weeks in August
      - Then to 63 weeks in September to 54 weeks in February 2013

- ❖ IDOL Workload – federally funded budget is based on a counter-cyclical funding formula (funding increases in a troubled economy and funding falls when the economy improves)
  - Department staffing is down six percent from FY 2011's 716 employees
    - Currently has 670 FTP's (unchanged from 2012)
    - Still a demand for employment services and Social Security disability determinations
    - Phone volume averaged 25,000/day in December 2012
    - Currently increased to over 30,000/day in 2013
    - Experiencing staff turnover
  - Disability Determinations Service (DDS)
    - Cases spiked in 2010
    - Number of cases still running above pre-recession levels
    - About \$56 million per month in Social Security disability benefits is being paid to 78,000 Idahoans
  - Innovations and Enhancements
    - Continuing partnerships with libraries, Adult Basic Education, Professional-Technical Education, veterans, the health care sector, and special populations (disabled and inmates)
    - IDOL's new unemployment insurance computer system, iUS, is on schedule and on budget, to come online in October 2014
- ❖ Trust Funds
  - Unemployment Insurance Trust Fund
    - Trust fund revenue exceeded payout by \$120 million in 2012
    - Fund balance is sufficient to reduce 2013 employer tax rates 18%
    - Initial \$50 million bond repayment made in August 2012
    - Money is already set aside for next bond payment
  - Reserve Fund, Admin Fund, P & I Fund
    - Idaho Human Rights Commission
      - Over 90% of complaints involve employment discrimination
      - Labor is picking up the final 25% of Commission funding in the FY 2014 budget
      - Total yearly commitment is \$833,400
    - Idaho Career Information System
      - FY 2014 budget request: \$475,100 from dedicated funds
      - Revenue from Special Services: \$145,600
      - Sites (primarily schools) grown from 537 a year ago to 607 now
      - Users grown to more than 250,000
      - Logins to exceed 500,000 in 2013
      - Idaho Career Information is free to the public
    - Idaho Wage and Hour
      - \$302,400 requested in General Funds (down from \$596,300 appropriated in FY 2009)
      - IDOL subsidy continued at \$219,800
      - Bureau is down two FTE's from seven to five

- Over 58,000 phone calls in 2012
- 3,000 walk-in customers
- 59 employer presentations made
- 1,200 wage claims filed
- Collected \$525,000 in back wages
- Serve Idaho
  - Federal funding remains stable
  - Idaho ranks second nationally in the percent of Idahoans who volunteer (38.8%)
  - Idaho is second nationally in the amount of time its citizens volunteer (58.4 hours) – estimated value: \$1.4 billion last year
  - Employment Services subsidies to offset declining federal support
- ❖ FY 2014 Governor’s recommended budget request is \$17,273,800
- ❖ Department of Administration FY 2014 budget request of \$4,389,500
  - IDOL supports the Department of Administration’s request for upgrades to the Idaho State Network
    - Failure to fund Dept. of Administration’s initiative puts IDOL services in jeopardy and could force IDOL to make unplanned expenditures for information technology support or equipment
    - IDOL also supports the Dept. of Administration’s proposal to change the name of the Idaho Technology Resource Management Council to the “Idaho Technology Authority” and to revamp its membership to include most state agency directors
- ❖ Audit finding
  - IDOL had one audit exception involving the reporting of federally financed extended benefits paid during the fiscal year
- ❖ Those benefits are now being reported as the new policy requires

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Thursday, February 14, 2013**

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>GERMANE COMMITTEE REPORTS</b>		
8:00-8:15am	Senate Education Committee	<i>Senator John Goedde Chairman, Senate Education</i>
8:15-8:30am	House Education Committee	<i>Representative Reed DeMordaunt Chairman, House Education</i>
8:30-9:00am	Joint Millennium Fund Committee Recommendation LBB page 6-161	<i>Senator Patti Anne Lodge Representative Stephen Hartgen Co-Chairs, Joint Millennium Fund Committee</i>
9:00-9:15am	Senate Local Government & Taxation	<i>Senator Jeff Siddoway Chairman, Sen Loc Govt &amp; Tax</i>
9:15-9:30am	House Business Committee	<i>Representative Frank Henderson Chairman, House Business</i>
9:30-9:45am	House Judiciary & Rules Committee	<i>Representative Rich Wills Chairman, House Jud &amp; Rules</i>
9:45-10:00am	Senate Judiciary & Rules Committee	<i>Senator Patti Anne Lodge Chairman, Senate Jud &amp; Rules</i>
10:00-10:30am	Public Schools: Ed Services for the Deaf & Blind LBB page 1-33	<i>Brian Darcy, Administrator Ed Svcs for the Deaf &amp; Blind</i>

# JFAC COMMITTEE MEETING MINUTES

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2/14/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:17 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: none

Staff present: Headlee

## **GERMANE COMMITTEE REPORTS**

### **Senate Education Committee**

**Presenter: Senator John Goedde, Chairman**

- ❖ Idaho Digital Learning Academy (IDLA) has become a magnet for innovative solutions in Idaho virtual education
  - Nationally recognized for its work
  - Works with community colleges and universities – delivery of virtual education including professional development
  - Working with K-12 schools in blended learning models
  - Provides the system for the Dept. of Education's on-line portal and will inventory and rate on-line classes
  - Idaho largest provider of on-line coursework
- ❖ Common Core
  - No consideration for the cost of implementation
  - Teachers require the professional development time to understand how to teach to higher learning standards and to realign their lesson plans
- ❖ Schoolnet
  - Albertson's Foundation is providing Schoolnet funding and recognizes the responsibility of the state to meet its obligation
  - System needs more buy-in from educators and suggest that its metric be better aligned to measure its effective use
  - No way to identify consistent use by individual educators
  - There is not included in this line item any additional time for teachers to gain understanding of the system, and professional development days may need to be funded

- ❖ National Board Certification
  - Evidence demonstrates that board certification improves education
  - The Senate Education Committee supports using the \$111,000 in both the Governor's and Superintendent's budget for its stated purpose
  - The Committee suggests that JFAC keep these funds in the budget expressly to fund stipends
- ❖ Lottery funds
  - Money earmarked for building maintenance was spent in other ways for the past several years
  - They respect the intention of the lottery and will begin requiring lottery funds to address facility issues
  - Support placing roughly half of the lottery funds in a maintenance silo in the upcoming budget year
  - Important to balance the need for flexible spending at the district level with litigation regarding school building safety
- ❖ School safety
  - Recognize the need to address school safety and understand that the Safe Schools Task Force will take up to 18 months to make recommendations
  - They laud the efforts of the Governor in his appointment of Col. Russell to coordinate school safety efforts from the perspective of Homeland Security and local law enforcement
- ❖ Administrative evaluation of teachers
  - Key to improving student performance is creating education leaders who visit classrooms on a regular basis, evaluate instruction, and offer professional development
  - Without the skills to provide evaluations with reliability, administrators cannot effectively do their jobs
- ❖ Technology
  - Endorse sending districts technology money which may include funding for devices, wireless networks, and professional development
  - The Department will use FY 2013 money for gap analysis, and identifying needs in each district
  - They urge the Department of Education to seek equipment bids that local districts could use to lower purchase costs
  - Included in this recommendation is funding IT personnel at the local level
- ❖ 33.9M
  - Vigorously defend keeping these funds within the K-12 education budget
  - Asked the Committee to consider allocating this in a one-time manner so they will be available to fund recommendations from the Governor's task force for the 2015 budget
  - They believe the dollars should be pushed down to districts which could consider one-time purchases, potential debt retirement or other innovative plans, with buy-in from local stakeholders; subject to plan approval by the Department of Education

- ❖ Bills with fiscal impact
  - S1092 - \$4.85M – extends funding for math and science teachers
  - S1091 - \$6.845M – creates new funding formula for IDLA, based on 23,000 enrollments, provides for M&O for on-line portal (\$150,000) and dual credit (\$250,000)
  - S1028 – moves MAPP program from pilot to full-scale program; positive impact but size will depend on number of students in the program
  - S 1097 – eliminates requirement of using general funds to educate young people in Idaho group homes – positive impact but total dollars are unknown
  - S1089 = \$3.6M positive impact – repeal of Early Retirement Program

### **House Education Committee**

**Presenter: Representative Reed DeMordaunt**

- ❖ Higher Education - workload adjustment
  - Direction not adequate
- ❖ Eliminate early retirement - ineffective and money better spent
- ❖ Raise the minimum teacher salary
- ❖ Enrollment Workload Adjustment (EWA) vs. performance funding
- ❖ Supports “use it or lose it”
- ❖ Use of the education reform funding (\$33.9)
  - Funding for Common Core
  - Funding for Technology
    - Pilot Program
  - Funding for Professional Development
  - Put into discretionary funds
  - Keep in reserve – PESF
  - Training certification of administrators in classroom observations
  - Funding for Pay for Performance
    - Local distribution

### **House Health & Welfare Committee**

**Presenter: Representative Fred Wood, Chairman**

- ❖ No change in the recommendations from the prior decision list from the Department of Health & Welfare
- ❖ Three main requests from the public hearing
  - Restoration of some dental coverage for Developmental Disabilities
  - Expansion of Medicaid
  - Mental Health funding is significant impact on local government, particularly the public portion
- ❖ Top 11 Department of Health Welfare (DHW) recommendations
  - #1 – Medicaid - Trustee and benefits 2014 Woodwork Effect

- Increased caseload
  - People currently eligible but not enrolled
    - PPACA results – expect insurance exchange will direct them to Medicaid for coverage
    - Millman analysis estimates 35,000 individuals in this group
    - Enrollment expected to be gradual
      - Funding for 14,800
      - Balance of funding to be FY 2015 budget
- # 2 – Welfare/Medicaid/ITSD
  - Medicaid Readiness, HC reform
    - One-time funding
    - Completes Medicaid Readiness Initiative
    - Affects
      - Self-reliance operations
      - Medicaid Administration and Medical Management
      - Indirect Support Services
- #3 – Welfare
  - Operational workload increases
    - Caused by mandatory rules
    - Increases
      - Personnel costs
      - Operating expenditures
- #4 – Support Services
  - Operational workload increases
    - Eligibility system
    - Support FTP
    - One-time general funds savings
      - 90% temporary enhanced federal match rate
- #5 – Family and Community Services (FACS)
  - Increase foster care monthly stipend
    - Nationwide
      - One of the lowest
      - Half the recommended national standard
    - 7% to 9% increase
    - Enable recruitment and retention of quality foster parents
- #6 – Behavioral Health
  - Start-up resources for regional BH development boards
  - Provide regional delivery system
    - Critical support services
    - Enhance local control of services
    - Address each region's unique needs
    - Includes:
      - Housing
      - Transportation
      - Education or employment training

- Other critical needs
    - To help achieve and maintain stability
- # 7 – Medicaid
  - Electronic Health Record Incentive Program & Meaningful Use Audit
    - Authorized incentive program
      - American Recover and Reinvestment Act of 2009
      - Eligible professionals
      - Eligible hospital
      - Development of electronic health record systems
    - Web-based software program
      - To collect data mandated by Centers for Medicare and Medicaid Services
      - Design
        - \$180,000 one-time federal funds
        - \$20,000 one-time general funds
    - Required audit
      - \$166,500 one-time federal funds
      - \$18,500 one-time general funds
      - Contract with an independent accounts firm to perform risk-based audit
    - General funds required for federal incentive payments
- #8 - FACS
  - Specialized Foster Care Recruitment
    - One-time funds
    - Adoptive home recruitment
      - 28 hard-to-place teens
      - Would otherwise remain in foster care system until 18 years old
      - Avoids future foster care costs if permanent placements are found
- #9 - Medicaid
  - CHIPRA Survey
    - One-time \$46,000 funding authority
    - Children's Health Insurance Program Reauthorization Act of 2009
      - Requires
        - Consumer Assessment of Healthcare Providers and Systems Health Plan Survey
        - To improve quality of care for CHIP beneficiaries
        - Failure to comply will jeopardize CHIP federal funding
- #10 – Welfare
  - Child support cooperation for food stamp cases
    - Idaho Code requirement
    - Households cooperate in child support collections
      - Reduce or eliminate family's welfare assistance dependency
    - Funds 5 staff members
    - Enables compliance with statutory requirements

- # 11 – Support Services
  - Welfare Fraud Investigators
  - Staff increase
    - 2 field investigators
    - 2 client desk review investigators
  - Specialized Foster Care Recruitment
- # 11 – Support Services
  - Welfare Fraud Investigators
    - Staff increase
      - 2 field investigators
      - 2 client desk review investigators
  - Investigate suspected fraud for:
    - Food stamps
    - Child care
    - Cash assistance
    - Medicaid
    - Leads have increased significantly in 5 years

## **Senate Local Government and Taxation**

**Presenter: Senator Jeff Siddoway, Chairman**

- ❖ First bill passed by the Committee was H 1, the Conformity Bill.
  - That action had a fiscal note of \$6,000,000 tied to it
  - \$6 million impact in FY 2013 and \$3 million expense for FY 2014
- ❖ One big item being worked on is personal property tax relief
- ❖ Insurance Exchange
  - Will it engage with the PPACA?
  - Will there be a Medicaid expansion?
    - Will it reduce the \$28 million county level obligation to support the CAT fund program mandated by the state?
- ❖ Bonding issues may have an \$11 million annual obligation
  - Could be interrupted if the personal property tax legislation passes
  - Concerns
    - Urban renewal districts
    - Hospital districts
    - School district
    - Water treatment facilities
    - Cannot make exemptions that take away a district's ability to repay any obligation
    - Either shift existing responsibilities or eliminate those responsibilities from the taxing districts

## **House Business Committee**

**Presenter: Frank Henderson, Chairman**

- ❖ Business advantages available in Idaho
  - Tax stability
  - Low energy costs
  - Low operating costs
    - Worker's Compensation insurance
    - Affordable land
    - A motivated work force
    - Business friendly political climate
- ❖ The Committee favors the following
  - Appropriations to fund workforce training
    - Department of Labor training grant program
    - Community colleges professional-technical programs
  - Sustain basic funding for the Department of Commerce programs
    - Domestic and export sales products
    - Maintain the iGem Program
    - PTAC purchasing assistance service
    - Continue the thrust of the Rural Initiative
- ❖ Support H 88
  - Provides a corporate income tax credit for hiring new full time employees
  - Tax credit will effectively lower the effective corporate tax rate charged by Idaho
  - Will make the state more competitive in business development
- ❖ The Committee strongly supports the concept of the Idaho Opportunity Fund
  - Proposed in H 100
  - Funded by a one-time transfer of \$3 million from the General Fund
  
  - To sustain existing economic programs
  - Maintain Idaho's business friendly political climate
  - Support business expansion and recruitment by aggressive use of the Idaho Opportunity Fund

## **Joint Senate Judiciary & Rules Committee;** **House Judiciary, Rules & Administration Committee**

**Presenter: Representative Rich Wills, Chairman**  
**House Judiciary, Rule & Administration Committee**

- ❖ Need for change
- ❖ All agency directors doing a fantastic job with the limited tools they have been given

- ❖ One task is to build on the foundation of departments and provide additional resources
  - To accomplish cost savings and effective structure to improve their departments
- ❖ The needs for the Judicial branch are not many but are extremely important

**Presenter: Senator Patti Anne Lodge, Chairman  
Senate Judiciary & Rules Committee**

- ❖ Critical needs of the Supreme Court
- ❖ Breakdown of the family and community structure which leaves many with a lack of moral clarity
- ❖ Courts
  - H 103 Emergency Surcharge
    - Needed to fund the work of the courts
  - New district judges – H 29
    - Discussion groups have been held concerning attracting the most qualified judges available and the benefits of starting a career in the judiciary
      - It has been determined that being a district judge is no longer a sought after judicial position for the following reasons:
        - Work load
        - Complexity of cases
        - Contested elections
        - Inadequate compensation
        - Isolation
  - Must change the salary gap between the magistrate position and the district judge position
- ❖ Department of Correction
  - Support a structured re-entry for inmates to include public safety
  - A bridge back – Tting re-entry to the local communities and involving the, (CTP)
  - Good behavior release time, or before they top out in time
  - Create better options for success when the individual hits the streets
  - Vocational training programs – teaching life skills
  - Shorter parole violation time limits

**Presenter: Representative Rich Wills**

- ❖ Department of Corrections
  - Turnover rate currently is at 23% and will increase each year
  - Streamlining the process to save money
- ❖ Parole Commission needs are very instrumental for achievement
- ❖ Changing processes with parole violators, move through the system more efficiently
- ❖ Unsupervised parole on those with less major offenses

- ❖ Working closely with IDOC regarding release delays for prospective
- ❖ Video parole hearings

**Presenter: Senator Patti Anne Lodge**

- ❖ Interim Committee
  - From all stakeholders in the three branches of government to find new ideas and options for making the process simpler and effective
  - To study the Courts and their needs as well
- ❖ Mental Health Facility
  - More than 2100 offenders with mental health needs today and will grow

**PUBLIC SCHOOL SUPPORT: Idaho Education Services for the Deaf and the Blind (IESDB)**

**Presenter: Brian Darcy, Administrator**

- ❖ Organizational chart
- ❖ Continuum of Services
  - The goal of the Idaho Bureau of Educational Services for the Deaf and the Blind is to assist school districts and state agencies in providing accessibility, quality and equity to students in the state with sensory impairments through a continuum of service and placement options
- ❖ Outreach
  - In home education to parents and children from birth to three year old education
  - Support to all school districts across the state
- ❖ Innovative learning
- ❖ Media/library services
- ❖ Campus – 86 enrolled
- ❖ Not a “one size fits all”
- ❖ Collaboration is the key to success
- ❖ Education is about experiences and conquering challenges
- ❖ Partnerships pulling together
- ❖ Governor’s budget recommendation
  - 2 campus based teachers: \$119,400
  - Total FY 2014: \$7,983,000

**The Joint Millennium Fund Committee Report-** the committee report follows as an addendum, on the final page of the JFAC Minutes Book publication.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Friday, February 15, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	<b>GERMANE COMMITTEE REPORTS</b>	
8:00-8:15am	Senate Agricultural Affairs Committee	<i>Senator Steve Bair Chairman, Senate Agricultural Affairs</i>
8:15-8:30am	House Agricultural Affairs Committee	<i>Representative Ken Andrus Chairman, House Agricultural Affairs</i>
8:30-8:45am	Senate Health & Welfare Committee	<i>Senator Lee Heider Chairman, Senate Health &amp; Welfare</i>
8:45-9:00am	Senate Transportation Committee	<i>Senator Bert Brackett Chairman, Senate Transportation</i>
9:00-9:10am	<i>Break</i>	
9:10-10:10am	<b>Statewide Budget Decisions - JFAC Adjusted</b>	<i>Cathy Holland-Smith Manager, Budget &amp; Policy Analysis</i>

# JFAC COMMITTEE MEETING MINUTES

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2/15/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:42 a.m. with Chairman Cameron 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

Ab/Excused: None

Staff present: Holland-Smith, Burns, Houston, Headlee, Bybee, Ellsworth, Lockett, Tatro

## **GERMANE COMMITTEE REPORTS**

### **Senate Agricultural Affairs**

**Presenter: Senator Steve Bair, Chairman**

- ❖ Department of Agriculture
  - Senate Ag Committee supports the following budget items:
    - Line Item 1: \$900,000 ongoing funding for Eurasian Milfoil control
    - Line Item 2: \$69,700 dedicated funding, for a Weights & Measures position
    - Line Item 4: \$120,000, dedicated funding, spending authority to increase Pesticide Collection
    - Line Item 5: Ongoing dedicated fund transfer, from REDIFIT program housed in Dept. of Ag to ITD for costs associated with updating the State Rail plan
    - Animal Damage Control, recommend \$100,000 in General Funds, one-time
      - 40% shift in funding from predator control to wolf control, so less money is available for control of coyotes and other predators
      - Losing \$125,000 from federal government for wolf control issues which caused six Wildlife Services employees to be laid off
- ❖ Idaho Soil and Water Conservation Commission
  - Senate Ag Committee supports:
    - Governor's recommendation for Line Item 4, Technical Services, spending authority for \$20,000

- Line Item 3: Match Conservation District Contributions for \$209,700 (item not recommended by the Governor)
  - Local conservation districts use state General Fund dollars to leverage additional funds, usually at a 2:1 rate
  - One of most serious problems deals with TMDL (amounts of contaminates) in waterways. This appropriation will provide an opportunity to mitigate TMDL loads, resulting in cleaner water and less regulatory cost so EPA is not as involved.
- ❖ Agricultural Research and Extension Service
  - Committee supports Decision Unit 1 – requesting \$1,000,000 for operational needs for research (Governor recommended and the Senate Ag Committee supports)
- ❖ University of Idaho – Rangeland Research – Senate Ag Committee recommends funding \$191,000 for study of sage-grouse, wildfire and other rangeland issues (specifically to research how livestock grazing influences sage-grouse populations)

### **House Agricultural Affairs Committee**

**Presenter: Representative Ken Andrus, Chairman**

- ❖ Agriculture is an important business – the largest industry in Idaho
  - Two concerns:
    - Agriculture Research Stations – funding has decreased considerably – please restore the funding
      - Research helps develop new and better varieties of seeds
      - Need to be mindful of world demand for food
    - University of Idaho - Rangeland Research Center
      - U of I is a science-based research center
      - Recommend funding for \$191,000 to research rangeland issues relating to sage-grouse

### **Senate Health and Welfare Committee**

**Presenter: Senator Lee Heider, Chairman**

- ❖ The Department of Health and Welfare serves every community in Idaho with a budget of \$2.529 billion. Many federal programs have a 70/30 match
  - Examples of those served by various programs:
    - Medicaid serves 243,000 Idahoans
    - Food Stamp program serves 300,000 (one out of every six people is on the program)
  - Child Welfare budget is nearly \$56 million
  - Indirect Support Services has a budget of \$39 million
    - Medicaid Readiness line item for \$1.68 million
    - Requesting 16 new FTP's

- Use MAGI (modified adjusted gross income) formula
- Medical Assistance Program has a budget of \$2.055 billion
  - Traditional Medicaid Title 19
  - CHIP Program – Title 21
- Mental Health Services costs another \$33 million
- Psychiatric Hospitalization costs \$31.5 million
- Public Health Services costs \$103 million
- Substance Abuse Treatment & Prevention costs \$17 million
- Division of Welfare costs \$143.8 million
  - SNAP(Supplemental Nutrition Assistance Program) /Food Stamps
    - Proposing a multi-day issuance, beginning March 1, 2014, which has a fiscal impact estimate of \$182,600, one-time
  - Temporary Assistance to Families
  - Aid to the Aged, Blind and Disabled
- ❖ Affordable Care Act (ACA) – (Medicaid Expansion) establishes a framework to ensure access to quality, affordable health coverage of all Americans beginning in 2014
  - Estimate that up to 35,000 presently qualify but not receiving services
  - Possibly another 35,000 who are newly eligible
  - Federal grant will pay 100% for 3 years and then shift this expense to Idaho
  - New guidelines will redefine how states will:
    - Compute eligibility for a family using the new MAGI methodologies which change household composition, income calculations, expense allowances, and asset tests
    - Evaluate an applicant's situation and determine eligibility
    - Verify information during the eligibility determination process to verify information
    - Send notifications to the clients regarding eligibility decisions and outcomes for all family members and coordinate the information included on the notice with an Exchange
    - Align rules with IRS tax definitions to ensure continuity of coverage determinations among various types of health coverage sources
    - Define participant households and budget units to determine eligibility for all members within a household
  - Idaho Dept. of Health & Welfare is developing the ability to adopt new ACA regulations for Medicaid while ensuring the agency can maintain a high level of quality and accuracy across all programs
    - Workload
      - Currently process about 14 applications and have 10 Medicaid cases
      - Estimating there could be 25 applications for every 10 new Medicaid cases
      - Medicaid enrollment will be one of the major primary doors where a person can enter the insurance exchange

- Office will have to screen in four ways: phone, portal, walk-in, and/or mail
- Burden of proof will be upon the Department whose responsibility it will be to source-verify
- Currently have 22 eligibility workers and 6 IT workers – will have to employ a significant number; a temporary staff initially
- Chairman Heider is confident the Idaho Department of Health and Welfare will be ready to supply the needs of Idaho citizens who qualify for assistance

## **SENATE TRANSPORTATION COMMITTEE**

**Presenter: Senator Bert Brackett, Chairman**

- ❖ Idaho Transportation Department receives no General Fund appropriation
  - ITD has made substantial strides in become more efficient, effective and accountable
  - Accomplishments include
    - Realignment of Department – generated \$12.5 million in personnel and insurance savings
    - Through improvements in cash forecasting and project management practices, ITD should have an additional \$100 million in highway maintenance and construction projects over next five years
    - By changing how the state repays the last two GARVEE bonds it issues, an estimated \$40 million in interest will be saved
- ❖ Issues that affect transportation and transportation funding in Idaho
  - Map-21 (“Moving Ahead for Progress in the 21<sup>st</sup> Century”) is the new federal highway bill which expires in the fall of 2014.
    - There is a \$12 billion shortfall nationwide to the Highway Trust Fund being supplemented from the federal general fund.
    - Idaho is a “donee” state, versus a “donor” state, meaning that Idaho gets more money back than the state sends to the federal government
    - There could be an effort to raise the gas tax at the federal level
    - If additional revenue is not raised, Idaho could see its share of federal revenue cut by as much as \$100 million
  - State Transportation funding issue
    - Idaho Transportation Task Force concluded there was a \$262 million annual shortfall in maintenance of bridges and highways
    - Need to protect the state’s investment in the transportation system
  - A funding option that is being considered is the TEDZ (Transportation and Economic Development Zone)
    - Legislation would require ITD and the Department of Commerce to jointly collaborate on highway projects that will result in job creation and overall state revenue growth. TEDZ would allow a portion of sales to finance construction if the following three tests are satisfied:

- Showing that new sales tax generated as a result of construction would be equal to, or exceed, the amount necessary to service the financing of construction, and
- Showing a return on investment – that job creation will result in at least \$2 for new revenue for every \$1 of construction, and
- A majority of local governments (cities, counties and highway districts) within the proposed zone approve the creation of the zone
  - A similar program started several years ago known as STARS allowed a portion of sales tax to finance Idaho's infrastructure – it has been used successfully to build some transportation projects
- ❖ Another transportation issue:
  - 129,000 pound pilot route project that will sunset in June 2013. If the routes are to be made permanent, the Legislature must act this session

## STATEWIDE BUDGET DECISIONS: JFAC Adjusted

Presenter: Cathy Holland-Smith, Manager, Budget and Policy Analysis

### Accept Governor's FY 2014 Revised Recommended Spending Target

	<u>Agency Request</u>	<u>Governor's Rec</u>	<u>Gov's Revised Rec &amp; Passed Legislation</u>
<b>REVENUES</b>			
Beginning Balance	\$ 58,387,600	\$ 58,387,600	\$ 57,738,000
DFM Orig Rev Est (5.3% increase from FY13 forecast)	2,799,105,000	2,799,105,000	2,799,105,000
H88 Hire One More Employee			(10,364,600)
Personal Property Tax Relief		(20,000,000)	(20,000,000)
H1 Income Tax Conformity			(3,000,000)
H2 Adjustments to Taxable Income			(250,000)
Total Revenues & Available Cash	<u>\$ 2,857,492,600</u>	<u>\$ 2,837,492,600</u>	<u>\$ 2,823,228,400</u>
<b>TRANSFERS</b>			
To Business and Jobs Development Fund - Dept of Commerce		(3,000,000)	(3,000,000)
To Budget Stabilization Fund		(35,000,000)	(35,000,000)
Net Transfers	<u>\$ 0</u>	<u>\$ (38,000,000)</u>	<u>\$ (38,000,000)</u>
NET REVENUES AND TRANSFERS	<u>\$ 2,857,492,600</u>	<u>\$ 2,799,492,600</u>	<u>\$ 2,785,228,400</u>
<b>EXPENDITURES</b>			
FY 2014 Base Budget	2,668,604,200	2,662,034,600	2,662,465,600
<b>Maintenance Costs:</b>			
Benefit Changes	13,531,100	13,460,200	13,460,200
Inflationary Adjustments	1,752,300	400,500	400,500
Replacement Items	17,718,700	6,597,100	6,597,100
Statewide Cost Allocation	836,200	836,200	836,200
Annualizations	1,941,100	1,538,800	2,132,200
Change in Employee Compensation	5,201,800	7,000	7,000
Public School Salary Increase	8,826,700		
Military Compensation	60,100	28,200	28,200
Nondiscretionary Adjustments	(967,200)	(2,242,500)	(2,242,500)
FY 2014 Program Maintenance	<u>\$ 2,717,505,000</u>	<u>\$ 2,682,660,100</u>	<u>\$ 2,683,684,500</u>
<b>Other Budget Requests:</b>			
Education:	40,479,800	72,111,900	72,111,900
Health and Human Services:	13,687,200	13,660,200	9,525,000
Public Safety:	23,452,900	6,681,200	6,681,200
Natural Resources:	1,024,400	1,269,800	1,269,800
Economic Development:	1,806,000	3,851,100	3,851,100
General Government:	10,611,900	8,866,800	8,886,700
Cash Transfer to Other Funds		(3,000,000)	(3,000,000)
FY 2014 Total	<u>\$ 2,808,567,200</u>	<u>\$ 2,786,101,100</u>	<u>\$ 2,783,010,200</u>
Percentage growth in appropriations FY13/FY14		3.1%	3.0%
FY 2014 ESTIMATED ENDING BALANCE	<u>\$ 48,925,400</u>	<u>\$ 13,391,500</u>	<u>\$ 2,218,200</u>

Moved by Bell, seconded by Keough, that the Joint Finance-Appropriations Committee adopt and use for FY 2014 the Governor's recommended General Fund revised spending target of \$2,783,010,200 (3.0% growth) for the purpose of setting and modifying state agency budgets.

**AYES: 20**

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

**Nays: 0**

**Ab/Ex. 0**

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

**Benefit Changes:**

Include the Governor's recommendation to fund \$550 per eligible full-time FTP and to fund increase in the employer contribution for PERSI for eligible employees. The current employer PERSI contribution rate is 10.39% and will increase to 11.32%.

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the above language was accepted.

**Inflationary Adjustments:**

Do not include the agency's request or the Governor's recommendation for money from the General Fund, dedicated funds, or federal funds for inflationary adjustment in the JFAC Adjusted. Committee members may, at their discretion, add back funding in their motions on a case-by-case basis.

**Unanimous Consent Request**

On request by Keough, granted by unanimous consent, the above language was accepted.

**Replacement Items:**

Do not include the agency's request or the Governor's recommendation for one-time funding for replacement operating expenditures and capital outlay from the General Fund, dedicated, or federal funds. Committee members may, at their discretion, add funding in their motions on a case-by-case basis.

**Unanimous Consent Request**

On request by Bell, granted by unanimous consent, the above language was accepted.

**Statewide Cost Allocation (SWCAP):**

Include the Governor's recommendation for adjustments for State Controller fees, State Treasurer fees, Attorney General fees. Provide no adjustment in risk management fees to the Department of Administration.

**Unanimous Consent Request**

On request by Keough, granted by unanimous consent, the above language was accepted.

**Annualizations:**

Include the Governor's revised recommendation for costs that were partially funded in FY 2013 that require full funding in FY 2014.

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the above language was accepted.

**Change in Employee Compensation (CEC):**

Include the Governor's recommendation for a variable pay increase for statewide elected officials in accordance with Idaho Code, and funding for the Military Division to provide step increases that match the federal pay schedule for certain employees.

**Unanimous Consent Request**

On request by Keough, granted by unanimous consent, the above language was accepted.

**Nondiscretionary Adjustments:**

Include the Governor's recommendation for statutorily driven changes in Public Schools, increases for enrollment workload growth in Higher Education and Professional-Technical Education, and caseload, utilization, and federal match rate adjustments in Health and Welfare (including Medical Assistance Services).

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the above language was accepted.

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Monday, February 18, 2013**

**PRESIDENT'S DAY**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
8:30-9:00am	Department of Insurance LBB page 5-39	<i>Bill Deal, Director Department of Insurance</i>
9:00-9:20am	Division of Building Safety LBB page 5-63	<i>Kelly Pearce, Administrator Division of Building Safety</i>
9:20-9:40am	Self-Governing Agencies- Regulatory Boards: Bureau of Occupational Licenses LBB page 5-99	<i>Tana Cory, Bureau Chief Bureau of Occupational Licenses</i>
9:40-9:55am	House Commerce Committee- Germane Committee Report	<i>Representative Stephen Hartgen Chairman, House Commerce</i>

**Senate Reconvenes: 10:00am**

**House Reconvenes: 10:30am**

# JFAC COMMITTEE MEETING MINUTES

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2/18/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:50 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:

Staff present: Bybee, Lockett

## **DEPARTMENT OF INSURANCE**

**Presenter: Bill Deal, Director**

- ❖ FY 2012 performance measurement report
  - 2,199 companies regulated, 45 more companies than FY 2011
  - 76,900 producers licensed in Idaho, 6,512 were newly issued in FY 2012
  - 92% of Consumer Affairs complaints closed in 80 days
    - Initial response within 24 hours
    - Over \$2.6 million recovered
  - Outreach by State Fire Marshal to local departments
    - Increased 30%
    - From 6,804 in FY 2011 to 9,040 in FY 2012
  - Reorganization of investigations section
    - Number of cases referred doubled for 24 to 48
- ❖ Workforce
  - Continued at 72 full-time classified positions
  - Actuary position filled
- ❖ Legislative Services Office Audits
  - No audit for FY 2012 or 2013
  - FY 2011 audit results- no findings or recommendations
- ❖ Fund distributions for fiscal year that ended June 30, 2012: \$89,551,000
  - General Fund: \$53,354,141; 59.7%
  - Premium tax refunds: \$3,692,158; 4.5%
  - Firemen's retirement: \$3,136,829; 3.5%
  - High Risk Reinsurance Pool/Access Card: \$4,101,172; 4.5%
  - Vaccine Fund: \$15,158,725; 16.1%

- Operating expenses: \$6,883,412; 7.6%
- Decrease in refund/operating cash balance: \$3,225,000; 3.6%
- ❖ Decision unit #1
  - Additional senior financial specialist in Company Activities Bureau
    - Review and oversee regulated self-funded plans
    - Complex financial analysis determining violations and recommending action
    - Ensure compliance with national accreditation standards
  - Additional resources
    - 1 FTP, pay grade L
    - One-time costs: \$1,600 operating expenses and \$800 capital outlay
    - Ongoing costs: \$71,900 personnel costs and \$2,200 operating expenses
  - Funding
    - Dedicated Fund 0229-10
    - Current fees are sufficient
- ❖ Decision Unit #2
  - Contract examiners in Company Activities Bureau
    - Contract examiners used to evaluate financial viability
    - Examiners must maintain industry certifications
    - Conduct examinations according to nationally accredited standards
  - Sharp rise in costs
    - Increased national demand for examiners
    - Examinations are more complex resulting in more time required
    - Expecting 50% increase to existing costs
  - Funding
    - Additional \$257,500 in ongoing operating costs
    - Dedicated Fund 0229-10
    - No increase to fees is required
- ❖ Decision Unit #3 –
  - Senior Health Insurance Benefits Advisors (SHIBA) pilot
    - Call center piloted in FY 2013 with federal funds and surplus equipment
    - Received nearly 6,000 calls during Medicare open enrollment
    - Number of Medicare-eligible individuals projected to increase 10,000 per year
  - Shift from pilot to ongoing
    - One-time purchase of office and computer equipment
    - Ongoing operating expenses including training, office supplies, software licensing
  - Funding
    - Additional one-time costs from dedicated fund 0229-10
      - \$5,200 operating expenses
      - \$2,300 capital outlay

- Additional ongoing costs of \$3,100 in operating expenses from federal grant
- No increase to fees is required

## **SELF GOVERNING AGENCIES: Division of Building Safety (DBS)**

**Presenter: Kelly Pearce, Administrator**

- ❖ “Building a Safer Idaho”
  - Logging safety
  - School safety
  - Public Works contractor licensing
  - Plan review
  - Plumbing
  - Elevator and escalator safety
  - Electrical
  - Building Code
  - HVAC
  - Energy
- ❖ Changes in workforce
  - Average number of employees working in the construction of new buildings chart
  - Personnel reductions
    - January 2008 authorized FTP 152
    - October 2011 actual FYP 95
    - 37.7% reduction
    - Current 131
- ❖ Governor’s recommend budget
  - DBS dedicated funds (89.5%): \$10,252,100
  - Other dedicated funds (10.1%): 1,155,500
  - Federal (.4%): 43,100
    - Total \$11,450,700
- ❖ Audit finding
  - Finding January 27,2012
    - suspense account had not been reconciled for a least three years
  - Resolved
    - suspense account has been reconciled since November 2012

## **Idaho Bureau of Occupational Licenses**

**Presenter: Tana Cory, Bureau Chief**

- ❖ The Bureau was established in 1974 to provide, under contract, those administrative, legal, investigative, and fiscal services necessary to enable various licensing boards and commissions to carry out their responsibilities
  - 29 Boards – Commissions

- 134 board members from around Idaho
- 179 board meetings in 2012 for an average of 3-4 per week
- ❖ Customer service
  - Assist applicants with the licensure process
  - Process applications and examinations
  - Issue licenses and registrations for the Boards
  - Maintain Board records and documentation
  - Process renewal applications
  - Notify the public of meetings
  - Maintain financial records
  - Maintain each Board's website
  - Answer public inquiries
- ❖ Statistics
  - 57,875 current licensees/registrants
  - 22,807 is the average hits-per-day for the Bureau's website
  - Online renewals average around 40% per year
  - Staff returns calls and e-mail inquiries within 24 hours
- ❖ Funding Boards and Commissions
  - Bureau is a dedicated fund agency from fees
  - Annual board appropriation
    - Based on historical operating records
    - Receipts and expenditure allocated to appropriate board
    - Board financial information available on the web
- ❖ Decision units for consideration
  - Licensing Regulatory System
  - Massage Therapy Board
  - Increased legal costs
- ❖ Legislative audit
  - # 1 - Authority to provide advanced funds to boards with negative balances is unclear
    - Follow up – The Bureau had been working with legislators to resolve the issue, but a solution had not been reached
  - # 2 – Certificates of insurance are not requested or validated for license renewal applications
    - Follow up – the two boards in question now have the ability to conduct random audits to ensure that the certificates of insurance for applicants are on record at the licenses.

## **GERMANE COMMITTEE REPORT – House Commerce Committee**

**Presenter: Representative Stephen Hartgen, Chairman**

- ❖ Information from three reports
  - #1 - Employee pay overall is 18.9% below average with comparable states

- #2 – Idaho is lagging private sector by 29%, and 13% below comparable positions in the state government, compared to neighboring states
- #3 – 90% of Idaho classified employees were below the policy rate for their position
  - 30 to 40% employees below policy rates
  - Not being compensated to keep up with inflation
- Employees like working for the state overall
- Issues are related to pay but staff appreciate benefits
- ❖ Need pay adjustment – options include:
  - Surplus eliminator for one-time employee pay increase
  - Give agencies authority to direct salary adjustment

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Tuesday, February 19, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 2-3	<b>Catastrophic Health Care Program- Rescission</b>	<i>Matt Ellsworth Senior Budget &amp; Policy Analyst</i>
LBB 5-27	<b>Department of Finance</b>	<i>Keith Bybee Principal Budget &amp; Policy Analyst</i>
LBB 5-63 LBB 5-87	<b>Self-Governing Agencies</b> Division of Building Safety State Lottery	
LBB 4-27	<b>Endowment Fund Investment Board</b>	<i>Ray Houston Principal Budget &amp; Policy Analyst</i>
LBB 6-71	<b>Governor's Office</b> Office of Energy Resources	
LBB 5-55	<b>Public Utilities Commission</b>	
LBB 4-3	<b>Department of Environmental Quality</b>	

# JFAC COMMITTEE MEETING MINUTES

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2/19/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:37 a.m. with Chairman Cameron 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

Ab/Excused: None

Staff present: Holland-Smith, Houston, Bybee, Ellsworth, Tatro

**FY 2013 SUPPLEMENTAL RESCISSION**

**CATASTROPHIC HEALTH CARE PROGRAM (CAT FUND)**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

The CAT Board recently revised its projections for FY 2013 and found that available resources exceed needs for the year by \$6,000,000. The main reason is that the Board, working with Idaho counties, has diverted a large number of high-cost cases to the federal Pre-Existing Condition Insurance Plan (PCIP), which was new starting in FY 2012.

**Unanimous Consent Request**

Moved by Schmidt, granted by unanimous consent, the FY 2013 budget for the Catastrophic Health Care Program was reopened.

**Carried Original Motion**

Moved by Schmidt, seconded by Mortimer, to approve for introduction (\$6,000,000) General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of (\$6,000,000) with FTP of 0.00. One time equals \$2,367,200 and \$3,632,800 is ongoing.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

## **SETTING FY 2014 APPROPRIATIONS**

### **DEPARTMENT OF FINANCE**

**Presenter: Keith Bybee, Principal Budget and Policy Analyst**

The budget includes the JFAC adjusted budget for inflationary increases as well as all replacement items recommended by the Governor with the exception of an automobile and a storage area network. It removes the additional appropriation for risk management and includes all three line items. With the three line items, the budget is a 6.5% increase above the FY 2013 original appropriation.

#### **Disclosure of Possible Conflict of Interest**

Pursuant to Senate Rule 39(H), Senator Mortimer disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

Pursuant to House Rule 38, Representative Youngblood disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

**Carried**

#### **Original Motion**

Moved by Youngblood, seconded by Mortimer, to approve for introduction \$0 General Funds, \$6,812,800 Dedicated Funds, \$0 Federal Funds for a total of \$6,812,800 with FTP of 64.00.

**Ayes: 15**

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

**Nays: 5**

Vick, Nuxoll, Bayer, Thompson, Stevenson

**Ab/Ex: 0**

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

## **SELF-GOVERNING AGENCIES:**

### **Division of Building Safety**

**Presenter: Keith Bybee, Principal Budget and Policy Analyst**

The budget includes contract inflation for rent, and the recommendation for replacement items. It also reduces excess full-time equivalent positions and personnel budget. This reduction still leaves the agency with some flexibility should the construction industry come back this summer. It also recognizes the need to get the appropriation more in-line with what is actually being spent at the agency. The budget is a 2.5% decrease below the FY 2013 original appropriation.

**Carried**      **Original Motion**

Moved by Mortimer, seconded by Thompson, to approve for introduction \$0 General Funds, \$10,905,900 Dedicated Funds, \$43,100 Federal Funds for a total of \$10,949,000 with FTP of 121.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

### **State Lottery**

**Presenter: Keith Bybee, Principal Budget and Policy Analyst**

This budget includes the recommendation for inflationary adjustments for costs associated with background and credit checks of each retailer contracted to sell Lottery products new certification for draw games. The budget also replaces two servers and two desktop computers. It is a maintenance of current operations budget and is a 2.8% increase above the FY 2013 original appropriation.

**Carried**      **Original Motion**

Moved by Ringo, seconded by Gibbs, to approve for introduction \$0 General Funds, \$5,423,700 Dedicated Funds, \$0 Federal Funds for a total of \$5,423,700 with FTP of 47.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**Legislative Intent Language**

It is legislative intent that amounts necessary to pay prizes, retailer commissions, advertising and promotional costs, *and gaming supplier vendor fees based on sales* shall be continuously appropriated to the State Lottery under the provisions of Section 67-7428, Idaho Code.

**Unanimous Consent Request**

On request by Ringo, granted by unanimous consent, the legislative intent language shown above was accepted.

**BOARD OF LAND COMMISSIONERS: Endowment Fund Investment Board**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

The motion is a 2.8% increase over Fiscal Year 2013 due to employee transition funding which is partially offset by a drop in Attorney General fees. Funding for the Endowment Fund Investment Board is from fees charged for their investment services. There are no General Funds in this budget.

**Carried**      **Original Motion**

Moved by Lacey, seconded by Thompson, to approve for introduction \$0 General Funds, \$624,800 Dedicated Funds, \$0 Federal Funds for a total of \$624,800 with FTP of 4.00.

OT= 19,200

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**Legislative Intent Language**

SECTION \_\_. The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, bank custodial fees, and portfolio-related external costs for the period July 1, 2013, through June 30, 2014.

SECTION \_\_. LEGISLATIVE INTENT. It is legislative intent that for fiscal year 2014, the Endowment Fund Investment Board transfer \$48,844,800 as follows: \$31,292,400 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$967,200 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$3,348,000 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$2,670,000 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$1,422,000 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$3,338,400 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; \$2,946,000 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and \$2,860,800 from the University Earnings Reserve Fund to the University Income Fund.

**OFFICE OF THE GOVERNOR; Office of Energy Resources**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

The motion is for the ongoing operations of the Office of Energy Resources from dedicated and federal funds. There is no General Fund money in the budget. The agency removes four full-time equivalent positions and \$1.2 million from the base to more closely align the budget with available revenues. The lack of a stable ongoing source of revenue is an issue that needs to be addressed as soon as possible.

**Carried**

**Original Motion**

Moved by Eskridge, seconded by Thompson, to approve for introduction \$0 General Funds, \$1,198,700 Dedicated Funds, \$219,300 Federal Funds for a total of \$1,418,000 with FTP of 10.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**Legislative Intent Language**

Include carryover spending authority for American Recovery and Reinvestment Act (ARRA) moneys into Fiscal Year 2014.

**Unanimous Consent Request - Objection**

There was an objection to the unanimous consent request motion from Eskridge, to approve legislative intent language.

**Carried**

**Original Motion**

(To approve legislative intent language)

**Ayes: 18**

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

**Nays: 2**

Vick, Nuxoll

**Ab/Ex: 0**

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

**Public Utilities Commission (PUC)**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

**Carried**

**Original Motion**

Moved by Eskridge, seconded by Keough, to approve for introduction \$0 General Funds, \$5,283,000 Dedicated Funds, \$199,200 Federal Funds for a total of \$5,482,200 with FTP of 50.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**Failed**

**Substitute Motion**

Moved by King, seconded by Ringo, to approve for introduction \$0 General Funds, \$5,290,900 Dedicated Funds, \$199,200 Federal Funds for a total of \$5,490,100 with FTP of 50.00.

**Ayes: 5**

Johnson, Schmidt, Lacey, Ringo, King

**Nays: 15**

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

**Ab/Ex: 0**

**DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

The motion is for a 3.9% increase in the General Fund, a 2.1% reduction in dedicated funds and an 11.5% increase in federal funds for a total increase of 7.2%. The motion adjusts benefit costs down to reflect a 5% unfunded position rate. All replacement items are as recommended by the Governor including funding for computer equipment, and for five vehicles over 10 years old with over 112,000 miles.

**Carried**

**Original Motion**

Moved by Miller, seconded by Eskridge, to approve for introduction \$14,839,100 General Funds, \$11,385,200 Dedicated Funds, \$40,206,200 Federal Funds for a total of \$66,430,500 with FTP of 360.00.

**Ayes: 16**

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

**Nays: 2**

Vick, Nuxoll

**Ab/Ex: 2**

Thayn, Gibbs

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

**Failed**

**Substitute Motion**

Moved by Ringo, seconded by King, to approve for introduction \$15,046,100 General Funds, \$11,385,200 Dedicated Funds, \$40,206,200 Federal Funds for a total of \$66,637,500 with FTP of 360.00.

**Ayes: 4**

Schmidt, Lacey, Ringo, King

**Nays: 14**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood

**Ab/Ex: 2**

Thayn, Gibbs

**Legislative Intent Language**

Section \_\_. LEGISLATIVE INTENT. It is legislative intent that moneys deposited into the Environmental Remediation Basin Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report each year with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

Section \_\_. LEGISLATIVE INTENT. It is legislative intent that the appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

*Note: Costs listed in 39-3630 include Water Pollution Control Bonds, the match for wastewater loans, the match for drinking water loans, and contracts pursuant to Chapter 36, water quality law. This intent removes any doubt that moneys may be used to pay for the state's match of the CDA remediation, they may be used for costs of administering grants to municipalities for planning waste water projects, and they may be used within DEQ's operating budget for the Lake Management Plan, the Beneficial Use Reconnaissance Monitoring Program, and other water quality programs.*

**Unanimous Consent Request**

Moved by Miller, granted by unanimous consent, the legislative intent language shown above was accepted.

## **EMPLOYEE COMPENSATION AND BENEFITS**

**Presenter: Cathy Holland-Smith, Manager, Budget and Policy Analysis**

The following language to be included in each agency budget, excluding public schools:

“The Legislature finds that investing in state employee compensation should remain a high priority even in tough economic times, and therefore strongly encourages agency directors, institution executives and the Division of Financial Management to approve the use of salary savings to provide either one-time or ongoing merit increases for deserving employees, and also target employees who are below policy compensation. Such salary savings could result from turnover and attrition, or be the result of innovation and reorganization efforts that create savings. Such savings should be reinvested in employees. Agencies are cautioned to use one-time funding for one-time payments and ongoing funding for permanent pay increases.”

### **Unanimous Consent Request**

Moved by Bell, granted by unanimous consent, the legislative intent language shown above was accepted.

## **Request to Reconsider the CEC JFAC Adjusted (heard on 2/15/13)**

**Failed**

### **Original Motion**

Moved by Ringo, seconded by King, to reconsider the CEC JFAC adjusted level.

**Ayes: 4**

Schmidt, Lacey, Ringo, King

**Nays: 14**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood

**Ab/Ex: 2**

Thayn, Gibbs

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Wednesday, February 20, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 2-87	<b>Public Health Districts</b>	<i>Matt Ellsworth</i> <i>Senior Budget &amp; Policy Analyst</i>
LBB 5-107 LBB 5-91	<b>Self-Governing Agencies</b> Division of Veteran Services Medical Boards	
LBB 6-85 LBB 6-103 LBB 6-53	<b>Office of the Governor</b> Division of Human Resources Public Employee Retirement System Commission on the Arts	<i>Robyn Lockett</i> <i>Budget &amp; Policy Analyst</i>
LBB 6-155	<b>State Treasurer</b>	<i>Jared Tatro</i> <i>Budget &amp; Policy Analyst</i>
LBB 6-129	<b>Lieutenant Governor</b>	
LBB 2-91	<b>State Independent Living Council</b>	

**Senate Reconvenes: TBD**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/20/13

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: none

Others Present: Sandra Evans, Executive Director, Board of Nursing

**SETTING FY 2014 APPROPRIATIONS**

**PUBLIC HEALTH DISTRICTS**

**Presenter: Matt Ellsworth, Senior Budget & Policy Analyst**

**Carried**

**Original Motion**

Moved by Thompson, seconded by King, to approve for introduction \$8,232,500 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$8,232,500 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**SELF GOVERNING AGENCIES: Division of Veterans Services**

**Presenter: Matt Ellsworth, Senior Budget & Policy Analyst**

**Carried**      **Original Motion**

Moved by Eskridge, seconded by Johnson, to approve for introduction \$971,500 General Funds, \$17,998,600 Dedicated Funds, \$10,396,600 Federal Funds for a total of \$29,366,700 with FTP of 316.70.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

**SELF GOVERNING AGENCIES: Medical Boards**

**Presenter: Matt Ellsworth, Senior Budget & Policy Analyst**

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Johnson, to approve for introduction \$0 General Funds, \$5,016,900 Dedicated Funds, \$58,900 Federal Funds for a total of \$5,075,800 with FTP of 43.30.

**Ayes: 18**

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

**Nays: 2**

Vick, Bayer

**Ab/Ex: 0**

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.

**OFFICE OF THE GOVERNOR: Division of Human Resources**

**Presenter: Robyn Lockett, Budget & Policy Analyst**

**Carried**      **Original Motion**

Moved by Ringo, seconded by King, to approve for introduction \$0 General Funds, \$1,678,100 Dedicated Funds, \$0 Federal Funds for a total of \$1,678,100 with FTP of 12.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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**

Of the amount appropriated in Section\_\_\_ of this act, the Division of Human Resources shall pay the Division of Professional-Technical Education for the cost of providing statewide management and human resources training. The payment amount shall be equal to the Miscellaneous Revenue Fund expenditures in fiscal year 2014 within the Related Services Program of the Division of Professional-Technical Education, less an unencumbered balance remaining on June 30, 2013

**Unanimous Consent Request**

On request by Ringo, granted by unanimous consent, the legislative intent language as shown above was accepted.

**OFFICE OF THE GOVERNOR: Public Employee Retirement System**

**Presenter: Robyn Lockett, Budget & Policy Analyst**

**Carried**      **Original Motion**

Moved by Thompson, seconded by Johnson, to approve for introduction \$0 General Funds, \$6,860,000 Dedicated Funds, \$0 Federal Funds for a total of \$6,860,000 with FTP of 63.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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**

Notwithstanding Section 59-1311(4) (d), Idaho Code, moneys appropriated in Section 1 of this act for the Portfolio Investment Program are for administrative costs of the Portfolio Investment Program as provided in Section 59-1311(3), Idaho Code. Amounts necessary to pay all other investment expenses related to the Portfolio Investment Program are perpetually appropriated to the Public Employee System Board as provided in Section 59-1311(4)(a), and (c), Idaho Code.

### **Unanimous Consent Request**

On the request by Thomson, granted by unanimous consent, the legislative intent language as shown above was accepted.

### **OFFICE OF THE GOVERNOR: Commission on the Arts**

**Presenter: Robyn Lockett, Budget & Policy Analyst**

#### **Original Motion**

Moved by Schmidt, seconded by Lacey, to approve for introduction \$690,500 General Funds, \$105,800 Dedicated Funds, \$1,015,200 Federal Funds for a total of \$1,811,500 with FTP of 10.00.

#### **Substitute Motion**

Moved by Ringo, seconded by King, to approve for introduction \$705,500 General Funds, \$105,800 Dedicated Funds, \$1,015,200, Federal Funds for a total of \$1,826,500 with FTP of 10.00.

**Failed**

#### **Amended Substitute Motion**

Moved by Keough, seconded by Eskridge, to approve for introduction \$691,200 General Funds, \$105,800 Dedicated Funds, \$1,015,200 Federal Funds for a total of \$1,812,200 with FTP of 10.00.

**Ayes: 7**

Cameron, Keough, Johnson, Bayer, Bolz, Eskridge, Thompson

**Nays: 11**

Mortimer, Vick, Nuxoll, Schmidt, Lacey, Bell, Stevenson, Miller, Youngblood, Ringo, King

**Ab/Ex: 2**

Thayn, Gibbs

**Failed**      **Substitute Motion**

**Ayes: 5**

Schmidt, Lacey, Bell, Ringo, King

**Nays: 13**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood

**Ab/Ex: 2**

Thayn, Gibbs

**Carried**      **Original Motion**

**Ayes: 16**

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

**Nays: 2**

Nuxoll, Bayer

**Ab/Ex: 2**

Thayn, Gibbs

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.

**STATE TREASURER**

**Presenter: Jared Tatro, Budget & Policy Analyst**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$1,355,500 General Funds, \$1,933,600 Dedicated Funds, \$0 Federal Funds for a total of \$3,289,100 with FTP of 26.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Gibbs

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 \_\_\_\_\_. STATE TREASURER LGIP FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Treasurer any unexpended and unencumbered balances of moneys made from the State Treasurer LGIP Fund for fiscal year 2013, to be used for nonrecurring expenditures, for a period July 1, 2013 through June 30, 2014.

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the legislative intent language shown above was accepted.

**Legislative Intent Language**

Section \_\_\_\_\_. It is the intent of the Legislature that no more than \$10,000 from the General Fund, as appropriated in Section 1 of this act shall be spent on various conference related activities, including sponsorships, in-kind donations, and information booths. No moneys appropriated in Section 1 of this act from dedicated funds shall be used for conference related activities, unless otherwise allowed for in Idaho Code.

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the legislative intent language shown above was accepted.

**LIEUTENANT GOVERNOR**

**Presenter: Jared Tatro, Budget & Policy Analyst**

**Carried**

**Original Motion**

Moved by Bayer, seconded by Bolz, to approve for introduction \$147,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$147,600 with FTP of 3.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Gibbs

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 \_\_\_\_ . EXEMPTION FROM OBJECT TRANSFER LIMITATIONS. For fiscal year 2014, the Office of the Lieutenant Governor is hereby exempted from the provisions of Section 67-3511 (1) and (3), Idaho Code, allowing unlimited transfer between object codes for all moneys appropriated to it for the period July 1, 2013, through June 30, 2014. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

**Unanimous Consent Request**

On request by Bayer, granted by unanimous consent, the legislative language shown above was accepted.

**STATE INDEPENDENT LIVING COUNCIL**

**Presenter: Jared Tatro, Budget & Policy Analyst**

**Carried      Original Motion**

Moved by King, seconded by Schmidt, to approve for introduction \$98,000 General Funds, \$247,200 Dedicated Funds, \$370,700 Federal Funds for a total of \$715,900 with FTP of 5.00.

**Ayes:    18**

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

**Nays:    0**

**Ab/Ex:   2**

Thayn, Gibbs

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.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Thursday, February 21, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 1-41 LBB 1-87	<b>State Board of Education</b> Ag Research & Extension Service Professional-Technical Education	<i>Paul Headlee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 5-103	<b>Self-Governing Agencies</b> State Appellate Public Defender	<i>Richard Burns</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 6-29	<b>Attorney General</b>	

**Senate Reconvenes: 9:30am**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/21/13

The hearing was held in Room C310, Statehouse, commencing at 8:05 a.m. and concluding at 8:35 a.m. with Chairman Cameron presiding.

**Roll Call:**

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

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

Ab/Excused: Youngblood

Staff present: Headlee, Burns

**SETTING FY 2014 APPROPRIATIONS**

**STATE BOARD OF EDUCATION: Agricultural Research & Extension Service**

**Presenter: Paul Headlee, Principal Budget and Policy Analyst**

The Research and Extension Service's work includes research on major Idaho agricultural products and on economic activities that apply to the state as a whole. The research portion of this service includes 132 research and extension centers and district offices across the state and the Cooperative Extension portion of this service has offices in 42 of Idaho's 44 counties.

**Carried**

**Original Motion**

Moved by Stevenson, seconded by Mortimer, to approve for introduction \$24,422,700 General Funds, \$52,000 Dedicated Funds, \$0 Federal Funds for a total of \$24,474,700 with FTP of 280.73. (\$350,000 one time, Lump Sum and Carryover of non-General Funds)

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Youngblood

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

### **Division of Professional-Technical Education (PTE)**

**Presenter: Paul Headlee, Principal Budget and Policy Analyst**

The mission of PTE is to provide Idaho's youth and adults with technical skills and knowledge necessary to be successful in the workplace. To accomplish this, PTE provides a statewide system of professional-technical education programs at the secondary and post-secondary levels.

**Carried**      **Original Motion**

Moved by Thompson, seconded by Mortimer, to approve for introduction \$48,957,400 General Funds, \$1,132,800 Dedicated Funds, \$8,648,100 Federal Funds for a total of \$58,738,300 with FTP of 515.96. (\$180,100 one-time and Lump Sum for post-secondary only) Carryover of non-General Funds

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Youngblood

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

### **SELF-GOVERNING AGENCIES: State Appellate Public Defender**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Ringo, seconded by Bolz, to approve for introduction \$2,073,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$2,073,600 with FTP of 23.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Youngblood

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

## **OFFICE OF THE ATTORNEY GENERAL**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**Carried Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$17,401,500 General Funds, \$404,100 Dedicated Funds, \$1,051,400 Federal Funds for a total of \$18,857,000 with FTP of 188.10.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Youngblood

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

### **Legislative Intent Language**

DIRECTING THE RECALCULATION OF CERTAIN LEGAL FEES. The Division of Financial Management is directed to recalculate the fees for services provided by the Office of the Attorney General as included in the statewide cost allocation for the Idaho Transportation Department, Department of Health and Welfare, and the Military Division. These agencies will no longer pay the Attorney General directly, but rather provide payment to the General Fund, thereby recovering their costs through the statewide cost allocation process, through the Division of Financial Management, as provided for in Section 67-3531, Idaho Code.

DIRECTING THE COLLECTION OF ADDITIONAL LEGAL SERVICE FEES. The Division of Financial Management is directed to collect additional legal service fees in the amount of \$100,800 from the Idaho Transportation Department, and \$100,800 from Idaho State Police, in addition to all other Attorney General fees calculated for statewide cost allocation.

**Unanimous Consent Request**

Moved by Bolz, granted by unanimous consent, the legislative intent language shown above was accepted.

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Friday, February 22, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 5-33	<b>Industrial Commission</b>	<i>Keith Bybee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 5-39	<b>Department of Insurance</b>	
LBB 5-45	<b>Department of Labor</b>	
LBB 4-11	<b>Department of Fish &amp; Game</b>	<i>Ray Houston</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 6-109	<b>Office of the Governor</b> Office of Species Conservation	

**Senate Reconvenes: TBD**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/22/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:59 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:

**SETTING FY 2014 APPROPRIATIONS**

**INDUSTRIAL COMMISSION**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

**Carried Original Motion**

Moved by Gibbs, seconded by Thompson, to approve for introduction \$0 General Funds, \$14,489,400 Dedicated Funds, \$800,000 Federal Funds, for a total of \$15,289,400 with FTP of 137.25.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Johnson

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 INSURANCE**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

### **Original Motion**

Moved by Thayn, seconded by Nuxoll, to approve for introduction \$0 General Funds, \$7,745,800 Dedicated Funds, \$640,700 Federal Funds for a total of \$8,386,500 with FTP of 73.00.

**Carried**

### **Substitute Motion**

Moved by Thompson, seconded by Lacey, to approve for introduction \$0 General Funds, \$7,907,200 Dedicated Funds, \$640,700 Federal Funds for a total of \$8,547,900 with FTP of 73.00.

**Ayes: 14**

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

**Nays: 6**

Mortimer, Vick, Nuxoll, Bayer, Thayn, Stevenson

**Ab/Ex: 0**

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 LABOR**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Thompson, to approve for introduction \$302,300 General Funds, \$14,235,900 Dedicated Funds, \$2,735,400 Federal Funds for a total of \$17,273,600 with FTP of 47.04.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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 FISH AND GAME**

**Presenter: Ray Houston: Principal Budget Analyst**

**Carried**      **Original Motion**

Moved by Gibbs, seconded by Eskridge, to approve for introduction \$0 General Funds, \$48,986,300 Dedicated Funds, \$40,059,100 Federal Funds for a total of \$89,045,400 with FTP of 567.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **OFFICE OF THE GOVERNOR: Office of Species Conservation**

**Presenter: Ray Houston, Principal Budget & Policy Analyst**

**Carried**      **Original Motion**

Moved by King, seconded by Johnson, to approve for introduction \$478,300 General Funds, \$15,000 Dedicated Funds, \$12,749,500 Federal Funds for a total of \$13,242,800 with FTP of 12.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Monday, February 25, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 2-25	<b>Department of Health &amp; Welfare</b> Indirect Support Services	<i>Matt Ellsworth</i> <i>Senior Budget &amp; Policy Analysis</i>
LBB 2-21	Independent Councils	
LBB 2-83	Licensing and Certification	
LBB 2-55	Public Health Services	
LBB 6-47	<b>Office of the Governor</b> Commission on Aging	
LBB 5-81	<b>Self-Governing Agencies</b> Commission for Libraries	<i>Robyn Lockett</i> <i>Budget &amp; Policy Analyst</i>
LBB 6-37	<b>State Controller</b>	

**Senate Reconvenes: 10:00am**

**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/25/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:30 a.m. with Chairman Cameron 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

Ab/Excused: None

Staff present: Ellsworth, Lockett

**SETTING FY 2014 APPROPRIATIONS**

**DEPARTMENT OF HEALTH AND WELFARE:**  
**Indirect Support Services**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$16,201,300 General Funds, \$2,134,000 Dedicated Funds, \$19,565,400 Federal Funds for a total of \$37,900,700 with FTP of 283.50.

**Failed**      **Substitute Motion**

Moved by Thayn, seconded by Nuxoll, to approve for introduction \$15,975,400 General Funds, \$2,134,000 Dedicated Funds, \$19,565,400 Federal Funds for a total of \$37,674,800 with FTP of 283.50.

**Ayes:    5**

Mortimer, Vick, Nuxoll, Bayer, Thayn

**Nays:    15**

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

**Ab/Ex:   0**

**Carried**      **Vote on Original Motion**

**Ayes: 15**

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

**Nays: 5**

Mortimer, Vick, Nuxoll, Bayer, Thayn

**Ab/Ex: 0**

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

**Legislative Intent Language**

**Standard, Department Wide**

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 the provisions of the 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 intent language shown above was accepted.

**Legislative Intent Language**

**Division Specific**

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 Services 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 and 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.

MEDICAID PROGRAM INTEGRITY COLLECTIONS: It is the intent of the Legislature that the Indirect Support Services Division provide quarterly reports to the Legislative Services Office and Division of Financial Management comparing the total costs from all funding sources used for the Medicaid Program Integrity Unit and the collections related to those efforts. The report will track the new staff and their assessment and collections separately.

**Unanimous Consent Request**

On request by Schmidt, granted by unanimous consent, the intent language shown above was accepted.

**Legislative Intent Language**

**Division Specific**

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 Patient Protection and 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.

**Carried**

**Original Motion**

Moved by Schmidt, seconded by Johnson, to accept the Medicaid Readiness intent language shown above.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**Independent Councils**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Carried**

**Original Motion**

Moved by King, seconded by Schmidt, to approve for introduction \$114,600 General Funds, \$546,900 Dedicated Funds, \$4,108,500 Federal Funds for a total of \$4,770,000 with FTP of 8.97.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**Legislative Intent Language**

**Standard, Department Wide**

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.

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.

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 King, granted by unanimous consent, the intent language shown above was accepted.

**Licensing and Certification**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Carried Original Motion**

Moved by King, seconded by Bell, to approve for introduction \$1,461,200 General Funds, \$698,100 Dedicated Funds, \$3,296,100 Federal Funds for a total of \$5,455,400 with FTP of 62.90.

**Ayes: 19**

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

**Nays: 1**

Mortimer

**Ab/Ex: 0**

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

**Legislative Intent Language**

(Standard, Department Wide)

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.

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.

PROGRAM INTEGRITY: Notwithstanding any other provision 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 King, granted by unanimous consent, the intent language shown above was accepted.

**Public Health Services**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Original Motion**

Moved by King, seconded by Ringo, to approve for introduction \$6,090,200 General Funds, \$26,678,300 Dedicated Funds, \$59,122,900 Federal Funds for a total of \$91,891,400 with FTP of 214.45.

**Carried**

**Substitute Motion**

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$5,964,200 General Funds, \$26,678,300 Dedicated Funds, \$59,122,900 Federal Funds for a total of \$91,765,400 with FTP of 214.45.

**Ayes: 18**

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

**Nays: 2**

Ringo, King

**Ab/Ex: 0**

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

**Legislative Intent Language**

**Standard, Department Wide**

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.

PROGRAM INTEGRITY: Notwithstanding any other provision 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.

**Division Specific**

TRICARE VACCINES: The Legislature recognizes the potential gap in coverage created by TRICARE's refusal to participate in the Idaho Immunization Program. The Legislature supports and encourages the Executive Branch in its efforts to negotiate a solution with TRICARE that does not rely on General Fund support. In the event that a negotiated solution can not be reached by July 1, 2013, the Legislature supports a temporary fix that is consistent with the Governor's solution for Fiscal Year 2013.

DIRECT APPROPRIATIONS: Notwithstanding the provisions of Chapter 4, Title 56, Idaho Code, it is the intent of the Legislature that the Public Health Services Division in the Department of Health and Welfare receive appropriations and expend directly from and for the General Fund, Federal Grant Funds, and Dedicated/Miscellaneous Revenues, rather than indirectly, through the Cooperative Welfare Fund.

**Unanimous Consent Request**

On request by Schmidt, granted by unanimous consent, the intent language only, which is shown above, will be held open for future discussions.

**OFFICE OF THE GOVERNOR: Commission on Aging**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Carried Original Motion**

Moved by Lacey, seconded by Ringo, to approve for introduction \$4,466,100 General Funds, \$132,000 Dedicated Funds, \$8,519,300 Federal Funds for a total of \$13,117,400 with FTP of 14.35.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**SELF-GOVERNING AGENCIES: Idaho Commission for Libraries**

**Presenter: Robyn Lockett, Budget and Policy Analyst**

**Carried Original Motion**

Moved by Eskridge, seconded by Schmidt, to approve for introduction \$3,179,200 General Funds, \$75,300 Dedicated Funds, \$1,509,600 Federal Funds for a total of \$4,764,100 with FTP of 40.50.

**Failed Substitute Motion**

Moved by King, seconded by Thompson, to approve for introduction \$3,289,600 General Funds, \$75,300 Dedicated Funds, \$1,509,600 Federal Funds for a total of \$4,874,500 with FTP of 40.50.

**Ayes: 7**

Bayer, Lacey, Thompson, Gibbs, Youngblood, Ringo, King

**Nays: 13**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Thayn, Schmidt, Bell, Bolz, Eskridge, Stevenson, Miller

**Ab/Ex: 0**

**Carried Vote on Original Motion**

**Ayes: 19**

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

**Nays: 1**

King

**Ab/Ex: 0**

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

## **OFFICE OF STATE CONTROLLER**

**Presenter: Robyn Lockett, Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Thompson, seconded by Mortimer, to approve for introduction \$7,297,800 General Funds, \$7,229,200 Dedicated Funds, \$0 Federal Funds for a total of \$14,527,000 with FTP of 94.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

### **Legislative Intent Language**

SECTION \_\_\_\_: The moneys assessed by the Division of Financial Management in accordance with Section 67-3531, Idaho Code, for State Controller services shall be placed in the Indirect Cost Recovery Fund. On June 30, 2014, the State Controller shall transfer the amount assessed in the statewide cost allocation plan from the Indirect Cost Recovery Fund to the state General Fund.

SECTION \_\_\_\_: NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered balances of moneys categorized as dedicated funds as appropriated for Fiscal Year 2013, to be used for nonrecurring expenditures, for the period July 1, 2013, through June 30, 2014.

### **Unanimous Consent Request**

On request by Thompson, granted by unanimous consent, the legislative intent language shown above was accepted.

## **ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

**AMENDED AGENDA #1**  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Tuesday, February 26, 2013**

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 6-155	<b>State Treasurer</b> Intent Language	<i>Jared Tatro</i> <i>Budget &amp; Policy Analyst</i>
	<b>State Board of Education</b> Division of Vocational Rehabilitation- <i>Rescission, Renal Disease Program</i>	
LBB 1-119	<b>State Board of Education</b> Division of Vocational Rehabilitation	
LBB 6-59	<b>Office of the Governor</b> Comm for the Blind & Visually Impaired	
LBB 1-79	<b>State Board of Education</b> Health Education Programs	<i>Paul Headlee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 1-103	Special Programs	
LBB 1-111	Superintendent of Public Instruction	

**Senate Reconvenes: 10:00am**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/26/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:16 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: none

**SETTING FY 2014 APPROPRIATIONS**

**Presenter: Jared Tatro, Budget & Policy Analyst**

**STATE TREASURER**

**Unanimous Consent Request**

Upon request by Bolz, granted by unanimous consent, the FY 2014 budget for the Idaho State Treasurer was reopened.

**Legislative Intent Language**

Of the amount appropriated in Section 1 of this act, \$435,900 or so much thereof as is necessary, is to be used solely and only for the payment of bank service fees for the period July 1, 2013, through June 30, 2014

**Unanimous Consent Request**

Upon request by Bolz, granted by unanimous request, the legislative intent language as shown above was accepted.

**FY 2013 SUPPLEMENTAL APPROPRIATION**

**OFFICE OF THE STATE BOARD OF EDUCATION**

**Division of Vocational Rehabilitation**

**Unanimous Consent Request**

Upon request by Keough, granted by unanimous consent, the FY 2013 for the Division of Vocational Rehabilitation was reopened.

The Governor recommended and the Legislature agreed that the end-stage Renal Disease Program was no longer needed, as Medicaid was covering the same program.

**Carried**      **Original Motion**

Moved by Keough, seconded by Bolz, to approve for introduction \$(200,000) General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$(200,000) with FTP of 0.00.

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

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.

**SETTING FY 2014 APPROPRIATIONS**

**STATE BOARD OF EDUCATION**  
**Division of Vocational Rehabilitation**

**Presenter: Jared Tatro, Budget & Policy Analyst**

**Original Motion**

Moved by Mortimer, seconded by Ringo, to approve for introduction \$7,304,000 General Funds, \$2,052,200 Dedicated Funds, \$13,766,500 Federal Funds for a total of \$23,122,700 with FTP of 148.00.

**Failed**      **Substitute Motion**

Moved by Thompson, seconded by Keough, to approve for introduction \$7,134,000 General Funds, \$2,052,200 Dedicated Funds, \$13,766,500 Federal Funds for a total of \$22,952,700 with FTP of 148.00.

**Ayes:    7**

Cameron, Keough, Bell, Eskridge, Thompson, Gibbs, Miller

**Nays:    13**

Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bolz, Stevenson, Youngblood, Ringo, King

**Ab/Ex:   0**

**Carried**      **Original Motion**

**Ayes: 19**

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

**Nays: 1**

Keough

**Ab/Ex: 0**

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.

**OFFICE OF THE GOVERNOR**  
**Commission for the Blind and Visually Impaired**

**Carried**      **Original Motion**

Moved by King, seconded by Ringo, to approve for introduction \$1,282,800 General Funds, \$373,900 Dedicated Funds, \$2,850,900 Federal Funds for a total of \$4,507,600 with FTP of 39.12.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

**STATE BOARD OF EDUCATION**  
**Health Education Programs**

**Original Motion**

Moved by Johnson, seconded by Lacey, to approve for introduction \$10,490,400 General Funds, \$959,200 Dedicated Funds, \$0 Federal Funds for a total of \$11,449,600 with FTP of 21.30.

OT= \$59,100 GF

**Carried**

**Substitute Motion**

Moved by Ringo, seconded by Schmidt, to approve for introduction \$10,558,800 General Funds, \$959,200 Dedicated Funds, \$0 Federal Funds for a total of \$11,518,000 with FTP of 21.30.

OT= \$59,100 GF

**Ayes: 12**

Keough, Johnson, Bayer, Thayn, Schmidt, Lacey, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**Nays: 8**

Cameron, Mortimer, Vick, Nuxoll, Bell, Bolz, Eskridge, Thompson

**Ab/Ex: 0**

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.

**Special Programs**

**Original Motion**

Moved by Johnson, seconded by Thompson, to approve for introduction \$8,965,500 General Funds, \$0 Dedicated Funds, \$1,722,800 Federal Funds for a total of \$10,688,300 with FTP of 29.83.

OT= \$29,200 GF

**Failed**

**Substitute Motion**

Moved by Ringo, seconded by King, to approve for introduction \$9,414,800 General Funds, \$0 Dedicated Funds, \$1,722,800 Federal Funds for a total of \$11,137,600 with FTP of 29.83.

OT= \$29,200 GF

**Ayes: 4**

Schmidt, Lacey, Ringo, King

**Nays: 15**

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

**Ab/Ex: 1**

Eskridge

**Carried**      **Original Motion**

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

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.

**Superintendent of Public Instruction**

**Presenter: Paul Headlee, Principal Budget & Policy Analyst**

**Carried**      **Original Motion**

Moved by Thompson, seconded by Bayer, to approve for introduction \$8,290,000 General Funds, \$10,274,800 Dedicated Funds, \$17,107,100 Federal Funds for a total of \$35,671,900 with FTP of 142.00.

OT = \$34,200 dedicated  
and \$28,500 federal spending authority

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

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.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Wednesday, February 27, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 6-81 LBB 6-77	<b>Office of the Governor</b> Executive Office of the Governor Division of Financial Management	<i>Cathy Holland-Smith</i> <i>Manager, Budget &amp; Policy Analysis</i>
LBB 6-115 LBB 6-119 LBB 6-123	<b>Legislative Branch</b> Legislature Legislative Services Office Office of Performance Evaluations	
LBB 3-67	<b>Department of Juvenile Corrections</b>	<i>Richard Burns</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 3-83 LBB 3-87 LBB 3-95 LBB 3-101	<b>Idaho State Police</b> Brand Inspection Idaho State Police Division POST Academy Racing Commission	

**Senate Reconvenes: TBD**  
**House Reconvenes: 11:00am**

# JFAC COMMITTEE MEETING MINUTES

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2/27/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:45 a.m. with Chairman Cameron 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

Ab/Excused: None

**SETTING FY 2014 APPROPRIATIONS**

**OFFICE OF THE GOVERNOR:**  
**Executive Office of the Governor**

**Presenter: Cathy Holland-Smith, Manager, Budget and Policy Analysis**

**Carried**      **Original Motion**

Moved by Thompson, seconded by Mortimer, to approve for introduction \$1,931,400 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$1,931,400 with FTP of 22.00. The motion includes the authority to transfer funds between objects without permission from the Division of Financial Management.

**Ayes:    19**

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

**Nays:    0**

**Ab/Ex:   1**

Gibbs

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

## **Division of Financial Management**

### **Carried      Original Motion**

Moved by Mortimer, seconded by Ringo, to approve for introduction \$1,593,000 General Funds, \$40,900 Dedicated Funds, \$0 Federal Funds for a total of \$1,633,900 with FTP of 16.00.

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

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

## **LEGISLATIVE BRANCH**

### **Legislature**

**Presenter: Cathy Holland-Smith, Manager, Budget and Policy Analysis**

### **Carried      Original Motion**

Moved by Thompson, seconded by Mortimer, to approve for introduction \$6,149,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$6,149,000 with FTP of 0.00. Further moved that the following language be included in the appropriation bill: "On July 1, 2013, the President Pro Tem of the Senate and the Speaker of the House of Representatives shall direct the State Controller to limit the amount transferred from the General Fund to the Legislative Fund pursuant to Section 67-415 (2), Idaho Code, to \$6,149,000 for the period July 1, 2013, through June 30, 2014.

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being

no objection, it was so ordered by Chairman Cameron.

### **Legislative Services Office**

**Carried**

**Original Motion**

Moved by Ringo, seconded by Thompson, to approve for introduction \$4,363,400 General Funds, \$2,358,900 Dedicated Funds, \$0 Federal Funds for a total of \$6,722,300 with FTP of 64.00. The motion also includes the authority to transfer funds between objects without the permission from the Executive Branch through the Division of Financial Management, and carryover authority for the Professional Services Fund.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

### **Office of Performance Evaluations**

**Carried**

**Original Motion**

Moved by Ringo, seconded by Mortimer, to approve for introduction \$761,800 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$761,800 with FTP of 8.00. The motion includes the authority to transfer funds between objects without the permission from the Executive Branch through the Division of Financial Management.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

## **DEPARTMENT OF JUVENILE CORRECTIONS**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$37,452,900 General Funds, \$7,650,900 Dedicated Funds, \$3,838,000 Federal Funds for a total of \$48,941,800 with FTP of 401.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bell

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

## **IDAHO STATE POLICE: Brand Inspection**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Youngblood, seconded by Schmidt, to approve for introduction \$0 General Funds, \$2,614,900 Dedicated Funds, \$0 Federal Funds for a total of \$2,614,900 with FTP of 34.82.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

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## Division of Idaho State Police

### **Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$22,291,100 General Funds, \$27,873,100 Dedicated Funds, \$8,379,700 Federal Funds for a total of \$58,543,900 with FTP of 470.25.

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

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

## POST Academy

### **Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$0 General Funds, \$4,725,900 Dedicated Funds, \$256,200 Federal Funds for a total of \$4,982,100 with FTP of 27.00.

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

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

## Racing Commission

### **Carried**      **Original Motion**

Moved by Youngblood, seconded by Bolz, to approve for introduction \$0 General Funds, \$702,900 Dedicated Funds, \$0 Federal Funds for a total of \$702,900 with FTP of 3.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Thursday, February 28, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 5-99	<b>Self-Governing Agencies</b> Regulatory Boards	<i>Keith Bybee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 6-89	<b>Office of the Governor</b> State Liquor Division	
LBB 4-35	<b>Department of Lands</b>	<i>Ray Houston</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 4-63	<b>Department of Water Resources</b>	

**Senate Reconvenes: 10:00 a.m.**

**House Reconvenes: 11:00 a.m.**

# JFAC COMMITTEE MEETING MINUTES

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2/28/13

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, Schmidt, Lacey

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

Excused: Thayn

## **SETTING FY 2014 APPROPRIATIONS**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

## **SELF-GOVERNING AGENCIES: Regulatory Boards**

**Carried**

### **Original Motion**

Moved by Gibbs, seconded by Mortimer, to approve for introduction \$0 General Funds, \$6,482,600 Dedicated Funds, \$0 Federal Funds for a total of \$6,482,600 with FTP of 65.00.

**Ayes: 16**

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

**Nays: 2**

Vick, Nuxoll

**Ab/Ex: 2**

Bayer, 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.

**OFFICE OF THE GOVERNOR: Liquor Division**

**Presenter: Keith Bybee, Principal Budget & Policy Analyst**

**Carried Original Motion**

Moved by Eskridge, seconded by Schmidt, to approve for introduction \$0 General Funds, \$16,928,700 Dedicated Funds, \$0 Federal Funds for a total of \$16,928,700 with FTP of 205.00.

**Ayes: 17**

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

**Nays: 2**

Nuxoll, Bayer

**Ab/Ex: 1**

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 LANDS**

**Presenter: Ray Houston, Principal Budget & Policy Analyst**

**Carried Original Motion**

Moved by Keough, seconded by Eskridge, to approve for introduction \$5,174,300 General Funds, \$34,785,600 Dedicated Funds, \$6,237,200 Federal Funds for a total of \$46,197,100 with FTP of 261.47.

Lump Sum for fire program only

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

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 \_\_\_\_\_. LEGISLATIVE INTENT. In order to fairly support the ongoing costs of the Rangeland Fire Protection program, the Idaho Department of Lands is to bring a proposal to the fall Joint Finance-Appropriations Committee meeting that outlines possible sources of ongoing financial support including assessment of a per-acre fee on rangelands similar to fees on forest lands found in Section 38-111, Idaho Code and associated statutes. The Legislature clearly recognizes and supports the value of fire preparedness and protection from wildfires and believes that the costs should be shared across rangeland ownerships as is shared across forest land ownerships.

**Unanimous Consent Request**

On request by Keough, granted by unanimous consent, the legislative language as shown above was accepted and will be included in the Department of Lands appropriation bill.

**DEPARTMENT OF WATER RESOURCES**

**Presenter: Ray Houston, Principal Budget & Policy Analyst**

**Carried Original Motion**

Moved by Gibbs, seconded by King, to approve for introduction \$11,195,000 General Funds, \$6,522,800 Dedicated Funds, \$3,593,700 Federal Funds for a total of \$21,311,500 with FTP of 152.00. Lump Sum.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Schmidt

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.

## **Joint Finance & Appropriation Committee Intent Language**

### **Unanimous Consent Request**

Upon request by Gibbs, granted by unanimous consent, that the Department of Water Resources not revert any unused portion of the \$25,000 appropriated last session for water storage and water supply issues but instead be allowed to retain those moneys for the agency's greatest needs.

## **Legislative Intent Language**

### **Cash Transfer Appropriation and Claim Fee Intent**

SECTION 3. In addition to the appropriation made in Section 1 of this act, and any other appropriation provided by law, there is hereby appropriated to the Department of Water Resources and the State Controller shall transfer, as soon as practicable, \$716,000 from the Revolving Development Fund to the Secondary Aquifer Planning, Management, and Implementation Fund, for the period July 1, 2013 through June 30 June 30, 2014.

Section 4. LEGISLATIVE INTENT: Notwithstanding Section 42-1414(1)(c), Idaho Code, it is the intent of the Legislature that moneys appropriated in Section 1 of this act, for the Northern Idaho Adjudication Program from the General Fund, count toward the filing fees required under Section 42-1414(1)(a) and Section 42-1414(1)(b), Idaho Code for water rights claims filed in the Northern Idaho adjudication by the Idaho Water Resource Board and the Governor of the State of Idaho based on instream flow, public lake level maintenance, or recreation. If the General Fund appropriation exceeds the amount required for the Idaho Water Resource Board's and the governor's filing fees in the current fiscal year, the excess shall be counted toward future filing fees required for those same purposes. If the General Fund appropriation does not meet or exceed the fee required for claims of the Idaho Water Resource Board or the governor of the state of Idaho, the director of the Department of Water Resources shall grant an extension of time to the Idaho Water Resource Board or the Governor of the State of Idaho to file the claim, and the General Fund appropriation for the following fiscal year shall be counted toward the balance of the filing fee.

### **Unanimous Consent Request**

On request by Gibbs, granted by unanimous consent, to include in the appropriation bill, the cash transfer language and the legislative intent regarding the minimum stream flow filing fees.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

**AMENDED AGENDA #1**  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**Room C310**  
**Friday, March 01, 2013**

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	<b>Department of Health &amp; Welfare</b> Public Health Services- <i>Intent Language</i>	<i>Matt Ellsworth</i> <i>Senior Budget &amp; Policy Analyst</i>
LBB 2-45	<b>Department of Health &amp; Welfare</b> Mental Health Services	
LBB 2-49	Psychiatric Hospitalization	
LBB 2-67	Substance Abuse Treatment & Prevention	
LBB 2-13	Child Welfare	
LBB 2-17	Svcs for the Developmentally Disabled	
LBB 6-65	<b>Office of the Governor</b> Office of Drug Policy	
LBB 5-117	<b>Idaho Transportation Department</b>	<i>Robyn Lockett</i> <i>Budget &amp; Policy Analyst</i>
LBB 5-73	<b>Idaho State Historical Society</b>	
	<b>Update on Sequestration</b>	<i>Cathy Holland-Smith, Manager</i> <i>Budget &amp; Policy Analysis</i>  <i>Jani Revier, Administrator</i> <i>Division of Financial Management</i>

**Senate Reconvenes: 10:00 a.m.**

**House Reconvenes: 8:00 a.m.**

# JFAC COMMITTEE MEETING MINUTES

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3/1/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:05 a.m. with Chairman Cameron presiding.

**Roll Call:**

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

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

Ab/Excused: Thompson

**SETTING FY 2014 APPROPRIATIONS**

**DEPARTMENT OF HEALTH AND WELFARE**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Public Health Services**

**Legislative Intent Language**  
**Standard, Department Wide**

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 2013.
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.

**Division Specific**

4. MANAGEMENT REVIEW. As provided for in Idaho Code Section 67-702 (c) the audit division of the Legislative Services Office will perform a management review of the Department of Health and Welfare, Division of Public Health Services, for the fiscal years ended June 30, 2011 and June 30, 2012. The review will evaluate compliance with appropriation legislation for the Division. Additionally, the review will identify

potential accounting structure and staffing changes that would be necessary to convert from a single fund accounting process to a multi-fund structure that would differentiate between general, dedicated and federal.

**Unanimous Consent Request**

On request by Schmidt, granted by unanimous consent, the intent language shown above was accepted and will be included in the appropriation bill for Public Health Services, Department of Health and Welfare.

**Mental Health Services**

**Carried**

**Original Motion**

Moved by Thayn, seconded by Schmidt, to approve for introduction \$22,971,000 General Funds, \$1,205,400 Dedicated Funds, \$8,250,600 Federal Funds for a total of \$32,427,000 with FTP of 281.80.

**Ayes: 18**

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

**Nays: 1**

Ringo

**Ab/Ex: 1**

Thompson

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

**Legislative Intent Language**

**Standard, Department Wide**

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.

**Division Specific**

1. LIMITING TRANSFER OF LEGISLATIVE APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, General Fund moneys appropriated to the Division of Mental Health Services shall not be transferred to any other division within the Department of Health and Welfare without legislative approval.

2. LEGISLATIVE INTENT. It is the finding of the Legislature that the Department of Health and Welfare is responsible for the educational needs of school-aged children placed in their custody by the courts for either child protective or for mental health issues. If the Department of Health and Welfare places a child in a licensed residential treatment facility that includes a non-public accredited school, and it is determined by the Department of Health and Welfare that it is in the best interests of the child to be educated at the residential treatment facility, then it is the responsibility of the Department of Health and Welfare to pay for such education at the current rate of seventy-one dollars and five cents (\$71.05) per student per educational day based on the average daily attendance as defined by the state board of education for fiscal year 2014. This intent language does not preclude other Idaho state agencies from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this language is approximately \$690,000 from existing appropriations.

3. INTERAGENCY PAYMENT FOR JUVENILE DETENTION CLINICIANS CONTRACT. The Children's Mental Health Program shall, no later than July 16, 2013, make an interagency payment of \$327,000 from the Cooperative Welfare (General) Fund to the Department of Juvenile Corrections to be used for the purchase of contract clinician services with juvenile detention facilities in Idaho, for the period July 1, 2013, through June 30, 2014.

**Unanimous Consent Request**

On request by Stevenson, granted by unanimous consent, the legislative intent language shown above was accepted and will be included in the appropriation bill for Mental Health Services, Department of Health and Welfare.

**Psychiatric Hospitalization**

**Disclosure of Possible Conflict of Interest**

Pursuant to Senate Rule 39(H), Senator Nuxoll disclosed she has a possible conflict of interest under applicable law; she does plan to vote on the issue currently before the Committee.

**Carried**

**Original Motion**

Moved by Stevenson, seconded by Thayn, to approve for introduction \$19,230,100 General Funds, \$7,125,000 Dedicated Funds, \$4,521,900 Federal Funds for a total of \$30,877,000 with FTP of 361.45.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Legislative Intent Language**

#### **Standard, Department Wide**

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 language was accepted and will be included in the appropriation bill for Psychiatric Hospitalization, Department of Health and Welfare.

### **Substance Abuse Treatment and Prevention**

**Carried**

#### **Original Motion**

Moved by Vick, seconded by Schmidt, to approve for introduction \$2,529,900 General Funds, \$1,184,600 Dedicated Funds, \$13,394,400 Federal Funds for a total of \$17,108,900 with FTP of 15.76.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Legislative Intent Language**

**Standard, Department Wide**

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. As appropriated, the State Controller shall make transfers of the Court Services 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.

**Division Specific**

1. COURT SERVICES FUND TRANSFERS. As appropriated, the State Controller shall make transfers of the Court Services 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. SUBSTANCE ABUSE NETWORK MANAGEMENT AND SERVICE COORDINATION CONTRACT. It is the intent of the Legislature that the Department of Health and Welfare, and all state agencies that provide substance abuse services, enact an agreement for contractor services to provide administrative support to the coordinated, statewide substance abuse system, manage the statewide provider network, coordinate client services, manage and report data per applicable federal and state requirements, track fiscal data for the program, and provide other necessary services as identified by the department and partnering state agencies. The department and partnering state agencies shall enact the new contract as soon as practicable.

**Unanimous Consent Request**

On request by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted and will be included in the appropriation bill for Substance Abuse Treatment and Prevention, Department of Health and Welfare.

## **Child Welfare**

### **Carried Original Motion**

Moved by Schmidt, seconded by Bell, to approve for introduction \$18,695,200 General Funds, \$1,044,700 Dedicated Funds, \$37,439,700 Federal Funds for a total of \$57,179,600 with FTP of 380.58.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Legislative Intent Language Standard, Department Wide**

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. As appropriated, the State Controller shall make transfers of the Court Services 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.

### **Unanimous Consent Request**

On request by Vick, granted by unanimous consent, the legislative intent language shown above was accepted and will be included in the appropriation bill for the Child Welfare Division, Department of Health and Welfare.

## **Services for the Developmentally Disabled**

### **Carried      Original Motion**

Moved by Thayn, seconded by Nuxoll, to approve for introduction \$11,976,000 General Funds, \$3,588,500 Dedicated Funds, \$17,214,300 Federal Funds for a total of \$32,778,800 with FTP of 378.61.

**Ayes:    19**

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

**Nays:    0**

**Ab/Ex:   1**

Thompson

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

### **Legislative Intent Language**

#### **Standard, Department Wide**

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 language shown above was accepted and will be included in the appropriation bill for Services for the Developmentally Disabled, Department of Health and Welfare.

**OFFICE OF THE GOVERNOR: Office of Drug Policy**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$288,100 General Funds, \$6,200 Dedicated Funds, \$1,813,000 Federal Funds for a total of \$2,107,300 with FTP of 4.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**IDAHO DEPARTMENT OF TRANSPORTATION**  
**Transportation Services**

**Presenter: Robyn Lockett, Budget and Policy Analyst**

**Disclosure of Possible Conflict of Interest**

Pursuant to Rule 38, Representative Youngblood disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

**Carried**      **Original Motion**

Moved by Eskridge, seconded by Youngblood, to approve for introduction \$0 General Funds, \$29,332,100 Dedicated Funds, \$14,731,300 Federal Funds for a total of \$44,063,400 with FTP of 226.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Schmidt, Thompson

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

### **Motor Vehicles**

**Carried**      **Original Motion**

Moved by Eskridge, seconded by Keough, to approve for introduction \$0 General Funds, \$29,700,900 Dedicated Funds, \$2,600,000 Federal Funds for a total of \$32,300,900 with FTP of 236.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Schmidt, Thompson

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

### **Highway Operations**

**Carried**      **Original Motion**

Moved by Keough, seconded by Youngblood, to approve for introduction \$0 General Funds, \$154,007,000 Dedicated Funds, \$16,128,000 Federal Funds for a total of \$170,135,000 with FTP of 1,352.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

## **Contract Construction and Right-of-Way Acquisitions**

### **Carried      Original Motion**

Moved by Youngblood, seconded by Eskridge, to approve for introduction \$0 General Funds, \$36,125,100 Dedicated Funds, \$209,102,300 Federal Funds for a total of \$245,227,400 with FTP of 0.00.

**Ayes:    19**

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

**Nays:    0**

**Ab/Ex:   1**

Thompson

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

### **Department-Wide Legislative Intent Language**

**LEGISLATIVE INTENT.** It is legislative intent that all moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purposes of those funds.

**LEGISLATIVE INTENT.** There is hereby appropriated and the State Controller is directed to transfer \$25,000 from the State Highway Fund to the Tourism & Promotion Fund in the Department of Commerce during fiscal year 2014. This transfer will provide the matching fund support of the Gateway Visitor Centers.

**NON-GENERAL FUND REAPPROPRIATION AUTHORITY.** There is hereby re-appropriated to the Idaho Transportation Department any unexpended and unencumbered balances of money categorized as the State Highway Fund for the Contract Construction & Right-of-Way Acquisition program as appropriated or re-appropriated for fiscal year 2013, to be used for nonrecurring expenditures, for the period July 1, 2013 through June 30, 2014.

**NON-GENERAL FUND REAPPROPRIATION AUTHORITY.** There is hereby re-appropriated to the Idaho Transportation Department any unexpended and unencumbered balances of money categorized as the State Aeronautics Fund as appropriated or re-appropriated for trustee and benefits payments to be used for Airport Development Grants for fiscal year 2013, to be used for nonrecurring expenditures, for the period July 1, 2013 through June 30, 2014.

**NON-GENERAL FUND REAPPROPRIATION AUTHORITY.** There is hereby re-appropriated to the Idaho Transportation Department any unexpended and unencumbered balances of money categorized as Title XII of the American Recovery & Reinvestment Act as appropriated or re-appropriated for fiscal year 2013, to be used for nonrecurring expenditures, according to all the requirements of the federal act.

**BOND PAYMENT AUTHORIZATION.** The federal GARVEE bond payment for fiscal year 2014 is approximately \$54,000,000. The Idaho Transportation Board is hereby authorized to transfer up to \$4,900,000 from within the State Highway Account to the GARVEE Debt Service Fund to pay the state match as required for federal funds committed to pay the annual scheduled debt service.

**Unanimous Consent Request**

On request by Youngblood, granted by unanimous consent, the legislative intent language shown above was accepted and will be included in the appropriation bill for the Idaho Transportation Department.

**IDAHO HISTORICAL SOCIETY**

**Presenter: Robyn Lockett, Budget and Policy Analyst**

**Carried      Original Motion**

Moved by Mortimer, seconded by Eskridge, to approve for introduction \$2,342,200 General Funds, \$1,676,000 Dedicated Funds, \$1,494,500 Federal Funds for a total of \$5,512,700 with FTP of 49.02.

**Ayes:    18**

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

**Nays:    0**

**Ab/Ex:   2**

Vick, Thompson

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

**UPDATE ON SEQUESTRATION**

**Presenters: Cathy Holland-Smith, Manager, Budget and Policy Analysis  
Janie Revier, Administrator, Division of Financial Management  
Jared Tatro, Budget and Policy Analyst**

Cathy Holland-Smith indicated that the Budget and Policy Division of the Legislative Services Office has worked closely with the Division of Financial Management (DFM) to collect information from state agencies on the impact of sequestration. That impact has changed over time based on federal legislation. Sequestration goes into effect as of today, March 1, 2013. Handouts have been provided to JFAC members.

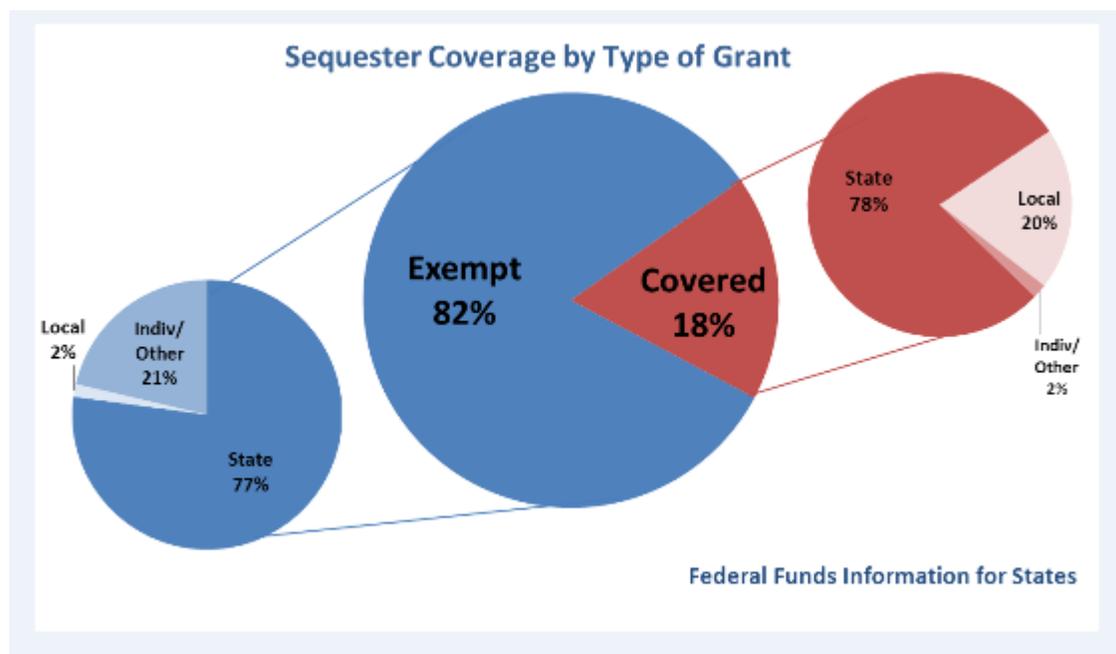
Ms. Revier, DFM, said there are still more questions than answers on how sequestration will impact Idaho. When the Office of Management and Budget starts sending directions on how federal agencies will deal with sequestration and federal agencies then pass that information through to state agencies, DFM will have a better idea of sequestration's true impact. That information might not be forthcoming until after the current legislative session is over. Sequestration will definitely have an impact on State government, but Idaho agencies are equipped to deal with the changes. Prior to applying for federal grants, agencies must submit exit strategies to the Division of Financial Management which detail what they will do if funds are not available. An exit strategy requesting general funds would not be acceptable; therefore agencies must be prepared to live without federal funds before making application.

Additionally, Ms. Revier said last August Governor Otter instructed agencies to prepare for sequestration. Agencies did this by submitting detailed inventories of federal funds as well as plans for dealing with reductions. That action allowed DFM to get a handle on what types of federal funds agencies were receiving, programs they support, and how they can manage if funds are withheld. While there may be a few critical programs for which agencies may seek general fund replacement, it will be few and far between. While exact sequester cuts are not known, agency directors are prepared. DFM staff will continue to work closely with LSO as more information becomes available.

When asked about the impact sequestration would have on Idaho's economy, Ms. Revier said she does not have enough information to estimate what that impact would be. Until the federal government decides exactly how it is going to implement the program, there are too many unknowns to accurately predict what is going to happen.

Jared Tatro explained that the Budget Control Act (BCA) passed in August, 2011 instituted sequestration effective January 1, 2013. The Act would increase the debt limit by \$2.1 trillion and require across-the-board cuts to many federal programs in both defense and non-defense. The hope was that Congress would take action and identify specific reductions along with revenue increases. The BCA included cuts in programs both parties want protected and exempt. On January 1, 2013, Congress passed the American Taxpayer Relief Act which moved sequestration from January to March 1, 2013 (today). The bill included reductions at \$85 billion (or \$24 billion less than the BCA called for) and also allowed for the expiration of certain tax cuts (and ultimately averted the "fiscal cliff" from occurring on January 1, 2013). The more important date will be March 27, 2013, when the Continuing Resolution expires. Additional information is provided below.

- ❖ Important Definitions
  - Covered versus Exempt
    - Covered: affected by the sequester
    - Exempt: not affected by the sequester
  - Mandatory versus Discretionary
    - Mandatory: funded through enabling legislation, not appropriation process
    - Discretionary: funded by Congress through the appropriation process
- ❖ Current reduction estimates
  - Nondefense programs
    - Mandatory: (5.8%)
    - Discretionary: (5.3%)
  - Defense programs
    - Mandatory: (7.8%)
    - Discretionary: (7.9%)
  - Effective percentage cuts may be larger
    - Above reductions could be larger because reductions are applied to whole year's appropriation or continuing resolution
    - Because the federal fiscal year is half over, the reductions could be more
- ❖ **Chart** - Sequester coverage by grant type showing the portion of funds exempt and covered under sequester. The chart below from the Federal Funds Information for States (FFIS), also shows the percentage of covered and exempt funding awarded directly to state governments, local governments, and individuals/others



- ❖ Estimated impact sequestration will have on non-defense funding to Idaho according to FFIS, dated February, 2013
  - Information looks at federal programs covered in sequestration and excludes all exempt programs
    - (\$24,841,013) or (5.3%) State funding – estimated reduction
    - (\$ 4,079,864) or (5.5%) Local funding – estimated reduction
    - (\$ 324,538) or (5.3%) Other funding – estimated reduction
    - (\$29,245,414) or (5.3%) Estimated total reduction
- ❖ Handouts
  - FFIS Updated FAQs: Implementing the BCA Sequester
  - 15 Things You Need to Know About the Sequester
  - Schedule of Expenditures of Federal Awards by State Agency
  - Sequestration Impact on Funding to Idaho (calculated by FFIS, 2/2013)

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Monday, March 04, 2013

<b>TIME</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 1-3	<b>Public Schools Support</b>	<i>Paul Headlee</i>
LBB 1-13	Administrators	<i>Principal Budget &amp; Policy Analyst</i>
LBB 1-17	Teachers	
LBB 1-21	Operations	
LBB 1-25	Children's Programs	
LBB 1-29	Facilities	
LBB 1-33	Ed Services for the Deaf & Blind	
LBB 5-67	<b>Self-Governing Agencies</b> Commission on Hispanic Affairs	<i>Jared Tatro</i> <i>Budget &amp; Policy Analyst</i>
LBB 1-95	<b>State Board of Education</b> Idaho Public Television	
LBB 6-147	<b>Secretary of State</b>	

**Senate Reconvenes: 10:00 a.m.**

**House Reconvenes: 10:30 a.m.**

# JFAC COMMITTEE MEETING MINUTES

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3/4/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:04 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: None

Others Present: Tom Luna, Superintendent of Schools

## **SETTING FY 2014 APPROPRIATIONS**

### **PUBLIC SCHOOL SUPPORT**

**Presenter: Paul Headlee, Principal Budget & Policy Analyst**

#### **Administrators**

##### **Original Motion**

Moved by Mortimer, seconded by Bayer, to approve for introduction \$77,060,800 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$77,060,800 with FTP of 0.00.

**Carried**

##### **Substitute Motion**

Moved by Thompson, seconded by Cameron, to approve for introduction \$78,138,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$78,138,600 with FTP of 0.00.

**Ayes: 15**

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

**Nays: 5**

Mortimer, Vick, Nuxoll, Bayer, Thayn

**Ab/Ex: 0**

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.

## **Teachers**

### **Original Motion**

Moved by Mortimer, seconded by Bayer, to approve for introduction \$724,502,700 General Funds, \$0 Dedicated Funds, \$15,000,000 Federal Funds for a total of \$739,502,700 with FTP of 0.00.

## **Carried**

### **Substitute Motion**

Moved by Cameron, seconded by Thompson, to approve for introduction \$743,300,800 General Funds, \$0 Dedicated Funds, \$15,000,000 Federal Funds for a total of \$758,300,800 with FTP of 0.00.

**Ayes: 15**

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

**Nays: 5**

Mortimer, Vick, Nuxoll, Bayer, Thayn

**Ab/Ex: 0**

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.

## **Operations**

## **Carried**

### **Original Motion**

Moved by Thompson, seconded by Keough, to approve for introduction \$444,666,700 General Funds, \$54,614,300 Dedicated Funds, \$0 Federal Funds for a total of \$499,281,000 with FTP of 0.00.

**Ayes: 15**

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

**Nays: 5**

Mortimer, Vick, Nuxoll, Bayer, Thayn

**Ab/Ex: 0**

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.

## **Children's Program**

**Carried**

### **Original Motion**

Moved by Thompson, seconded by Keough, to approve for introduction \$30,167,000 General Funds, \$368,600 Dedicated Funds, \$200,000,000 Federal Funds for a total of \$230,535,600 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **Facilities**

**Carried**

### **Original Motion**

Moved by Thompson, seconded by Cameron, to approve for introduction \$4,553,600 General Funds, \$19,363,900 Dedicated Funds, \$0 Federal Funds for a total of \$23,917,500 with FTP of 0.00.

**Ayes: 15**

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

**Nays: 5**

Mortimer, Vick, Nuxoll, Bayer, Thayn

**Ab/Ex: 0**

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.

## **Educational Services for the Deaf & Blind**

**Carried**

### **Original Motion**

Moved by Miller, seconded by Thompson, to approve for introduction \$7,538,700 General Funds, \$220,800 Dedicated Funds, \$223,500

Federal Funds for a total of \$7,983,000 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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**

#### **Sections 1-12 are standard appropriation bill sections.**

**SECTION 13.** That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004E. District's salary-based apportionment. [effective upon rejection of proposition 3] Each district shall be entitled to a salary based apportionment calculated as provided in this section.

1. To determine the apportionment for instructional staff, first determine the district average experience and education index by placing all eligible district certificated instructional employees on the statewide index provided in section [33-1004A](#), Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the 1994-95 school year, and shall receive their actual index but not more than the state average plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district instructional staff index shall be multiplied by the instructional base salary of \$23,123. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section [33-1004\(2\)](#), Idaho Code. The instructional salary allocation shall be further increased by the amount necessary for each full-time equivalent instructional staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than ~~\$30,500~~ \$31,000. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall be designated as a master teacher and receive \$2,000 per year for five (5) years. The instructional salary shall be increased by \$2,000 for each master teacher provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The

resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase as master teacher shall be those who have been recognized as national board certified teachers as of July 1 of each year.

2. To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of \$31,833. The amount so determined shall be multiplied by district staff allowance for administrative staff determined as provided in section 33-1004(3), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

3. To determine the apportionment for classified staff, multiply \$19,058 by the district classified staff allowance determined as provided in section 33-1004(4), Idaho Code. The amount so determined is the district's apportionment for classified staff.

4. The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections 1., 2. and 3., of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

**SECTION 14.** That Section 33-1004A, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004A. Experience and education multiplier.[effective upon rejection of proposition 3] Each instructional and administrative staff position shall be assigned an appropriate multiplier based upon the following table:

**EXPERIENCE AND EDUCATION**

MA MA + 12 MA + 24 MA + 36

Years	BA	BA + 12	BA + 24	BA + 36	BA + 48	BA + 60	ES/DR
0	1.00000	1.03750	1.07640	1.11680	1.15870	1.20220	1.24730
1	1.03750	1.07640	1.11680	1.15870	1.20220	1.24730	1.29410
2	1.07640	1.11680	1.15870	1.20220	1.24730	1.29410	1.34260
3	1.11680	1.15870	1.20220	1.24730	1.29410	1.34260	1.39290
4	1.15870	1.20220	1.24730	1.29410	1.34260	1.39290	1.44510
5	1.20220	1.24730	1.29410	1.34260	1.39290	1.44510	1.49930
6	1.24730	1.29410	1.34260	1.39290	1.44510	1.49930	1.55550
7	1.29410	1.34260	1.39290	1.44510	1.49930	1.55550	1.61380
8	1.34260	1.39290	1.44510	1.49930	1.55550	1.61380	1.67430
9	1.39290	1.44510	1.49930	1.55550	1.61380	1.67430	1.73710
10	1.39290	1.49930	1.55550	1.61380	1.67430	1.73710	1.80220
11	1.39290	1.49930	1.55550	1.61380	1.73710	1.80220	1.86980
12	1.39290	1.49930	1.55550	1.61380	1.73710	1.86980	1.93990
13 or more	1.39290	1.49930	1.55550	1.61380	1.73710	1.86980	2.01260

In determining the experience factor, the actual years of teaching or administrative service in a public school, in an accredited private or parochial school, or beginning in the 2005-06 school year and thereafter in an accredited college or university shall be credited. ~~minus two (2); provided however, that the experience factor cannot be less than zero (0).~~ In determining the education factor, only credits earned after initial certification, based upon a transcript on file with the teacher certification office of the state department of education, earned at an institution of higher education accredited by the state board of education or a regional accrediting association shall be allowed. Instructional staff whose initial certificate is an occupational specialist certificate shall be treated as BA degree prepared instructional staff. Credits earned by such occupational specialist instructional staff after initial certification shall be credited toward the education factor. For the time period July 1, 2010, through June 30, 2011, instructional and administrative staff shall not advance on the education portion of the multiplier table.

In determining the statewide average multiplier for instructional staff, no multiplier in excess of 1.59092 shall be used. If the actual statewide average multiplier for instructional staff, as determined by this section, exceeds 1.59092, then each school district's instructional staff multiplier shall be multiplied by the result of 1.59092 divided by the actual statewide average multiplier for instructional staff. In determining the statewide average multiplier for administrative staff, no multiplier in excess of 1.86643 shall be used. If the actual statewide average multiplier for administrative staff, as determined by this section, exceeds 1.86643, then each school district's administrative staff multiplier shall be multiplied by the result of 1.86643 divided by the actual statewide average multiplier for administrative staff.

**SECTION 15.** The Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state appropriated funds for the period July 1, 2013, through June 30, 2014, to achieve the following:

- (1) Tuition charged by IDLA to Idaho students shall not exceed \$100.00 per enrollment.
- (2) Provide remedial coursework for students failing to achieve proficiency in one (1) or more areas of the Idaho Standards Achievement Test.
- (3) Pursuant to the fiscal impact statement for the State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, provide advanced learning opportunities for students.
- (4) Pursuant to State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, work with institutions of higher education to provide dual credit coursework.

The preceding list shall not be construed as excluding other instruction and training that may be provided by the Idaho Digital Learning Academy.

**SECTION 16.** Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 7 of this act, up to \$4,331,400 from funds determined by available tobacco, cigarette and lottery income tax revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A,

63-3035A and 63-3067, Idaho Code, for the period July 1, 2013, through June 30, 2014, shall be distributed as discretionary funds within the Educational Support Program/ Division of Operations, and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

**SECTION 17.** Of the moneys appropriated in Section 8 of this act, \$368,600 from funds determined by available revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, and other such moneys that may become available pursuant to Idaho laws, for the period July 1, 2013, through June 30, 2014, shall be distributed as follows: the provisions of Section 63-2552A(3), Idaho Code, notwithstanding, \$200,000 shall be remitted to the Idaho State Police to increase toxicology lab capacity in the Bureau of Forensic Services for drug testing of juveniles. The Superintendent of Public Instruction may use up to \$90,000 for Safe and Drug-Free Schools Program administration, technical assistance, and evaluation; and \$78,600 shall be remitted to the Commission on Hispanic Affairs on or before July 15, 2013, to be used for substance abuse prevention efforts in collaboration with the State Department of Education.

**SECTION 18.** Notwithstanding the provisions of Sections 33-905 and 33-1019, Idaho Code, for the period July 1, 2013, through June 30, 2014, Sixty-seven percent (67%) of all moneys appropriated from the School District Building Account shall be distributed as discretionary funds within the Educational Support Program/Division of Operations and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

**SECTION 19.** Notwithstanding the provisions of Sections 33-1018B and 33-1019, Idaho Code, for the period July 1, 2013, through June 30, 2014, only, the state is hereby temporarily relieved from the requirement to provide sixty-seven percent (67%) of its portion of the school maintenance matching funds normally required by such sections, nor shall school districts be required to make up such portion that would otherwise be provided by the state.

**SECTION 20.** Pursuant to the provisions of Section 33-1018, Idaho Code, for the period July 1, 2013, through June 30, 2014, it is estimated that the appropriation of state funds to the Educational Support Program/Division of Operations will result in total discretionary funds of \$20,000 per support unit.

**SECTION 21.** Of the moneys appropriated in Section 8 of this act, \$10,500,000 shall be used for literacy programs, as outlined in Sections 33-1207A(2), 33-1614 and 33-1615, Idaho Code; remedial coursework for students failing to achieve proficiency in the Idaho Standards Achievement Test; computerized remediation services to schools; intervention services for non-Title I schools that fail to achieve Idaho achievement standards; and math initiative efforts, in dollar amounts determined by the Superintendent of Public Instruction. It is legislative intent that the State Board of

Education and State Department of Education coordinate federally funded literacy programs with state literacy programs, resulting in well-coordinated, complementary literacy efforts. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees, by no later than February 1, 2015, on the uses of funds and effectiveness of the programs and efforts.

**SECTION 22.** Pursuant to Section 33-1617, Idaho Code, of the moneys appropriated in Section 8 of this act, \$4,000,000 shall be distributed for support of programs for students with non-English or limited English proficiency, as follows:

(1) The State Department of Education shall distribute \$3,500,000 to school districts pro rata, based upon the population of limited English proficient students under criteria established by the department.

(2) The State Department of Education shall use \$500,000 for the competitive grant program for school districts in which the population of English language learners failed to meet Adequate Yearly Progress (AYP) in math or reading, as defined in federal law. Of this amount, \$450,000 shall be distributed annually to school districts in three (3) year grant cycles, in which the recipients will receive full grant awards each of the three (3) years, contingent on appropriation. The remaining \$50,000 will be used for evaluation and administration of the program.

(3) The department shall develop the program elements governing the use of these funds, modeled on the training, intervention and remediation elements of the literacy programs referenced in Section 20 of this act. The purpose of these funds is to improve the English language skills of English language learners, to enable such students to better access the educational opportunities offered in public schools. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees by no later than February 1, 2015, on the program design, uses of funds and effectiveness of the program.

**Section 23.** Of the moneys appropriated in Section 8 of this act, \$1,703,500 shall be used for the development or administration of student assessments, including a college entrance exam for 11th grade students, an exam for 10th grade students that provides preparation for the college entrance exams, and end-of-course examinations for high school science subjects.

**SECTION 24.** Of the moneys appropriated in Section 7 of this act, \$2,500,000 shall be distributed for public school information technology staff costs. Such moneys shall be distributed pursuant to a formula, with a minimum distribution per school district and public charter school, determined by the Superintendent of Public Instruction.

**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 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 schoolwide 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 November 15, 2013.
- 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. 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."

**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 in the effective and efficient delivery of instruction.
- (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 shall 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.

**Section 27.** Of the moneys appropriated in Section 5 of this act, \$300,000 shall be used for professional development and training that promotes the effective, consistent evaluation of teacher and administrator performance, pursuant to standards established by the State Board of Education.

**Section 28.** Of the moneys appropriated in Section 8 of this act, up to \$100,000 may be expended by the Superintendent of Public Instruction to facilitate a safe schools task force, develop a common threat assessment tool and accompanying rubric, establish a support structure for the implementation of the tool throughout the state, establish a secure mechanism for collecting data results on the threat assessment, and assist school districts in the creation of safety plans at the local level, based on the deficiencies identified in the assessment.

**Section 29.** Of the moneys appropriated in Section 7 of this act, \$4,500,000 shall be used for the maintenance, operation, and licensing of the instructional management system that includes high quality digital learning resources and software linked to state and local curricula, model lesson plans, content and formative and summative assessments tied to rigorous college and career-ready standards, and safe and secure online knowledge sharing and collaboration systems.

**Section 30.** Of the moneys appropriated in Section 6 of this act, \$3,755,000 shall be used for professional development, training and assistance that promotes the implementation of Idaho core mathematical and English language arts standards,

including, but not limited to, the alignment of curriculum and instruction to such standards.

**Section 31.** Of the moneys appropriated in Section 7 of this act, \$150,000 shall be used for professional development and training that promotes the effective use of technology by students, staff and parents, the integration of technology into public school curricula and instructional methods, the development of plans at the school, district and statewide level for the improved use and integration of technology in learning, and the envelopment and effective utilization of student data.

**Section 32.** It is legislative intent that the State Department of Education shall compile information concerning the numbers of students enrolling in dual credit according to the provisions of Section 33-1626, Idaho Code, whether coursework is successfully completed, and total expenditures for fiscal year 2013. As nearly as possible, the report shall contain information about enrollment of this student population in post-high school education. A report containing such information shall be posted on the website of the State Department of Education no later than December 31, 2014.

**Section 33.** It is legislative intent that the State Department of Education shall compile information concerning school district and charter school expenditures of funds pursuant to safe school environment and student learning provisions of Section 33-1002(2) (I), Idaho Code, for fiscal year 2014 and post such information the department's website no later than December 31, 2014.

**Section 34. DEDICATED FUND REAPPROPRIATION AUTHORITY.** There is hereby reappropriated to the Educational Support Program the unexpended and unencumbered balance of Public School Income Fund moneys allocated pursuant to Section 33-1022(3)(c), Idaho Code, for fiscal year 2013, to be used for the same purposes as originally authorized pursuant to Section 33-1022(3)(c), Idaho Code, for the period July 1, 2013, through June 30, 2014. This measure is taken to satisfy the matching requirements of the J.A. and Kathryn Albertson Foundation funding award to develop an instructional management system.

**Section 35.** The State Department of Education is hereby granted the authority to transfer appropriations between the Administrators, Teachers, Operations, Children's Programs, and Facilities Divisions of the Educational Support Program budget, in any amount necessary, to comply with the public school funding provisions of appropriations and the Idaho Code.

**Unanimous consent Request**

On request by Mortimer, granted by unanimous consent, to hold Sections 25 and 26 in the Legislative Intent Language as shown above; to be held for four days time certain.

**Unanimous Consent Request**

Unanimous consent was requested by Thompson to accept the Legislative

Language as shown above. There was an objection.

**Carried**

**Original Motion**

Moved by Thompson, seconded by Cameron, to accept the Legislative Intent Language as shown above for sections 13 through 35 with the exception of sections 25 and 26. The Legislative Intent will be included in the Public Schools Support appropriation bill.

**Ayes: 15**

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

**Nays: 5**

Mortimer, Vick, Nuxoll, Bayer, Thayn

**Ab/Ex: 0**

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.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Tuesday, March 05, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 5-67	<b>Self-Governing Agencies</b> Commission on Hispanic Affairs	<i>Jared Tatro</i> <i>Budget &amp; Policy Analyst</i>
LBB 1-95	<b>State Board of Education</b> Idaho Public Television	
LBB 6-147	<b>Secretary of State</b>	
LBB 6-161	<b>State Treasurer</b> Idaho Millennium Fund	<i>Richard Burns</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 3-57	<b>Judicial Branch</b>	
LBB 6-95	<b>Office of the Governor</b> Military Division	
LBB 6-135 LBB 6-139	<b>Department of Revenue &amp; Taxation</b> Board of Tax Appeals State Tax Commission	<i>Keith Bybee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 4-47 LBB 4-57	<b>Department of Parks &amp; Recreation</b> <b>Lava Hot Springs Foundation</b>	<i>Ray Houston</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 5-5 LBB 5-13	<b>Department of Agriculture</b> <b>Soil &amp; Water Conservation Comm.</b>	

**Senate Reconvenes: 10:00 a.m.**  
**House Reconvenes: TBD**

# JFAC COMMITTEE MEETING MINUTES

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3/5/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:08 a.m. with Chairman Cameron 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

Ab/Excused: None

**SETTING FY 2014 APPROPRIATIONS**

**SELF-GOVERNING AGENCIES: Commission on Hispanic Affairs**

**Presenter: Jared Tatro, Budget and Policy Analyst**

**Carried**

**Original Motion**

Moved by Lacey, seconded by Gibbs, to approve for introduction \$96,600 General Funds, \$98,600 Dedicated Funds, \$40,900 Federal Funds for a total of \$236,100 with FTP of 3.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

## **STATE BOARD OF EDUCATION: Idaho Public Television**

**Presenter: Jared Tatro, Budget and Policy Analyst**

### **Original Motion**

Moved by Youngblood, seconded by Thompson, to approve for introduction \$1,742,800 General Funds, \$5,981,400 Dedicated Funds, \$127,000 Federal Funds for a total of \$7,851,200 with FTP of 59.00. (\$5,700 one time)

### **Carried Substitute Motion**

Moved by Ringo, seconded by King, to approve for introduction \$1,826,800 General Funds, \$5,981,400 Dedicated Funds, \$127,000 Federal Funds for a total of \$7,935,200 with FTP of 59.00. (\$5,700 one time)

**Ayes: 14**

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Eskridge, Gibbs, Stevenson, Youngblood, Ringo, King

**Nays: 6**

Vick, Nuxoll, Bell, Bolz, Thompson, Miller

**Ab/Ex: 0**

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

## **SECRETARY OF STATE**

**Presenter: Jared Tatro, Budget and Policy Analyst**

### **Carried Original Motion**

Moved by Bolz, seconded by Gibbs, to approve for introduction \$1,991,400 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$1,991,400 with FTP of 27.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**STATE TREASURER: Idaho Millennium Fund**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Keough, seconded by Thompson, to approve for introduction \$0 General Funds, \$6,489,400 Dedicated Funds, \$0 Federal Funds for a total of \$6,489,400 with FTP of 0.00.

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

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

**Legislative Intent Language**

Notwithstanding any other provision of law to the contrary, on or before June 30, 2014, the State Controller, at the request of the State Treasurer, shall transfer any remaining unexpended and unencumbered balance of moneys in the Idaho Millennium Income Fund to the Idaho Millennium Permanent Endowment Fund.

**Unanimous Consent Request**

Senator Keough requested unanimous consent to accept the legislative intent language shown above. **There was an objection.**

**Carried**      **Original Motion**

Moved by Keough, seconded by Schmidt, to approve the legislative intent language shown above.

**Ayes:    19**

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

**Nays:    1**

King

**Ab/Ex: 0**

The majority having voted in the affirmative, the motion has passed and the legislative intent language shown above was accepted.

## **JUDICIAL BRANCH**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

### **Original Motion**

Moved by Bolz, seconded by Gibbs, to approve for introduction \$31,320,300 General Funds, \$17,935,300 Dedicated Funds, \$2,072,900 Federal Funds for a total of \$51,328,500 with FTP of 289.00. Lump sum

**Failed**

### **Substitute Motion**

Moved by Johnson, seconded by King, to approve for introduction \$31,345,300 General Funds, \$17,935,300 Dedicated Funds, \$2,072,900 Federal Funds for a total of \$51,353,500 with FTP of 289.00.

**Ayes: 7**

Keough, Johnson, Bayer, Lacey, Stevenson, Ringo, King

**Nays: 13**

Cameron, Mortimer, Vick, Nuxoll, Thayn, Schmidt, Bell, Bolz, Eskridge, Thompson, Gibbs, Miller, Youngblood

**Ab/Ex: 0**

### **Vote on Original Motion**

**Carried**

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**OFFICE OF THE GOVERNOR: Military Division**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Thompson, to approve for introduction \$5,238,100 General Funds, \$5,413,400 Dedicated Funds, \$54,013,300 Federal Funds for a total of \$64,664,800 with FTP of 293.80.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**DEPARTMENT OF REVENUE AND TAXATION: Board of Tax Appeals**

**Presenter: Keith Bybee, Principal Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Ringo, seconded by Johnson, to approve for introduction \$504,800 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$504,800 with FTP of 5.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bayer

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

## **State Tax Commission**

### **Original Motion**

Moved by Vick, seconded by Nuxoll, to approve for introduction \$33,743,200 General Funds, \$7,532,500 Dedicated Funds, \$8,000 Federal Funds for a total of \$41,283,700 with FTP of 449.00.

### **Carried**

#### **Substitute Motion**

Moved by Bolz, seconded by Thompson, to approve for introduction \$33,980,700 General Funds, \$7,532,500 Dedicated Funds, \$8,000 Federal Funds for a total of \$41,521,200 with FTP of 455.00.

**Ayes: 14**

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

**Nays: 5**

Mortimer, Vick, Nuxoll, Johnson, Thayn

**Ab/Ex: 1**

Bayer

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

## **DEPARTMENT OF PARKS AND RECREATION**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

### **Carried**

#### **Original Motion**

Moved by Eskridge, seconded by Johnson, to approve for introduction \$1,332,000 General Funds, \$27,224,900 Dedicated Funds, \$4,890,000 Federal Funds for a total of \$33,446,900 with FTP of 143.50.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bayer

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

**Legislative Intent Language**

**SECTION 3. EXEMPTIONS FROM PROGRAM TRANSFER LIMITATIONS.**

Notwithstanding Section 67-3511(2), Idaho Code, trustee and benefit payments for project grants in the Management Services Program may be transferred to the Capital Development Program to reflect project grants awarded to the Department of Parks and Recreation for the period July 1, 2013 through June 30, 2014. Legislative appropriations shall not be transferred from one fund to another unless expressly approved by the Legislature.

**SECTION 4. REAPPROPRIATION.** Unexpended and unencumbered capital outlay balances in the Park Development Program for fiscal year 2013 are hereby re-appropriated for capital outlay in that program for the period July 1, 2013 through June 30, 2014.

**SECTION 5. LEGISLATIVE INTENT.** It is the intent of the Legislature that \$1,300,000 appropriated in Section 1 of this act for Phase Two of the Farragut State Park Sewage Collection System from the Recreational Vehicle Fund established in Section 49-448, Idaho Code, supersedes the grant provisions of Section 67-4223(5), Idaho Code.

**Unanimous Consent Request**

On request by Eskridge, granted by unanimous consent, the legislative intent language shown above was accepted and will be included in the Department of Parks and Recreation FY 2014 appropriation.

**Lava Hot Springs Foundation**

**Carried**

**Original Motion**

Moved by Lacey, seconded by Gibbs, to approve for introduction \$0 General Funds, \$2,112,600 Dedicated Funds, \$0 Federal Funds for a total of \$2,112,600 with FTP of 12.80.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bayer

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

## **DEPARTMENT OF AGRICULTURE**

**Presenter: Ray Houston, Principal Budget and Policy Analyst**

**Carried**      **Original Motion**

Moved by Miller, seconded by Thompson, to approve for introduction \$7,568,000 General Funds, \$21,911,600 Dedicated Funds, \$6,308,900 Federal Funds for a total of \$35,788,500 with FTP of 189.05.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bayer

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

### **Legislative Intent Language**

It is the intent of the legislature that the Department of Agriculture work together with the Department of Fish and Game to fund up to \$100,000 for a project to evaluate and monitor the impacts of raven control on sage grouse survival.

### **Unanimous Consent Request**

On request by Miller, granted by unanimous consent, the legislative intent language shown above was accepted and will be included in the Department of Agriculture appropriation bill.

## **Soil and Water Conservation Commission**

**Carried**      **Original Motion**

Moved by Miller, seconded by Ringo, to approve for introduction \$2,357,000 General Funds, \$342,000 Dedicated Funds, \$0 Federal Funds for a total of \$2,699,000 with FTP of 16.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Bayer

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

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Wednesday, March 06, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	<b>Department of Administration</b>	<i>Robyn Lockett</i>
LBB 6-5	Department of Administration	<i>Budget &amp; Policy Analyst</i>
LBB 6-23	Permanent Building Fund	
LBB 6-15	Capitol Commission	
LBB 6-19	Bond Payments	
	<b>Department of Correction</b>	<i>Richard Burns</i>
LBB 3-11	Management Services	<i>Principal Budget &amp; Policy Analyst</i>
LBB 3-17	State Prisons	
LBB 3-25	Private Prisons	
LBB 3-29	County & Out-of-State Placements	
LBB 3-33	Correctional Alternative Placement	
LBB 3-37	Community Corrections	
LBB 3-43	Education & Treatment	
LBB 3-47	Medical Services	
LBB 3-53	Commission for Pardons & Parole	

**Senate Reconvenes: 10:00 a.m.**

**House Reconvenes: TBD**

# JFAC COMMITTEE MEETING MINUTES

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3/6/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 9:47 a.m. with Chairman Bell presiding.

**Roll Call:**

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

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

Absent/Excused: Thompson

Others Present: Teresa Luna, Director, Department of Administration

**SETTING FY 2014 APPROPRIATIONS**

**DEPARTMENT OF ADMINISTRATION**

**Presenter: Robyn Lockett, Budget & Policy Analyst**

**Carried**

**Original Motion**

Moved by Lacey, seconded by Bolz, to approve for introduction \$7,539,400 General Funds, \$18,513,700 Dedicated Funds, \$0 Federal Funds for a total of \$26,053,100 with FTP of 146.75.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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**

There is hereby appropriated and the State Controller shall transfer \$1,368,750 from the Permanent Building Fund to the Administrative & Accounting Services Fund on July 1, 2013 or as soon thereafter as practicable, and on January 1, 2014, or as soon thereafter is practicable, for a total transfer of \$2,737,500 for the Public Officials' Capitol Mall Facilities payment due in fiscal year 2014.

#### **Unanimous Consent Request**

On request by Lacey, granted by unanimous consent, the Legislative Intent Language as shown above was accepted and will be included in the Department of Administration appropriation bill.

### **Legislative Intent Language**

The Legislature directs the Department of Administration to research the benefits of incentivizing state employees to enroll in Health Savings Accounts, used in conjunction with a state provided high-deductible insurance plan. Furthermore, the Department shall provide information about the financial and logistical implementation of expanding the use of the high-deductible plan, including the option of using declined dental coverage to fund employee health savings accounts. The conclusions of this research shall be provided to JFAC during the 2014 Legislative Session.

#### **Failed**

##### **Original Motion**

Moved by Thayn, seconded by Nuxoll, to accept the Standard Intent Language as shown above.

**Ayes: 6**

Vick, Nuxoll, Bayer, Thayn, Stevenson, Ringo

**Nays: 13**

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

**Ab/Ex: 1**

Thompson

### **Permanent Building Fund**

#### **Carried**

##### **Original Motion**

Moved by Johnson, seconded by Bolz, to approve for introduction \$0 General Funds, \$24,113,900 Dedicated Funds, \$0 Federal Funds for a total of \$24,113,900 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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 \_\_\_\_. UTILIZATION OF MATCHING FUNDS. It is legislative intent that the moneys appropriated in this act may be made available for matching any allocation of moneys now in existence or hereafter made available by agencies of the United States and/or private donations; and it is further the express intention of the Legislature to authorize the Division of Public Works to expend, for the purpose of paying the cost of any land, building, equipment or the rebuilding, renovation or repairs of building, money appropriated for public works to various agencies as part of the respective agency operating budgets; provided the express approval by the Permanent Building Fund Advisory Council is granted to make application for such moneys in each instance.

SECTION \_\_\_\_. EXEMPTION OF APPROPRIATIONS FROM CERTAIN PROVISIONS. All appropriations made herein shall be exempt from the provisions of Chapter 36, Title 67, and Section 67-3516, Idaho Code, but shall be available for expenditure only after allotment in accordance with the other provisions of Chapter 35, Title 67, Idaho Code, and all appropriations made hereunder shall be subject to the provisions of Section 67-5711, Idaho Code, except as otherwise provided herein.

SECTION \_\_\_\_. REALLOCATION OF PROJECT SAVINGS. It is the intent of the Legislature that the Division of Public Works has the flexibility to allocate any savings or unused appropriation from any capital, line-item project to any other requested and funded FY 2014 capital projects. The reallocation of such appropriation must be approved by the Permanent Building Fund Advisory Council prior to the funds being spent.

### **Unanimous Consent Request**

On request by Johnson, granted by unanimous consent, to include the standard sections of intent language as shown above.

### **Capitol Commission**

**Carried**

#### **Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$0 General Funds, \$317,000 Dedicated Funds, \$0 Federal Funds for a total of \$317,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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**

NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Administration for the Idaho Capitol Commission any unexpended and unencumbered balances of moneys categorized as dedicated funds as appropriated for fiscal year 2013, to be used for non-recurring expenditures, for the period July 1, 2013, through June 30, 2014.

### **Unanimous Consent Request**

Upon request by Bolz, granted by unanimous consent, to include the standard section of intent language in the Capitol Commission's fiscal year 2104 appropriation bill. The language is shown above.

### **Bond Payments**

**Carried**

#### **Original Motion**

Moved by Bolz, seconded by Schmidt, to approve for introduction \$4,367,600 General Funds, \$27,452,400 Dedicated Funds, \$0 Federal Funds for a total of \$31,820,000 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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 CORRECTION**

**Presenter: Richard Burns, Principal Budget & Policy Analyst**

### **Management Services**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$10,813,100 General Funds, \$870,200 Dedicated Funds, \$414,000 Federal Funds for a total of \$12,097,300 with FTP of 119.25.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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.

### **State Prisons**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$64,342,700 General Funds, \$7,933,200 Dedicated Funds, \$1,001,100 Federal Funds for a total of \$73,277,000 with FTP of 1,057.50.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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.

## **Private Prisons**

### **Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$29,901,300 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$29,901,300 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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**

IDAHO CORRECTIONAL CENTER. The Idaho Correctional Center opened in July 2000 as the first state-owned privately-operated facility. It was built on state property, and is currently managed and operated by Corrections Corporation of America (CCA). The contract may be extended twice more with two-year options; the Department of Correction is encouraged to solicit new proposals through the open competitive bid process. The department is further encouraged to submit its own competitive bid, on behalf of the state, for the management and operation of this facility.

### **Failed**      **Original Motion**

Moved by Ringo, seconded by King, to accept the Legislative Intent Language as shown above.

**Ayes: 4**

Nuxoll, Lacey, Ringo, King

**Nays: 14**

Cameron, Keough, Mortimer, Vick, Johnson, Bayer, Schmidt, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood

**Ab/Ex: 2**

Thayn, Thompson

## **County & Out-of-State Placement**

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$13,580,000 General Funds, \$0 Dedicated Funds, \$83,700 Federal Funds for a total of \$13,663,700 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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.

## **Correctional Alternative Placement**

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$9,116,300 General Funds, \$200,000 Dedicated Funds, \$0 Federal Funds for a total of \$9,316,300 with FTP of 0.00.

**Ayes: 17**

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

**Nays: 0**

**Ab/Ex: 3**

Thayn, Schmidt, Thompson

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.

## **Community Corrections**

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$15,648,100 General Funds, \$8,869,200 Dedicated Funds, \$124,600 Federal Funds for a total of \$24,641,900 with FTP of 364.18.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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.

## **FY 2013 SUPPLEMENTAL**

### **Education and Treatment Program**

#### **Unanimous Consent Request**

Upon request by Bolz, granted by unanimous consent, to re-open the FY 2013 budget for the Department of Correction for the purpose of appropriating additional one-time moneys to the Department in the Education and Treatment Program that has been awarded to the state from a J.A. and Kathryn Albertson grant.

**Carried**

### **Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$0 General Funds, \$48,100 Dedicated Funds, \$0 Federal Funds for a total of \$48,100 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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.

## **SETTING FY 2014 APPROPRIATIONS**

### **DEPARTMENT OF CORRECTION**

#### **Education & Treatment**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$7,987,000 General Funds, \$324,400 Dedicated Funds, \$1,250,900 Federal Funds for a total of \$9,562,300 with FTP of 52.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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.

#### **Medical Services**

**Carried**      **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$27,138,600 General Funds, \$81,000 Dedicated Funds, \$0 Federal Funds for a total of \$27,219,600 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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**

EXEMPTION FROM PROGRAM TRANSFER LIMITATIONS. For fiscal year 2014, the Department of Correction is hereby exempted from the provision of Section 67-3511(2). Idaho Code, allowing unlimited transfers between and among the Private Prison, County and Out-of-State Placement, Correctional Alternative Placement and Medical Services programs, for all General Fund moneys appropriated to those programs for the period July 1, 2013, through June 30, 2014. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, to accept the legislative intent language as shown above. The legislative intent will be included in the Department of Correction appropriation bill.

**Commission for Pardons & Parole**

**Carried**

**Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$2,301,300 General Funds, \$70,700 Dedicated Funds, \$0 Federal Funds for a total of \$2,372,000 with FTP of 32.00.

**Ayes: 18**

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

**Nays: 0**

**Ab/Ex: 2**

Thayn, Thompson

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.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Thursday, March 07, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 1-73 LBB 1-49 LBB 1-63	<b>State Board of Education</b> Office of the State Board of Education College & Universities Community Colleges	<i>Paul Headlee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 2-79 LBB 2-63	<b>Department of Health &amp; Welfare</b> Medically Indigent Administration Service Integration	<i>Matt Ellsworth</i> <i>Senior Budget &amp; Policy Analyst</i>
LBB 2-3	<b>Catastrophic Health Care Program</b>	

**Senate Reconvenes: 10:00 a.m.**

**House Reconvenes: 11:00 a.m.**

# JFAC COMMITTEE MEETING MINUTES

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3/7/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:50 a.m. with Chairman Cameron 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

Ab/Excused: None

**SETTING FY 2014 APPROPRIATIONS**

**STATE BOARD OF EDUCATION: Office of the State Board of Education**

**Presenter: Paul Headlee, Principal Budget and Policy Analyst**

**Disclosure of Possible Conflict of Interest**

Pursuant to Senate Rule 39(H), Senator Mortimer disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

**Carried**

**Original Motion**

Moved by Mortimer, seconded by Thompson, to approve for introduction \$2,411,500 General Funds, \$275,200 Dedicated Funds, \$2,722,000 Federal Funds for a total of \$5,408,700 with FTP of 22.75. (carryover for federal funds)

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

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 Cameron.

## **College and Universities**

### **Carried**      **Original Motion**

Moved by Thompson, seconded by Lacey, to approve for introduction \$236,543,600 General Funds, \$229,358,400 Dedicated Funds, \$0 Federal Funds for a total of \$465,902,000 with FTP of 4,031.63. (carry over for non-General Funds)

### **Failed**      **Substitute Motion**

Moved by Johnson, seconded by Thayn, to approve for introduction \$235,178,200 General Funds, \$229,358,400 Dedicated Funds, \$0 Federal Funds for a total of \$464,536,600 with FTP of 4,031.63. (carry over for non-General Funds)

**Ayes: 5**

Vick, Nuxoll, Johnson, Bayer, Thayn

**Nays: 15**

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

**Ab/Ex: 0**

### **Vote on Original Motion**

### **Carried**      **Ayes: 19**

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

**Nays: 1**

Thayn

**Ab/Ex: 0**

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

## **Legislative Intent Language**

SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this Act, the following amounts may be used as follows:

- (1) An amount not to exceed \$140,000 may be used by the Office of the State Board of Education for system-wide needs;
- (2) An amount of approximately \$1,435,500 may be used for the mission and goals of

the Higher Education Research Council as outlined in State Board of Education policy III.W., which includes awards for infrastructure, matching grants, and competitive grants through the Idaho Incubation Fund program; and

(3) An amount not to exceed \$942,600 may be used by the State Board of Education for instructional projects designed to foster innovative learning approaches using technology, to promote accountability and information transfer throughout the higher education system including longitudinal student-level data and program/course transferability, and to promote the Idaho Electronic Campus.

**SECTION 5. LEGISLATIVE INTENT.** It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this Act, up to \$2,000,000 may be awarded for competitive state university research under the direction of the Higher Education Research Council to support the goals of the Idaho Global Entrepreneurial Mission (IGEM) University Research Initiative. These funds are envisioned as seed funding for strengthening Idaho's future by strategically investing in the development of expertise, products, and services which result in state economic growth. Selected project proposals are expected to exhibit high potential for near term technology transfer to the private sector. The State Board of Education shall establish guidelines for submission, review, approval, and project reporting requirements. It is the intent of the Legislature that the State Board of Education shall report to the Joint Finance-Appropriations Committee no later than February 1, 2014 regarding the allocation and use of funds through the System-wide Program.

**SECTION 6. LEGISLATIVE INTENT.** It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this Act, \$1,365,400 of ongoing funds shall be allocated by the state board of education toward enrollment workload adjustment costs.

**SECTION 7. LEGISLATIVE INTENT.** It is the responsibility of the state board of education to allocate funding appropriated in this Act toward achieving an equitable distribution among the college and universities.

**Legislative Intent Language**

On request by Thompson, granted by unanimous consent, the legislative intent language shown above was accepted.

**Community Colleges**

**Carried**

**Original Motion**

Moved by Miller, seconded by Bell, to approve for introduction \$30,226,600 General Funds, \$611,000 Dedicated Funds, \$0 Federal Funds for a total of \$30,837,600 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**DEPARTMENT OF HEALTH AND WELFARE; Medically Indigent Administration**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Carried Original Motion**

Moved by Schmidt, seconded by Gibbs, to approve for introduction \$136,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$136,000 with FTP of 1.10.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**Legislative Intent Language**

Standard Department Wide.

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.

### **Legislative Intent Language**

On request by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

### **Service Integration**

#### **Carried**

#### **Original Motion**

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$897,500 General Funds, \$69,500 Dedicated Funds, \$4,220,300 Federal Funds for a total of \$5,187,300 with FTP of 36.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

### **Legislative Intent Language**

#### **Standard Department Wide.**

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.

#### **Division Specific**

1. HEAD START APPROPRIATION FROM TEMPORARY ASSISTANCE FOR NEEDY FAMILY FUNDS. At a minimum, the Department of Health and Welfare is directed to maintain Head Start appropriations paid from federal Temporary Assistance for Needy Families funds at the same level as was paid to the Head Start Program in fiscal year 2007.

**Legislative Intent Language**

On request by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

**CATASTROPHIC HEALTH CARE PROGRAM**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

**Carried Original Motion**

Moved by Schmidt, seconded by Gibbs, to approve for introduction \$34,830,100 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$34,830,100 with FTP of 0.00.

**Ayes: 19**

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

**Nays: 0**

**Ab/Ex: 1**

Thompson

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

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Friday, March 08, 2013

**BUDGET SETTING**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	<b>Public School Support</b> Intent Language - Held from 3-4-13 Section 25: Differential Pay Section 26: Technology	<i>Paul Headlee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 5-21	<b>Department of Commerce</b>	<i>Keith Bybee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 2-33 LBB 2-71	<b>Department of Health &amp; Welfare</b> Medical Assistance Services Division of Welfare	<i>Matt Ellsworth</i> <i>Senior Budget &amp; Policy Analyst</i>
	<b>Military Division</b> Standard Intent Language	<i>Richard Burns</i> <i>Principal Budget &amp; Policy Analyst</i>
	<b>Idaho State Police</b> Support Services Program ILETS Equipment Funding	
	<b>Permanent Building Fund</b> Deferred Maintenance - Higher Education	<i>Paul Headlee</i> <i>Principal Budget &amp; Policy Analyst</i>  <i>Robyn Lockett</i> <i>Budget &amp; Policy Analyst</i>

# JFAC COMMITTEE MEETING MINUTES

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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

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
8:00 A.M.  
Room C310  
Wednesday, March 20, 2013

**BUDGET SETTING**

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<b>DESCRIPTION</b>	<b>PRESENTER</b>
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<b>8:00 - 10:00 am TRAILER APPROPRIATIONS</b>	
<b>Capitol Commission</b> Trailer to H181: <i>Capitol Maintenance Reserve Fund</i>	<i>Robyn Lockett</i> <i>Budget &amp; Policy Analyst</i>
<b>Office of the Attorney General</b> Trailer to S1079: <i>Internet Crimes Against Children Unit</i>  Trailer to S1080: <i>County Officers Attorney General Duties</i>	<i>Richard Burns</i> <i>Principal Budget &amp; Policy Analyst</i>
<b>Department of Commerce</b> Trailer to H100: <i>Create Idaho Opportunity Fund</i>	<i>Keith Bybee</i> <i>Principal Budget &amp; Policy Analyst</i>
<b>Division of Veterans Services</b> Trailer to H222: <i>Veterans Recognition Fund</i>	<i>Matt Ellsworth</i> <i>Senior Budget &amp; Policy Analyst</i>
<b>Department of Health &amp; Welfare</b> Mental Health Services Trailer to S1114: <i>Behavioral Health Regional Boards</i>  Public Health Services, LBB page 2-58 Trailer to H178: <i>Immunization Boards Extension of Sunset</i>  Medical Assistance Services Correction to FY 2013 Supplemental: <i>Remove FY 2013 Carryover Authority</i>	

# JFAC COMMITTEE MEETING MINUTES

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3/20/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 8:45 a.m. with Chairman Cameron 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

Ab/Excused: None

**SETTING FY 2014 APPROPRIATIONS**

**Trailer Bills**

**DEPARTMENT OF ADMINISTRATION: Capitol Commission – Capitol Maintenance Reserve Fund – Trailer Appropriation to H181**

**Presenter: Robyn Lockett, Budget and Policy Analyst**

The motion reflects the changes needed to comply with House Bill 181 which creates a special savings account named the Capitol Maintenance Reserve Fund to build up funds to support repairs and maintenance of the Capitol Building on an ongoing basis. The bill also changes the name of its current operating fund from the Capitol Endowment Income Fund to the Capitol Commission Operating Fund. Because the legislation changes the fund structure and the names of certain funds, it is necessary to authorize a new appropriation for the Capitol Commission for Fiscal Year 2014 to reflect the changes in statute.

**Carried**

**Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$0 General Funds, \$2,333,000 Dedicated Funds, \$0 Federal Funds for a total of \$2,333,000 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

Endowment Fund Investment Board to transfer \$1,000,000 from the Capitol Permanent Endowment Fund to the Capitol Maintenance Reserve Fund on July 1, 2013, or as soon thereafter as practicable.

**Carried**      **Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$0 General Funds, \$1,000,000 Dedicated Funds, \$0 Federal Funds for a total of \$1,000,000 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**Legislative Intent Language**

**ENDING BALANCE TRANSFER.** Any cash balance remaining in the Capitol Endowment Income Fund on June 30, 2013 shall be transferred to the Capitol Commission Operation Fund on July 1, 2013, or as soon after as practicable by the State Controller.

**EXEMPTIONS FROM OBJECT TRANSFER LIMITATIONS.** For Fiscal Year 2014, the Idaho State Capitol Commission, is hereby exempted from the provisions of Section 67-3511 (1) and (3), Idaho Code, allowing unlimited transfers between object codes, for all moneys appropriated to it for the period July 1, 2013, through June 30, 2014. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

**Unanimous Consent Request**

On request by Bolz, granted by unanimous consent, the legislative intent language shown above was accepted.

**OFFICE OF THE ATTORNEY GENERAL – Trailer to S1079**  
**Internet Crimes Against Children**

**Presenter: Richard Burns, Principal Budget and Policy Analyst**

Senate Bill 1079 created an Internet Crimes Against Children Unit within the Office of the Attorney General. The Idaho Internet Crimes Against Children Task Force (IICACTF) is currently housed within the Attorney General's Office and has successfully operated out of that office for five years. The creation of an Internet Crimes Against Children Unit will allow for additional staff needed to aid in the investigation and prosecution of offenders who use the Internet, online systems, computer technology, cellular phones, smart phones, or mobile technology devices to sexually exploit children. Such a unit is necessary to provide the personnel and resources to pursue the numerous leads found by IICACTF. This unit, through partnerships with local law enforcement entities throughout the state, will enforce Idaho's laws prohibiting sexual exploitation of children. Importantly, creation of this unit will ultimately lead to the rescue of children being sexually exploited and a reduction in the number of child victims.

**Carried**      **Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$2,014,900 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$2,014,900 with FTP of 3.50. (Ongoing \$1,607,100 and one-time \$407,800)

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

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

To offset the General Fund appropriation shown above, on or before June 30, 2013, \$2,014,900 will be transferred from the Consumer Protection Fund to the General Fund.

**Carried**      **Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$0 General Funds, \$2,014,900 Dedicated Funds, \$0 Federal Funds for a total of \$2,014,900 with FTP of 0.00. (Ongoing \$1,607,100 and one-time \$407,800)

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

### **Trailer to S1080**

Senate Bill 1080 will transfer county elected official misconduct investigations and litigation from county prosecutors to the Attorney General to eliminate a potential conflict of interest. This action will move an additional \$212,600 from the General Fund and add two additional full-time equivalent positions for FY 2014. The purpose is to implement the provisions of S1080.

### **Carried Original Motion**

Moved by Bolz, seconded by Lacey, to approve for introduction \$212,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$212,600 with FTP of 2.00. (ongoing \$200,300; one-time \$12,300 and 2 FTP)

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

### **DEPARTMENT OF COMMERCE – Trailer to H100 – Amend FY14 Appropriation**

**Presenter: Keith Bybee, Principal Budget and Policy Analyst**

House Bill 100 changes the name of the “Business and Jobs Development Fund” to the “Idaho Opportunity Fund”. Since FY 2006, the Business and Jobs Development Fund, has been an integral economic development tool for the Department of Commerce in the recruitment and retention of business to Idaho. These moneys have been used as

grants for public infrastructure projects. HB100 codifies the rules currently on the books associated with how moneys in the Business and Jobs Development Fund are to be expended, adds that the local governments use some matching funds for these moneys and renames the fund the Idaho Opportunity Fund. The FY 2014 appropriation to the Department of Commerce, appropriates and transfers \$3,000,000 from the General Fund to the Business and Jobs Development Fund. In order for the Department to utilize these moneys in the Idaho Opportunity Fund, the FY 2014 appropriation bill must be amended to incorporate the new name.

**Carried** Moved by Keough, seconded by Thompson, to amend the FY 2014 appropriation to the Department of Commerce by striking any reference to the Business and Jobs Development Fund and replacing that reference with the Idaho Opportunity Fund.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

### **SELF-GOVERNING AGENCIES: Division of Veterans Services – Trailer to H222**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

H222 creates two new funds. The first is the Idaho Veterans Recognition Fund which is the “primary” fund envisioned by the program. The secondary fund, called the Idaho Veterans Recognition Income Fund, is established to receive an annual transfer, subject to appropriation, in the amount of earnings on the primary fund (not to exceed 5% of the primary fund value). H222 charges a committee with preparing an annual allocation plan that (1) requests an amount to transfer from the primary to the secondary fund and (2) proposes uses for moneys in the secondary fund. The bill directs the division to include the annual allocation plan in its budget request which, assuming passage of H222, will occur with next year’s request.

**Carried** **Original Motion**

Moved by Eskridge, seconded by Johnson, to approve for introduction \$0 General Funds, \$12,114,300 Dedicated Funds, \$7,885,700 Federal Funds for a total of \$20,000,000 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**DEPARTMENT OF HEALTH AND WELFARE: Mental Health Services**  
**Trailer to S1114**

Senate Bill 1114 makes changes to the Behavioral Health system of care in Idaho. In part, it formalizes Regional Behavioral Health Boards that are intended to coordinate support services throughout the state. The fiscal note for S1114 acknowledges that the Behavioral Health Boards will need an amount of one-time start-up funding. Further, it acknowledges that the Department has funding in its FY 2013 budget to provide the needed support. Additional resources identified in the fiscal note are already available in the Department's FY 2014 appropriation so, aside from the one-time start-up funding, no additional budgetary adjustments are needed.

**Legislative Intent Language**

1. GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby re-appropriated to the Department of Health and Welfare in the Mental Health Services Division any unexpended and unencumbered balance of General Fund moneys in the Cooperative Welfare Fund as appropriated to the Children's Mental Health and Adult Mental Health programs for Fiscal Year 2013, to be made available for the period July 1, 2013, to June 30, 2014. The re-appropriation shall be computed by the Department of Health and Welfare and, for budgeting purposes, any General Fund portion of the balance in the Cooperative Welfare Fund from the programs identified herein, shall be identified as part of the General Fund.
2. CLARIFYING USE OF REAPPROPRIATED FUNDS. It is the intent of the Legislature that General Fund moneys appropriated to the Children's Mental Health and Adult Mental Health programs be used to provide or administer Mental Health services. Subsequently, moneys re-appropriated in Section 1 of this act shall be used for Mental Health services, including one-time start-up funds for regional behavioral health boards as identified in Senate Bill 1114 of the 2013 Legislative Session.
3. MENTAL HEALTH PROGRAM TRANSFERS. Notwithstanding the provisions of Section 67-3511, Idaho Code, amounts re-appropriated from the Children's Mental Health and Adult Mental Health programs for Fiscal Year 2014 may be transferred between the Children's Mental Health Program and the Adult Mental Health Program in

amounts that exceed ten percent cumulative change from the appropriated amount for either program.

**Unanimous Consent Request**

Schmidt requested unanimous consent to approve the legislative intent language shown above. There was an **objection**.

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Bell, to accept the legislative intent language shown above.

**Ayes: 17**

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

**Nays: 3**

Vick, Nuxoll, Bayer

**Ab/Ex: 0**

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

**Public Health Services**  
**Physical Health Services – Trailer to H178**

Under current statute (Idaho Code Section 41-6001 – Section 41-6008), the immunization assessment is set to expire at the end of FY 2013. House Bill 178 extends the sunset date until July 1, 2015. When setting the department's budget, JFAC did not take action on the two items in the Governor's recommendation that are contingent on passage of the policy bill. H178 passed the House and was referred to the Senate Commerce and Human Resources Committee.

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Keough, to approve for introduction \$0 General Funds, \$10,620,000 Dedicated Funds, \$0 Federal Funds for a total of \$10,620,000 with FTP of 0.00.

**Ayes: 18**

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

**Nays: 2**

Vick, Nuxoll

**Ab/Ex: 0**

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

**Legislative Intent Language**

TRICARE VACCINES. The Legislature recognizes the potential gap in coverage created by TRICARE'S refusal to participate in the Idaho Immunization Program. The Legislature supports and encourages the Executive Branch in its efforts to negotiate a solution with TRICARE that does not rely on General Fund support. In the event that a negotiated solution can not be reached by July 1, 2013, the Legislature supports a temporary fix that is consistent with the Governor's solution for Fiscal Year 2013.

**Carried Original Motion**

Moved by Schmidt, seconded by Stevenson, to approve the legislative intent language shown above.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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

**FY 2013 SUPPLEMENTAL**

**DEPARTMENT OF HEALTH AND WELFARE: Medical Assistance Services  
(FY 2013 Supplemental Correction)**

**Unanimous Consent Request**

Moved by Schmidt, granted by unanimous consent, to reopen the FY 2013 budget for the Division of Medical Assistance Services in the Department of Health and Welfare.

House Bill 210, the Medical Assistance Services supplemental amended H682, Laws of 2012. H210 incorporated the \$37,632,000 General Fund appropriation authority into the supplemental bill, negating the need for the re-appropriation authority granted originally

in H682. This action clarifies to the agency and the State Controller that the \$37.6 million should only be counted once in the FY 2013 total appropriation for the Department of Health and Welfare by repealing the re-appropriation authority granted in H682.

**Carried**      **Original Motion**

Moved by Schmidt, seconded by Mortimer, that Section 6, Chapter 247, Laws of 2012, be repealed.

**Ayes:    20**

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

**Nays:    0**

**Ab/Ex:   0**

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

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary

AGENDA  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**  
1:30 P.M.  
Room C310  
Wednesday, April 03, 2013

**BUDGET SETTING**

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<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
LBB 1-3	<b>Public Schools Support</b>	<i>Paul Headlee</i> <i>Principal Budget &amp; Policy Analyst</i>
LBB 1-13	Administration	
LBB 1-17	Teachers	
LBB 1-21	Operations	
LBB 1-25	Children's Programs	
LBB 1-29	Facilities	
LBB 1-33	Ed Svcs for the Deaf and the Blind	
	<b>RS22352: FY 2013 Year End Transfer</b> Surplus Eliminator	<i>Cathy Holland-Smith</i> <i>Manager, Budget &amp; Policy Analysis</i>

# JFAC COMMITTEE MEETING MINUTES

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4/3/13

The hearing was held in Room C310, Statehouse, commencing at 1:30 p.m. and concluding at 2:11 p.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: none

## **STATE BOARD OF EDUCATION**

### **Public School Support**

**Presenter: Paul Headlee, Principal Budget and Policy Analyst**

### **Administration**

**Carried**

#### **Original Motion**

Moved by Thompson, seconded by Cameron, to approve for introduction \$78,138,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$78,138,600 with FTP of 0.00.

**Ayes: 16**

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

**Nays: 4**

Mortimer, Vick, Nuxoll, Bayer

**Ab/Ex: 0**

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.

### **Teachers**

**Carried**

#### **Original Motion**

Moved by Cameron, seconded by Youngblood, to approve for introduction \$743,300,800 General Funds, \$0 Dedicated Funds, \$15,000,000 Federal Funds for a total of \$758,300,800 with FTP of 0.00.

**Ayes: 16**

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

**Nays: 4**

Mortimer, Vick, Nuxoll, Bayer

**Ab/Ex: 0**

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.

## **Operations**

### **Disclosure of Possible Conflict of Interest**

Pursuant to Rule 39(H), Senator Cameron disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

**Carried**

### **Original Motion**

Moved by Thompson, seconded by Keough, to approve for introduction \$444,666,700 General Funds, \$54,614,300 Dedicated Funds, \$0 Federal Funds for a total of \$499,281,000 with FTP of 0.00.

**Ayes: 16**

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

**Nays: 4**

Mortimer, Vick, Nuxoll, Bayer

**Ab/Ex: 0**

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.

## **Children's Programs**

**Carried**

### **Original Motion**

Moved by Cameron, seconded by Youngblood, to approve for introduction \$30,167,000 General Funds, \$368,600 Dedicated Funds, \$200,000,000 Federal Funds for a total of \$230,535,600 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

## **Facilities**

### **Carried**

#### **Original Motion**

Moved by Thompson, seconded by Bolz, to approve for introduction \$4,553,600 General Funds, \$19,363,900 Dedicated Funds, \$0 Federal Funds for a total of \$23,917,500 with FTP of 0.00.

**Ayes: 16**

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

**Nays: 4**

Mortimer, Vick, Nuxoll, Bayer

**Ab/Ex: 0**

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.

## **Educational Services for the Deaf & Blind**

### **Carried**

#### **Original Motion**

Moved by Miller, seconded by Thompson, to approve for introduction \$7,538,700 General Funds, \$220,800 Dedicated Funds, \$223,500 Federal Funds for a total of \$7,983,000 with FTP of 0.00.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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**

FY 2014 Public School Support Program Intent Language  
Sections 1-10 are standard sections.

SECTION 11. That Section 33-1004A, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004A. EXPERIENCE AND EDUCATION MULTIPLIER. Each instructional and administrative staff position shall be assigned an appropriate multiplier based upon the following table:

EXPERIENCE AND EDUCATION

	MA	MA + 12	MA + 24	MA + 36	MA + 48	MA + 60	ES/DR
YearsBA	BA + 12	BA + 24	BA + 36	BA + 48	BA + 60	ES/DR	
0	1.00000	1.03750	1.07640	1.11680	1.15870	1.20220	1.24730
1	1.03750	1.07640	1.11680	1.15870	1.20220	1.24730	1.29410
2	1.07640	1.11680	1.15870	1.20220	1.24730	1.29410	1.34260
3	1.11680	1.15870	1.20220	1.24730	1.29410	1.34260	1.39290
4	1.15870	1.20220	1.24730	1.29410	1.34260	1.39290	1.44510
5	1.20220	1.24730	1.29410	1.34260	1.39290	1.44510	1.49930
6	1.24730	1.29410	1.34260	1.39290	1.44510	1.49930	1.55550
7	1.29410	1.34260	1.39290	1.44510	1.49930	1.55550	1.61380
8	1.34260	1.39290	1.44510	1.49930	1.55550	1.61380	1.67430
9	1.39290	1.44510	1.49930	1.55550	1.61380	1.67430	1.73710
10	1.39290	1.49930	1.55550	1.61380	1.67430	1.73710	1.80220
11	1.39290	1.49930	1.55550	1.61380	1.73710	1.80220	1.86980
12	1.39290	1.49930	1.55550	1.61380	1.73710	1.86980	1.93990
13 or more	1.39290	1.49930	1.55550	1.61380	1.73710	1.86980	2.01260

In determining the experience factor, the actual years of teaching or administrative service in a public school, in an accredited private or parochial school, or beginning in the 2005-06 school year and thereafter in an accredited college or university shall be credited, ~~minus two (2); provided however, that the experience factor cannot be less than zero (0).~~

In determining the education factor, only credits earned after initial certification, based upon a transcript on file with the teacher certification office of the state department of education, earned at an institution of higher education accredited by the state board of education or a regional accrediting association, shall be allowed. Instructional staff whose initial certificate is an occupational specialist certificate shall be treated as BA degree prepared instructional staff. Credits earned by such occupational specialist instructional staff after initial certification shall be credited toward the education factor. For the time period July 1, 2010, through June 30, 2011, instructional and administrative staff shall not advance on the education portion of the multiplier table.

In determining the statewide average multiplier for instructional staff, no multiplier in excess of 1.59092 shall be used. If the actual statewide average multiplier for instructional staff, as determined by this section, exceeds 1.59092, then each school district's instructional staff multiplier shall be multiplied by the result of 1.59092 divided by the actual statewide average multiplier for instructional staff.

In determining the statewide average multiplier for administrative staff, no multiplier in excess of 1.86643 shall be used. If the actual statewide average multiplier for administrative staff, as determined by this section, exceeds 1.86643, then each school district's administrative staff multiplier shall be multiplied by the result of 1.86643 divided by the actual statewide average multiplier for administrative staff.

SECTION 12. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004E. DISTRICT'S SALARY-BASED APPORTIONMENT. Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

1. To determine the apportionment for instructional staff, first determine the district average experience and education index by placing all eligible district certificated instructional employees on the statewide index provided in section [33-1004A](#), Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the 1994-95 school year, and shall receive their actual index but not more than the state average plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district instructional staff index shall be multiplied by the instructional base salary of \$23,123. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section [33-1004](#)(2), Idaho Code. The instructional salary allocation shall be further increased by the amount necessary for each full-time equivalent instructional staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than ~~\$30,500~~ 31,000. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall be designated as a master teacher and receive \$2,000 per year for five (5) years. The instructional salary shall be increased by \$2,000 for each master teacher provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase as master teacher shall be those who have been recognized as national board certified teachers as of July 1 of each year.

2. To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section [33-1004A](#), Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus

.03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of \$31,833. The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section [33-1004](#)(3), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

3. To determine the apportionment for classified staff, multiply \$19,058 by the district classified staff allowance determined as provided in section [33-1004](#)(4), Idaho Code. The amount so determined is the district's apportionment for classified staff.

4. The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections 1., 2. and 3., of this section, plus the benefit apportionment as provided in section [33-1004F](#), Idaho Code.

SECTION 13. The Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state appropriated funds for the period July 1, 2013, through June 30, 2014, to achieve the following:

(1) Tuition charged by IDLA to Idaho students shall not exceed \$100 per enrollment.

(2) Provide remedial coursework for students failing to achieve proficiency in one (1) or more areas of the Idaho Standards Achievement Test.

(3) Pursuant to the fiscal impact statement for the State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, provide advanced learning opportunities for students.

(4) Pursuant to State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, work with institutions of higher education to provide dual credit coursework. The preceding list shall not be construed as excluding other instruction and training that may be provided by the Idaho Digital Learning Academy.

SECTION 14. Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 5 of this act, up to \$4,331,400 from funds determined by available tobacco, cigarette and lottery income tax revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, for the period July 1, 2013, through June 30, 2014, shall be distributed as discretionary funds within the Public Schools Educational Support Program/Division of Operations, and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

SECTION 15. Of the moneys appropriated in Section 6 of this act, \$368,600 from funds determined by available revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, and other such moneys that may become available pursuant to Idaho laws, for the period July 1, 2013, through June 30, 2014, shall be distributed as follows: the provisions of Section 63-2552A(3), Idaho Code, notwithstanding, \$200,000 shall be remitted to the Idaho State Police to increase toxicology lab capacity in the Bureau of Forensic Services for drug testing of juveniles; the Superintendent of Public Instruction

may use up to \$90,000 for Safe and Drug-Free Schools Program administration, technical assistance, and evaluation; and \$78,600 shall be remitted to the Commission on Hispanic Affairs on or before July 15, 2013, to be used for substance abuse prevention efforts in collaboration with the State Department of Education.

SECTION 16. Notwithstanding the provisions of Sections 33-905 and 33-1019, Idaho Code, for the period July 1, 2013, through June 30, 2014, sixty-seven percent (67%) of all moneys appropriated from the School District Building Account shall be distributed as discretionary funds within the Public Schools Educational Support Program/Division of Operations and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds

SECTION 17. Notwithstanding the provisions of Sections 33-1018B and 33-1019, Idaho Code, for the period July 1, 2013, through June 30, 2014, only, the state is hereby temporarily relieved from the requirement to provide sixty-seven percent (67%) of its portion of the school maintenance matching funds normally required by such sections, nor shall school districts be required to make up such portion that would otherwise be provided by the state.

SECTION 18. Pursuant to the provisions of Section 33-1018, Idaho Code, for the period July 1, 2013, through June 30, 2014, it is estimated that the appropriation of state funds to the Public Schools Educational Support Program/Division of Operations will result in total discretionary funds of \$20,000 per support unit.

SECTION 19. Of the moneys appropriated in Section 6 of this act, \$10,500,000 shall be used for literacy programs, as outlined in Sections 33-1207A(2), 33-1614 and 33-1615, Idaho Code; remedial coursework for students failing to achieve proficiency in the Idaho Standards Achievement Test; computerized remediation services to schools; and math initiative efforts, in dollar amounts determined by the Superintendent of Public Instruction. It is legislative intent that the State Board of Education and State Department of Education coordinate federally funded literacy programs with state literacy programs, resulting in well-coordinated, complementary literacy efforts. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees, by no later than February 1, 2015, on the uses of funds and effectiveness of the programs and efforts.

SECTION 20. Pursuant to Section 33-1617, Idaho Code, of the moneys appropriated in Section 6 of this act, \$4,000,000 shall be distributed for support of programs for students with non-English or limited English proficiency, as follows:

(1) The State Department of Education shall distribute \$3,500,000 to school districts pro rata, based upon the population of limited English proficient students under criteria established by the department.

(2) The State Department of Education shall use \$500,000 for the competitive grant program for school districts in which the population of English language learners failed to meet Adequate Yearly Progress (AYP) in math or reading, as defined in federal law. Of this amount, \$450,000 shall be distributed annually to school districts in three (3)

year grant cycles, in which the recipients will receive full grant awards each of the three (3) years, contingent on appropriation. The remaining \$50,000 will be used for evaluation and administration of the program.

(3) The department shall develop the program elements governing the use of these funds, modeled on the training, intervention and remediation elements of the literacy programs referenced in Section 19 of this act. The purpose of these funds is to improve the English language skills of English language learners, to enable such students to better access the educational opportunities offered in public schools. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education committees by no later than February 1, 2015, on the program design, uses of funds and effectiveness of the program.

SECTION 21. Of the moneys appropriated in Section 6 of this act, \$1,703,500 shall be used for the development or administration of student assessments, including a college entrance exam for 11th grade students, an exam for 10th grade students that provides preparation for the college entrance exam, and end-of-course examinations for high school science subjects.

SECTION 22. Of the moneys appropriated in Section 5 of this act, \$2,500,000 shall be distributed for public school information technology staff costs. Such moneys shall be distributed pursuant to a formula, with a minimum distribution per school district and public charter school, determined by the Superintendent of Public Instruction.

SECTION 23. Of the moneys appropriated in Section 3 of this act, \$300,000 shall be used for professional development and training that promotes the effective, consistent evaluation of teacher and administrator performance, pursuant to standards established by the State Board of Education.

SECTION 24. Of the moneys appropriated in Section 6 of this act, up to \$100,000 may be expended by the Superintendent of Public Instruction to facilitate a safe schools task force, develop a common threat assessment tool and accompanying rubric, establish a support structure for the implementation of the tool throughout the state, establish a secure mechanism for collecting data results on the threat assessment, and assist school districts in the creation of safety plans at the local level, based on the deficiencies identified in the assessment.

SECTION 25. Of the moneys appropriated in Section 5 of this act, \$10,400,000 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) \$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 (3) 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 (3) 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.

SECTION 26. Of the moneys appropriated in Section 5 of this act, \$4,500,000 shall be used for the maintenance, operation, and licensing of the instructional management system that includes high quality digital learning resources and software linked to state and local curricula, model lesson plans, content and formative and summative assessments tied to rigorous college and career-ready standards, and safe and secure online knowledge sharing and collaboration systems.

SECTION 27. Of the moneys appropriated in Section 4 of this act, \$3,755,000 shall be used for professional development, training and assistance that promotes the implementation of Idaho core mathematical and English language arts standards including, but not limited to, the alignment of curriculum and instruction to such standards.

SECTION 28. Of the moneys appropriated in Section 4 of this act, \$150,000 shall be used for professional development and training that promotes the effective use of technology by students, staff and parents, the integration of technology into public school curricula and instructional methods, the development of plans at the school, district and statewide level for the improved use and integration of technology in learning, and the development and effective utilization of student data.

SECTION 29. It is legislative intent that the State Department of Education shall compile information concerning the numbers of students enrolling in dual credit courses according to the provisions of Section 33-1626, Idaho Code, whether coursework is successfully completed, and total expenditures for fiscal year 2014. As nearly as possible, the report shall contain information about enrollment of this student population in post-high school education. A report containing such information shall be posted on the website of the State Department of Education no later than December 31, 2014.

SECTION 30. It is legislative intent that the State Department of Education shall compile information concerning school district and charter school expenditures of funds pursuant to the safe school environment and student learning provisions of Section 33-1002(2)(l), Idaho Code, for fiscal year 2014 and post such information the department's website no later than December 31, 2014.

SECTION 31. DEDICATED FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Public Schools Educational Support Program the unexpended and unencumbered balance of Public School Income Fund moneys allocated pursuant to Section 33-1022(3)(c), Idaho Code, for fiscal year 2013, to be used for the same

purposes as originally authorized pursuant to Section 33-1022(3)(c), Idaho Code, for the period July 1, 2013, through June 30, 2014. This measure is taken to satisfy the matching requirements of the J.A. and Kathryn Albertson Foundation funding award to develop an instructional management system.

SECTION 32. The State Department of Education is hereby granted the authority to transfer appropriations between the Administrators, Teachers, Operations, Children's Programs, and Facilities Divisions of the Public Schools Educational Support Program budget, in any amount necessary, to comply with the public school funding provisions of appropriations and the Idaho Code.

**Unanimous Consent Request**

On request by Cameron, granted by unanimous consent, the legislative intent language 1 through 32, as shown above, was accepted.

**RS22352: FY 2013 Year end Transfer  
Surplus Eliminator**

**Presenter: Cathy Holland-Smith, Manage, Budget & Policy Analysis**

This proposed bill provides that any anticipated surplus in excess of \$20 million in the General Fund at the end of FY 2013 will be transferred into the Budget Stabilization.

The fiscal impact of this proposed legislation is to transfer any cash balance in the General Fund that is in excess of \$79,952,900 on June 30, 2013, to the Budget Stabilization fund. The cash balance of \$79,952,900 is to be used to cover FY 2014 appropriation bills, deficiency warrants and potential supplementals for next legislative session. Before any additional deposits are made as authorized by this proposed bill, the Stabilization Fund is estimated to have a \$49.7 million balance on June 30, 2013.

**Carried Original Motion**

Moved by Cameron, seconded by Bolz, to accept RS22352 and send to House 2nd reading with a do pass recommendation.

**Ayes: 20**

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

**Nays: 0**

**Ab/Ex: 0**

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.

**ADJOURNED**

Maxine Bell, Chairman

Kathryn Yost, Secretary