

IN THE SENATE

SENATE BILL NO. 1409

BY FINANCE COMMITTEE

AN ACT

1 APPROPRIATING MONEYS TO THE STATE TREASURER FOR FISCAL YEAR 2015; LIMITING  
2 THE NUMBER OF FULL-TIME EQUIVALENT POSITIONS; REAPPROPRIATING CERTAIN  
3 UNEXPENDED AND UNENCUMBERED BALANCES; PROVIDING GUIDANCE FOR EMPLOYEE  
4 COMPENSATION; PROVIDING LEGISLATIVE INTENT FOR THE USE OF CONFER-  
5 ENCE-RELATED ACTIVITIES; PROVIDING LEGISLATIVE INTENT FOR THE PAYMENT  
6 OF BANK SERVICE FEES; AND PROVIDING LEGISLATIVE INTENT REGARDING IN-  
7 VESTMENT ACTIVITIES.  
8

9 Be It Enacted by the Legislature of the State of Idaho:

10 SECTION 1. There is hereby appropriated to the State Treasurer, the  
11 following amounts to be expended for the designated expense classes, from  
12 the listed funds for the period July 1, 2014, through June 30, 2015:

|  | FOR            | FOR            |                |
|--|----------------|----------------|----------------|
|  | PERSONNEL      | OPERATING      |                |
|  | COSTS          | EXPENDITURES   | TOTAL          |
| 16 FROM:   |                |                |                |
| 17 General                                       |                |                |                |
| 18 Fund  | \$874,200      | \$508,600      | \$1,382,800    |
| 19 State Treasurer LGIP                          |                |                |                |
| 20 Fund  | 391,000        | 113,600        | 504,600        |
| 21 Treasurer's Office - Professional Services    |                |                |                |
| 22 Fund  | 391,100        | 341,100        | 732,200        |
| 23 Idaho Millennium Income                       |                |                |                |
| 24 Fund  |                | 80,000         | 80,000         |
| 25 Abandoned Property Trust - Unclaimed Property |                |                |                |
| 26 Fund  | <u>586,500</u> | <u>280,500</u> | <u>867,000</u> |
| 27 TOTAL   | \$2,242,800    | \$1,323,800    | \$3,566,600    |

28 SECTION 2. FTP AUTHORIZATION. In accordance with Section 67-3519,  
29 Idaho Code, the State Treasurer is authorized no more than twenty-six (26)  
30 full-time equivalent positions at any point during the period July 1, 2014,  
31 through June 30, 2015, unless specifically authorized by the Governor. The  
32 Joint Finance-Appropriations Committee will be notified promptly of any  
33 increased positions so authorized.

34 SECTION 3. STATE TREASURER LGIP FUND REAPPROPRIATION AUTHORITY. There  
35 is hereby reappropriated to the State Treasurer any unexpended and unencum-  
36 bered balances of moneys in the State Treasurer Local Government Investment

1 Pool Fund as appropriated for fiscal year 2014, to be used for nonrecurring  
2 expenditures, for the period July 1, 2014, through June 30, 2015.

3 SECTION 4. EMPLOYEE COMPENSATION. It is the intent of the Legislature,  
4 working cooperatively with the Governor's Office, the Division of Human Re-  
5 sources, and the Division of Financial Management, to progress toward the  
6 goal of funding a competitive salary and benefit package that will attract  
7 qualified applicants, retain employees committed to public service excel-  
8 lence, motivate employees to maintain high standards of productivity, and  
9 reward employees for outstanding performance by:

- 10 1) Adjusting the compensation schedule upwards by 1% to move the salary  
11 structure toward market; and
- 12 2) Continuing the job classifications that are currently on payline  
13 exception to address specific recruitment or retention issues; and
- 14 3) Funding an ongoing 1% salary increase for state employees, and funding  
15 the equivalent of a one-time 1% bonus for state employees, based upon  
16 employee merit, with flexibility in distribution as determined by  
17 the agency directors.

18 The Legislature also finds that investing in state employee compensa-  
19 tion should remain a high priority even in tough economic times, and there-  
20 fore strongly encourages agency directors, institution executives and the  
21 Division of Financial Management to approve the use of salary savings to pro-  
22 vide either one-time or ongoing merit increases for deserving employees and  
23 also to target employees who are below policy compensation. Such salary sav-  
24 ings could result from turnover and attrition, or be the result of innova-  
25 tion and reorganization efforts that create savings. Such savings should be  
26 reinvested in employees. Agencies are cautioned to use one-time funding for  
27 one-time payments and ongoing funding for permanent pay increases.

28 SECTION 5. CONFERENCE-RELATED ACTIVITIES. It is the intent of the Leg-  
29 islature that no more than \$10,000 from the General Fund, as appropriated in  
30 Section 1 of this act, shall be spent on various conference-related activ-  
31 ities, including sponsorships, in-kind donations, and information booths.  
32 No moneys appropriated in Section 1 of this act from dedicated funds shall  
33 be used for conference-related activities unless otherwise provided for in  
34 Idaho Code; provided however, that in no event shall more than a total of  
35 \$10,000 from any fund source or combination thereof be used for said confer-  
36 ence-related activities.

37 SECTION 6. PAYMENT OF BANK SERVICE FEES. Of the amount appropriated in  
38 Section 1 of this act, \$435,900 or so much thereof as is necessary, is to be  
39 used solely and only for the payment of bank service fees for the period July  
40 1, 2014, through June 30, 2015.

41 SECTION 7. INVESTMENT ACTIVITIES. Notwithstanding any other provision  
42 of state law, it is the intent of the Legislature that the State Treasurer's  
43 policies governing the investment and management of idle funds and other  
44 funds accepted for investment pursuant to Sections 67-1210 and 67-1210A,

1 Idaho Code, shall conform with the Idaho Uniform Prudent Investor Act, Chap-  
2 ter 5, Title 68, Idaho Code. Other than the security lending agreements in  
3 place upon the effective date of this act, the State Treasurer shall not in-  
4 vest state funds or any other funds in his hands by use of securities lending  
5 agreements and shall conduct an orderly program to terminate his use of secu-  
6 rities lending. The State Treasurer shall strengthen internal processes to  
7 prevent the override of controls and to segregate investment activities and  
8 decision-making to ensure the preservation of his fiduciary duty of undi-  
9 vided loyalty to both the state idle pool and the local government investment  
10 pool. This section shall not supersede any legislation regarding the State  
11 Treasurer's investment activities that may subsequently become law.