

# Sine Die Report

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## 2014 Session Summary

Legislative Services Office

April 2014

IDAHO LEGISLATURE

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

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

*Cover photo: Idaho State Capitol, by Director Jeff Youtz*



# 2014 Legislative Leadership

## Senate

Brent Hill, President Pro Tempore

Bart M. Davis, Majority Leader

Chuck Winder, Assistant Majority Leader

Russell Fulcher, Majority Caucus Chair

Michelle Stennett, Minority Leader

Elliot Werk, Assistant Minority Leader

Cherie Buckner-Webb, Minority Caucus Chair

## House of Representatives

Scott Bedke, Speaker of the House

Mike Moyle, Majority Leader

Brent Crane, Assistant Majority Leader

John Vander Woude, Majority Caucus Chair

John Rusche, Minority Leader

Grant Burgoyne, Assistant Minority Leader

Donna Pence, Minority Caucus Chair



## **2014 Committee Chairs Senate**

Steve Bair, Chair  
Agricultural Affairs

Patti Anne Lodge, Chair  
Judiciary and Rules

John Tippetts, Chair  
Commerce and Human Resources

Jeff Siddoway, Chair  
Local Government and Taxation

John Goedde, Chair  
Education

Monty Pearce, Chair  
Resources and Environment

Dean Cameron, Chair  
Finance

Curt McKenzie, Chair  
State Affairs

Lee Heider, Chair  
Health and Welfare

Bert Brackett, Chair  
Transportation

## **House of Representatives**

Ken Andrus, Chair  
Agricultural Affairs

Rich Wills, Chair  
Judiciary, Rules and Administration

Maxine Bell, Chair  
Appropriations

Lenore Hardy Barrett, Chair  
Local Government

Frank Henderson, Chair  
Business

Lawrence Denney, Chair  
Resources and Conservation

Stephen Hartgen, Chair  
Commerce and Human Resources

Gary Collins, Chair  
Revenue and Taxation

Reed DeMordaunt, Chair  
Education

Thomas Loertscher, Chair  
State Affairs

Dell Raybould, Chair  
Environment, Energy and Technology

Joe Palmer, Chair  
Transportation and Defense

Fred Wood, Chair  
Health and Welfare

Eric Anderson, Chair  
Ways and Means

# Introduction

The Second Regular Session of the 62nd Idaho Legislature began on January 6, 2014, with a renewed sense of optimism about Idaho's economic situation, and a general sense of commitment that the positive economic news would enable the Idaho Legislature to make critical improvements to public education, based upon the twenty recommendations of a key interim working group, the Task Force for Improving Education. This commitment to making some positive changes to public education emerged as this session's highest priority, and likely will be the focus of future sessions in striving to implement more of the Task Force recommendations over time.

Another key policy area addressed by the Idaho Legislature was criminal justice reform and, like education, was the result of some important interim work by the Criminal Justice Reinvestment Interim Committee and the Justice Reinvestment Working Group, a partnership with the Council of State Governments. The Legislature adopted a package of criminal justice measures to take a reasoned, data-driven approach to reduce Idaho's high incarceration and recidivism rates in our correctional system, improve public safety and ultimately reduce costs on corrections.

Although this was the shortest session in a decade, Idaho legislators were still challenged by the typical number of far-ranging issues, large and small, that landed on their desks in the course of representing their constituents across the state. Typically, about 1,000 pieces of legislation are drafted each year by legislators to address issues affecting Idaho citizens. Ultimately only about one-third of these drafts or "RSs" make it through a very tough committee system and floor gauntlet to become law. These public policy issues touched on everything from concealed weapons permits, to tax incentives for job creation, restoring Medicaid dental coverage, wolf control funding, high school Wi-Fi contract and finance issues, state employee and teacher pay increases, endowment land exchanges, legislative oversight of administrative rules, and a large investment in aquifer recharge and water supply, to name just a few.

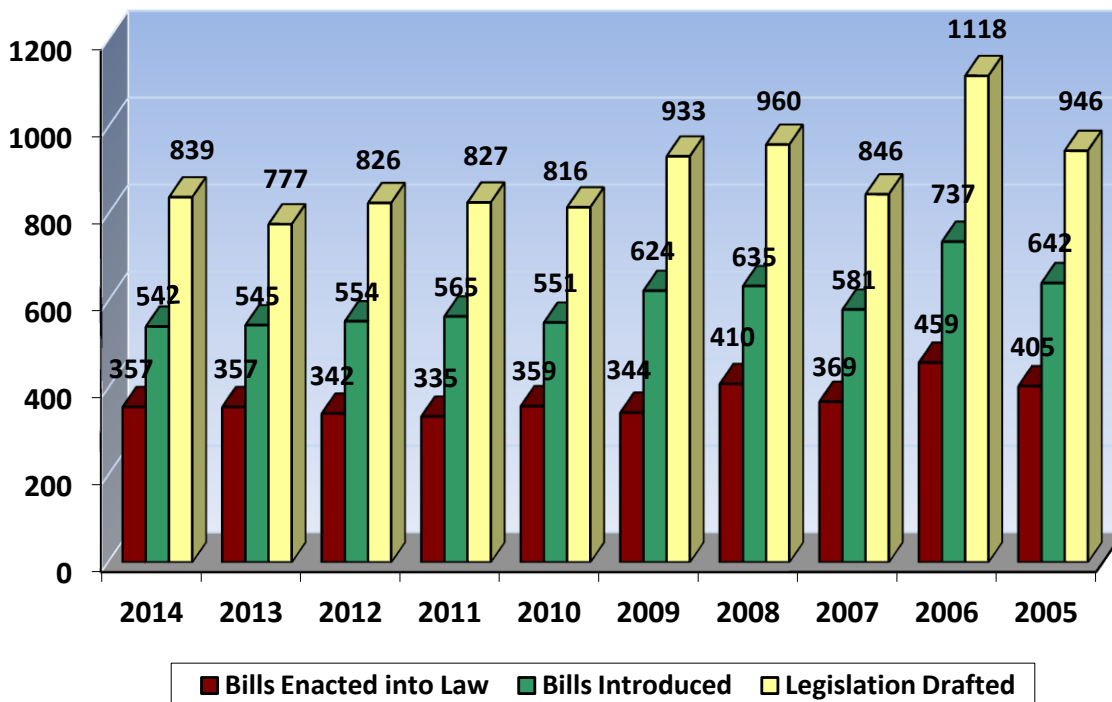
In the budget process, the economic forecasts of the executive branch, which were supported by the Legislature's Economic Outlook and Revenue Assessment Committee, estimated a growth rate in revenues of 6.4% for FY 2015 over FY 2014's estimate of 2.1%. This represents the fourth straight year of revenue growth, a welcome trend, and a budget scenario that allowed JFAC to produce General Fund appropriations that reflect an overall spending increase of 5.6%. Public schools received a 5.1% increase, higher education received a 6.6% increase, Medicaid received a 3.1% increase, and the Department of Correction received an 11.0% increase.

JFAC also funded the recommendations of the Legislature's joint CEC Committee, which recommended an overall 2.0% increase for state employees: 1.0% for ongoing increases and 1.0% for one-time increases, both of which would be based on merit. JFAC also funded an overall 3.8% increase available for teacher compensation (1.0% across-the-board; an additional 1.4% increase in the minimum salary level, and \$15.8 million for teacher leadership increases). In addition, Supreme Court Judges received a 10.7% increase, District Judges received an 8.5% increase, and four-year elected officials received a 6.0% increase spread over four years at 1.5% per year, except that the Attorney General received a fixed 15.8% increase, and the Lieutenant Governor a fixed 19.6% increase.

## **Volume of Legislation and Length of Session**

During the 2014 legislative session, 839 proposed pieces of legislation were prepared for legislative committees and individual legislators. From that initial group of draft proposals, 542 bills were actually introduced, along with another 66 resolutions, memorials and proclamations. By the end of the session, 357 bills had been passed. After final legislative action and following the Governor's review, 357 introduced bills became law, with the majority of the new laws to become effective July 1, 2014. The Governor line item vetoed a portion of **\$ 1430** regarding executive office salaries.

**From Drafting to Enactment  
10-Year Comparison**



## **Length of Session**

When the Legislature adjourned sine die on March 20th, it had been in session for 74 days. The 2014 legislative session, the shortest since 2004, was fourteen days shorter than the previous session.

### **Length of Recent Sessions (Days)**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
74	88	81	88	78	117	87	82	93	87

# Rules Review

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At the beginning of each legislative session, the Legislature takes up the important task of reviewing all pending, pending fee and temporary rules that have been promulgated by state agencies. The Legislature can prevent pending rules from going into effect, as well as prevent final rules from remaining in effect, by rejecting them. Pending fee rules go into effect only if the Legislature approves them. Temporary rules expire at the end of the legislative session unless approved by the Legislature.

During the 2014 legislative session, the Senate and the House of Representatives were each asked to review 173 individual rulemaking dockets, totaling 1,633 pages. This figure is down from the 188 dockets reviewed during the 2013 legislative session, and down from the 200 dockets reviewed during the 2012 legislative session.

Ten of the 156 pending rule dockets reviewed were rejected entirely or in part:

1. An entire rulemaking docket of the Idaho State Board of Pharmacy relating to Rules of the Idaho State Board of Pharmacy (HCR 42);
2. Parts of an Idaho Transportation Department docket relating to Rules Governing Safety Rest Areas (HCR 44);
3. Parts of a Department of Administration docket relating to Rules Governing Use of the State Capitol Exterior (HCR 47);
4. Parts of a Department of Administration docket relating to Rules Governing Use of the Exterior of State Property in the Capitol Mall and Other State Facilities (HCR 48);
5. Parts of a State Board of and State Department of Education docket relating to Rules Governing Thoroughness (HCR 54);
6. Part of a State Board of and State Department of Education docket relating to Rules Governing Uniformity (HCR 55);
7. Part of a State Tax Commission docket relating to Property Tax Administrative Rules (HCR 61);
8. An entire rulemaking docket of the Outfitters and Guides Licensing Board relating to Rules of the Outfitters and Guides Licensing Board (SCR 133);
9. An entire rulemaking docket of the Department of Agriculture relating to Rules Governing Noxious Weed Free Gravel and Rock Products (SCR 136); and
10. An entire rulemaking docket of the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors relating to Rules of Procedure (SCR 138).

Three final rules were rejected in part:

1. Part of an Idaho Transportation Department final rule relating to Rules Governing Safety Rest Areas (HCR 44);
2. Parts of a Department of Administration final rule relating to Rules Governing Use of the State Capitol Exterior (HCR 47); and
3. Parts of a Department of Administration final rule relating to Rules Governing Use of the Exterior of State Property in the Capitol Mall and Other State Facilities (HCR 48).

All fifteen of the pending fee rule dockets were approved (SCR 147), and both of the two temporary rule dockets were approved (SCR 148).



# 2014 Legislative Action on Major Issues

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## Agriculture

**H 424** - Provides that an election for the office of irrigation district director is not required when the district's secretary verifies that there is either only one qualified candidate for the office of director, in which case the qualified candidate is declared elected, or that there is no qualified candidate for the office, in which case the incumbent director's term continues until a successor is elected and qualified.

**H 431** - Requires all brain tissue samples from no less than 10% of all domestic cervidae sixteen months of age or older that die or are harvested on farms or ranches be tested for chronic wasting disease (CWD); 100% of tissue may still be submitted for testing to maintain export status in accordance with the national CWD Herd Certification Program. It also requires inventory and facility inspection at least every five years and imposes import, export and transfer fees.



**S 1266** - Provides an exemption for honey producers who bring hives into the state for indoor winter storage prior to moving to another state for pollination or honey production from designated fees, but does require registration.

**S 1267** - Provides that moneys in the Equine Education Account shall be used by the University of Idaho Social Science Research

Unit to update the Idaho horse census survey and may also be expended on education or research projects as agreed upon by the Idaho Horse Council.

**S 1268** - Requires that all non-virgin beef bulls not consigned to slaughter or to an approved feedlot within the state of Idaho shall be tested annually for trichomoniasis.

**S 1275** - Directs the establishment and administration of an incentive grant program for instructors of agricultural and natural resource education programs offered in grades 9 through 12 and establishes the Agricultural and Natural Resource Education Program Start-Up Grant Fund.

**S 1280** - Requires each irrigation district director to meet the director qualification requirements during their term of office and to notify other directors if circumstances change so that they no longer meet the requirements, and authorizes directors to determine whether a vacancy has occurred and to fill the vacancy.

**S 1337** - Identifies conduct that constitutes the crime of interference with agricultural production, including obtaining employment with an agricultural production facility by force, threat or misrepresentation with the intent to cause economic or other injury to the facility's operation, and provides for penalties.

**S 1338** - Consolidates provisions relating to standards for dairy product sanitary conditions, quality, identity, classification and grade.

**S 1376** - Authorizes the Idaho Department of Agriculture, through the Dairy Environmental Control Act, to regulate dairy farms to ensure that dairy waste systems are constructed, operated and maintained in a manner that protects the natural resources of the state, including surface water and

ground water.

**S 1392** - Provides that when there is a declared failure of a seed buyer or warehouse, the Department of Agriculture shall prepare and provide to the Seed Indemnity Fund Advisory Committee or the Commodity Indemnity Fund Advisory Committee, depending upon the type of failure, a staff report and recommendation as to the validity and amount of each claim, and also make available for committee review any documentation upon which the department relied in preparing the same, and specifies that thereafter the committee shall provide the director with its written comments regarding the report and recommendations.

## **Business and Economic Development**

**H 498** - Continues the Film and Television Production Business Rebate Fund, a program to grow the media production industry in Idaho. The Department of Commerce will utilize the program as an economic stimulus and to develop a media industry workforce by providing a post-production rebate on specific Idaho expenditures on qualified media production projects. This legislation will sunset in 2020, at which time economic impact reports will be completed.

**H 515** - Sets requirements and limitations for beer tasting events on premises not licensed for the sale of beer by the individual glass or opened bottle; provides the limitation for a sample size of beer and requires a specific area that the tasting sponsor can observe and ensure that no minors or intoxicated persons are served. This is similar to an existing law on wine tasting.

**S 1314** - Provides that a payday lender shall not make more than two electronic representations of a borrower's check; provides that a payday loan shall not exceed 25% of a borrower's gross monthly income; provides that a lender shall obtain infor-

mation on a borrower's gross monthly income; provides for extended payment plans and the provisions for extended payment plans; and provides for written disclosures to a borrower before funds are disbursed.

**S 1316** - Authorizes a private, nonpublic employer to give preference in the hiring and promotion of employees to veterans, to a widow or widower of any veteran, as long as he or she remains unmarried, and to the spouse of a service-connected disabled veteran if the veteran cannot qualify for any public employment because of a service-connected disability.

**S 1335** - Authorizes manufacturers of distilled spirits to offer sample tastings on their premises upon certain conditions.

**S 1354aa** - Provides that it is unlawful to make bad faith assertions of patent infringement, provides provisions relating to personal jurisdiction, provides a private cause of action, remedies and damages and a limitation of action, establishes provisions relating to bond and provides exemptions.

## **Criminal Justice**

**H 434** - Increases the maximum penalty amount for an infraction from \$100 to \$300 and restores the Legislature's authority to set infraction penalties, except where discretionary sentencing is specifically given to the courts.

**H 459** - Establishes additional provisions relating to forcible sexual penetration by use of a foreign object where the victim is at the time unconscious of the nature of the act because the victim was unconscious or asleep, or was not aware, knowing, perceiving or cognizant that the act occurred.

**H 461** - Creates a voluntary, offender-pay 24/7 Sobriety and Drug Monitoring Program to be administered by the Attorney General. Each county may opt in to the statewide

program through its local law enforcement agency. Offenders who have committed crimes with a nexus to drug or alcohol abuse may participate in the program. Offenders required to abstain from alcohol or dangerous drugs will appear for regular alcohol or dangerous drug testing and, if the offender fails the test or does not appear for testing, he or she will be subject to immediate sanctions.



**H 542** - Establishes a State Public Defense Commission, outlines the powers and duties of the commission, sets the parameters for the establishment of public defense in Idaho counties and revises Idaho Code provisions relating to compensation, appointment and qualifications of public defenders.

**H 563** - Amends existing law relating to the crime of video voyeurism to address the intentional or reckless dissemination, publication or sale of images of the intimate areas of a person without his or her consent and where it was reasonably understood that the parties agreed the images should remain private.

**S 1254** - Revises the preemption of firearms regulation on university and college campuses for certain licensed persons, creates penalties for carrying concealed weapons under the influence of alcohol or drugs on a university or college campus and provides civil immunity for universities and colleges that allow the lawful possession and storage of firearms on their campuses.

**S 1332** - Provides civil and criminal penalties for any official, agent or employee of

the state of Idaho or of a political subdivision of the state who knowingly and willfully orders an official, agent or employee of the state of Idaho or of a political subdivision of the state to enforce any executive order, agency order, law, rule or regulation of the United States government upon a personal firearm, a firearm accessory or ammunition.

**S 1351** - Provides criminal penalties for any person who commits battery against a health care worker when the health care worker is in the course of performing his or her duties or because of the health care worker's professional or employment status.

**S 1357** - Idaho's data-driven justice reinvestment approach revises probation and parole supervision and diversion programs, structures parole to prioritize prison space for the most violent or greatest risk offenders and to focus resources in the community on reducing recidivism and requires periodic program evaluations and risk assessment validations. The bill seeks to address three challenges facing Idaho's criminal justice system: a revolving door of recidivism from supervision and diversion programs, use of prison space and oversight of recidivism-reduction investments.

**S 1374aa** - Allows inmate labor to work for private employers in the production, harvesting and processing of perishable Idaho agricultural food products.

**S 1393** - Establishes the Special Committee on Criminal Justice Reinvestment Oversight, whose duties include monitoring performance and outcome measures set forth in the Justice Reinvestment Act and studying the data-driven justice reinvestment and resource allocation approach and policies to improve public safety, reduce recidivism and reduce spending on corrections in Idaho. The committee will cease to exist following its report to the Legislature in 2019.

## Education

**H 504** - This bill implements a component of a recommendation from the 2013 Task Force for Improving Education. The bill provides for leadership premium payments to public school educators who serve in a leadership role. The bill provides schools with the resources to recognize and reward teachers who take on these additional responsibilities.



**H 521** - This is another bill implementing recommendations of the 2013 Task Force for Improving Education. This bill directs that school districts and public charter schools develop and implement strategic plans that focus on improving student performance, and also directs that professional development funding be provided to local school boards, superintendents, and boards of directors and administrators of public charter schools in the content areas of strategic planning, governance, finance, ethics and/or superintendent/administrator evaluation. Moneys are to be distributed to districts and public charter schools on a reimbursement basis upon completion of training.

**H 550 & H 650** - Appropriates money from the General Fund to the Department of Administration to pay the federal share of the telecommunications tax (E-rate funds) due to private vendors for broadband services rendered to Idaho's school districts for the Idaho Education Network. H 550 will provide \$6,600,000 through the end of the current school year (through June 30, 2014) to keep the broadband connectivity live for the districts and students who rely on the Idaho Education Network. These funds were ap-

propriated because the federal contractor is currently withholding payment of Idaho's share of the E-rate funds while it conducts an independent verification of the validity of an amendment made to the original Idaho Education Network contract. Additionally, H 650 provides \$4,800,000 for IEN services that will be provided July 1, 2014 through February 28, 2015. Additional consideration for the remainder of FY 2015 funding will be made during the 2015 legislative session.

**H 577** - This bill places the public schools Math Initiative in statute. The Math Initiative has existed continuously since FY 2008 but only through the annual intent language in the public schools appropriation bill. Since FY 2008, the Math Initiative has provided meaningful professional development that has helped improve the teaching of math in classrooms across Idaho. This bill helps ensure that the Math Initiative will continue into the future.

**S 1233aa** - Clarifies which students may be eligible for the Mastery Advancement Scholarship and also clarifies that students seeking professional certificates may be eligible to participate in advanced opportunity programs. The bill also establishes a new program whereby \$200 will be available for high school juniors and \$400 for high school seniors for dual credit and professional technical certifications.

**S 1264** - The Executive Director of the State Board of Education serves as the secretary for the Public Charter School Commission. This bill allows the Executive Director to delegate certain of his duties in regard to the Public Charter School Commission and will help address potential conflicts of interest that arise when the State Board must hear appeals from schools authorized by the Charter School Commission.

**S 1275** - The bill establishes two new grant programs to strengthen agricultural and natural resource education in Idaho public schools. One grant program provides incen-



tive grants for instructors of agricultural and natural resource education programs offered in any grade 9 through 12, where a program meets or exceeds program quality standards established by the board of professional-technical education. The other grant program provides start-up grants for school districts and public charter schools to begin or to re-establish agricultural and natural resource education programs in grades 9 through 12.

**S 1327** - Authorizes schools to voluntarily maintain a supply of epinephrine auto-injectors for the treatment of students who experience life-threatening allergic reactions. The bill also provides protection from civil liability for schools and school staff when administering an epinephrine auto-injector in good faith.

**S 1372aa** - This bill provides that Idaho public school student information will be safeguarded and kept secure. While student information is critical in helping teachers assist students in successfully graduating from high school and being ready to enter the workforce or postsecondary education, it is also critically important to ensure that student information is protected and kept private and used only by appropriate educational authorities and for appropriate purposes. The bill establishes procedures for sharing information and requires reporting to the Legislature. The bill also directs that the State Board of Education develop a model data protection policy for districts and requires that districts develop and implement data security policies.

**S 1377** - This bill clarifies that the adoption of school curriculum is the responsibility of local school boards of trustees. The bill also clarifies that the curriculum adopted must be consistent with Idaho content standards adopted by the State Board of Education.

## General Government

**H 378** - Provides that March 4 shall be Idaho Day, to celebrate the rich history, cultural diversity, unique beauty, and boundless resources of the State of Idaho.



**H 540** - Removes language relating to a statement that a pending rule may be amended or modified by concurrent resolution and to remove language relating to when the Legislature amends or modifies a pending rule; removes language relating to rules amended or modified by concurrent resolution; removes language relating to amending or modifying an agency rule; and removes language relating to rules that may be extended in whole or in part and to remove language relating to the application of law.

**H 545** - Amends existing law to revise provisions relating to the International Residential Code and the International Energy Conservation Code to provide procedures and correct building code references.

**H 570** - Adds to existing law to provide that administrative rules that expire on July 1, 2014, will continue to be effective until July 1, 2015, to provide that administrative rules approved or extended by the adoption of a concurrent resolution shall be effective until July 1, 2015, or until such time as they expire, to provide that rules rejected by concurrent resolution shall be null, void and of no force and effect and to authorize agencies to amend or repeal certain rules pursuant to the Administrative Procedure Act.

**HCR 40** - Authorizes the Legislative Council to appoint an interim study committee to complete a study of approaches to public defense reform in Idaho, including funding issues, municipalities' participation in and potential financial contributions to the public defense system and effective enforcement mechanisms to ensure compliance with public defense system standards and requirements.

**HJR 2** - Proposes an amendment to the Constitution of the State of Idaho by the addition of a New Section 29, Article III of the Constitution of the State of Idaho, to empower the Legislature to delegate rule-making authority to executive agencies and to approve or reject the administrative rules.

**S 1333** - Specifies that in work involving the expenditure of federal aid funds, specified law shall not be enforced in such a manner as to conflict with or be contrary to the federal statutes prescribing a labor preference to honorably discharged members of the United States armed forces, including airmen.

**S 1350** - Creates the State Treasurer In-

vestment Advisory Board, to provide for board member appointment and removal, board vacancies, quorum and meetings, and board member compensation, to provide for the recommendation of types of investments, to provide for audits and reports; to remove securities lending agreements as an allowable investment of the State Treasurer; and to provide the State Treasurer's ability to continue investment of state funds or any other funds in his hands under securities lending agreements in place and to provide for reports.

**S 1369** - Revises provisions relating to an action against county officials, county commissioners or auditors, to provide for duties of the Attorney General relating to preliminary investigations and actions against county officers occupying an elective office; and to provide a certain exception relating to the primary responsibility for enforcing penal laws.

**S 1370aa,aa,aa** - Adds requirements relating to designating a qualified substitute when a legislator is temporarily unable to perform the duties of office.

**S 1394** - Amends and repeals existing law to increase a certain annual salary amount received by the Chief Justice of the Supreme Court; to increase a certain annual salary amount received by Administrative Judges; to remove provisions relating to the salaries of judges of the Court of Appeals; to provide a certain annual salary amount received by the Chief Judge of the Court of Appeals; to revise provisions and to establish additional provisions relating to salaries of judges.

**S 1395aaH** - Revises the salaries of state elected officials for the years 2015 through 2019. Beginning in 2015, it also ties the Attorney General's annual salary to the same level as state district judges. The salary for the Governor, Secretary of State, State Treasurer and the Superintendent of Public Instruction will increase by 1.5% for

each of the next four calendar years. In addition, in 2015 the salary for the Lt. Governor will increase from 25% to 35% of the Governor's current salary and in subsequent years increase by 1.5%.

**SCR 132** - Honors Judge Edward Lodge for fifty years of judicial service in the State of Idaho.

**SCR 143** - Honors four Idaho servicemen who fought and lost their lives in Afghanistan within the past year.

## Health and Human Services



**H 395** - Provides dental services for adult participants with disabilities or special health needs.

**H 396** - Provides that prescribers of controlled substances shall register for online access to the Controlled Substances Prescriptions Database.

**H 475** - Provides that shoppers on the exchange may comparison shop and provides certain information only upon submission of an application and provides for a warning regarding a submission of estimated income.

**H 476** - Revises provisions relating to home-based and community-based services for persons with developmental disabilities.

**H 519** - Provides for the use of restraints

for a mentally ill patient during transport, against the medical advice of a licensed physician.

**H 565aaS** - Requires that the Department of Health and Welfare or its authorized agent issue SNAP or food stamp benefits over the course of not less than ten consecutive days within a month.

**H 601** - Revises the definition of "reimbursement rate" for medical charges by removing a sunset provision and providing for a permanent rate of 95% of the unadjusted Medicaid rate.

**HCR 46** - Stating findings of the Legislature and directing the Department of Health and Welfare to convene a council to coordinate and develop a comprehensive set of standards, policies, rules and procedures for the use of tele-health and tele-medicine in Idaho.

**HCR 49** - Instructs the Department of Health and Welfare to investigate the creation of a hospital discharge database and a comprehensive system of healthcare data and to establish an advisory committee to create an implementation plan for such data.

**HJM 6** - Stating findings of the Legislature and urging the Secretary of the United States Department of Health and Human Services to suspend the imposition of the PPACA taxes on the healthcare industry and to conduct a national review of the impact of these taxes until such time as a clear understanding of their impact can be determined.

**HJM 7** - Stating findings of the Legislature and opposing the adoption of any numeric water quality standard for irrigation under the Food Safety Modernization Act and urging the Commissioner of the Food and Drug Administration to suspend the imposition of rules to implement the Food Safety Modernization Act and to conduct a national re-

view of the impact of all current and future FSMA rules until such time as a clear understanding of their impact can be determined.

**S 1224aa** - Repeals, amends and adds to existing law to make changes to the Behavioral Health System of Care in Idaho by integrating Regional Advisory Committees and Regional Mental Health Boards.

**S 1242** - Adds to existing law to provide health reimbursement arrangements for state employees.

**S 1288aa** - Revises a provision relating to discipline in another jurisdiction and provides that sexual misconduct or sexual exploitation with a patient may be grounds for discipline.

**S 1295** - Repeals existing law relating to the sunset provision of the Idaho Childhood Immunization Policy Commission.

**S 1329aa** - Adds to and amends existing law to create a Time Sensitive Emergency (TSE) System within the Department of Health and Welfare; redesignates the Trauma Registry as the TSE Registry.

**S 1352** - Establishes Behavioral Health Community Crisis Centers and provides for governance, evaluation and funding for the crisis centers.



**S 1355aaH** - Provides that standards for medical care established by the federal

government under the Affordable Care Act do not establish the standard of medical care in Idaho.

**S 1362** - Establishes a loan repayment program for physicians, psychologists and mid-level practitioners at State Hospital North and State Hospital South.

**SJM 105** - Calls upon the President, the Secretary of Agriculture and Congress to give Idaho the flexibility to have control over foods authorized for purchase with Supplemental Nutritional Assistance Program (SNAP) benefits and to encourage healthy eating and lifestyle choices.

## Natural Resources

**H 398** - Authorizes the Fish and Game Commission to order a discount in fees to encourage the purchase of licenses in consecutive years and to encourage the purchase of multiple tags and permits.

**H 399** - Lowers the age to hunt big game from twelve to ten years of age provided the child is accompanied in the field by an adult licensed to hunt in Idaho and clarifies that those with nonresident three-year hunting licenses may fish for three consecutive days in each license year during an open season for those fish, excluding steelhead trout and anadromous salmon.

**H 406** - Authorizes the Department of Environmental Quality to pursue approval of a state National Pollution Discharge Elimination System (NPDES) program wherein the state would have primacy over the state program, administer the program and have enforcement authority for permits associated with the program.

**H 410** - Revises the definition of "injection well" to clarify the authority of the Department of Water Resources to regulate underground oil and gas production wells that are converted to injection wells and used



for the injection of waste fluids.

**H 412** - Broadens qualification requirements for the Director of the Idaho Department of Water Resources to allow for the appointment of a licensed civil or agricultural engineer, a registered geologist or a hydrologist.



*Frank Church Wilderness of No Return*

**H 430** - Designates the week prior to the Memorial Day weekend as "Idaho Noxious and Invasive Weed Awareness Week" to educate Idaho's citizens about the serious impacts of noxious and invasive plants and their direct impacts on Idaho's economy, waters, lands and agriculture.

**H 467** - Authorizes the Fish and Game Commission to issue additional controlled hunt permits for bear and turkey and provides that bear and turkey are subject to special depredation hunts.

**H 470aaS** - Establishes the Idaho Wolf Depredation Control Board in the Office of the Governor, the Wolf Control Fund and the Wolf Control Secondary Fund and provides for the collection and deposit of assessments by the Idaho State Brand Inspector and the Idaho Sheep and Goat Health Board, and the transfer of moneys from the Fish and Game Fund, to be used for control action of wolves.

**H 536** - Requires the State Board of Land Commissioners, prior to the exchange of

any state endowment lands, to have an appraisal and review appraisal conducted and performed by appraisers with specified qualifications on the lands intended to be exchanged and also to require annual reports to the Legislature.

**H 597** - Exempts private landowners and their employees who provide facilities or services upon their own privately owned property from licensure as an outfitter or guide, but allows for voluntary licensure, and requires licensure of persons who obtain permission to outfit or guide on private property unless the terms of a written agreement with the property owner do not require licensure.

**HCR 58** - Authorizes the Legislative Council to appoint a committee to study endowment asset issues of importance to the State of Idaho.

**HCR 62** - Requests the State of Idaho, by and through the Governor and the Attorney General, to pursue negotiations with the United States and the Coeur d'Alene Tribe of the Coeur d'Alene Indian Reservation to resolve the nature and extent of the reserved water right claims of the Coeur d'Alene Tribe.

**HJM 10** - Urges the U.S. Department of State to support specified interests of the State of Idaho in negotiations with Canada regarding modifications to or future implementation of the Columbia River Treaty.

**S 1274aa** - Prohibits the grossly negligent operation of motorized vessels on the waters of the State of Idaho and specifies penalty provisions.

**S 1276** - Includes nonprofit organizations that assist veterans and have qualified under section 501(c)(4) of the Internal Revenue Code, such as chapters of Disabled American Veterans, as "qualified organizations," allowing them to apply for free big game tags issued to disabled military veter-

ans as prescribed by rules of the Fish and Game Commission.

**S 1277aa** - Provides that the State Board of Land Commissioners may exchange state lands for lands of equal value, public or private, except for lands that have as their primary value buildings or other structures unless they are continually used by a public entity for a public purpose, and provides that "cottage sites" may be exchanged for lands of equal value, public or private.

**S 1278** - Revises provisions relating to Nonresident Disabled American Veteran Licenses to allow license holders to hunt game animals, game birds, unprotected and predatory wildlife, to purchase game tags and to fish in the waters of the state for a period of three consecutive days for any fish during open season for those fish, excluding steelhead trout and anadromous salmon.

**S 1344** - Clarifies and further authorizes flood control districts to conduct activities and operations for the prevention of flood-water and sediment damage, and the conservation, development, utilization and disposal of water and provides that a flood control district's conduct of a "flood fight" shall not require prior local government approval, provided approval is obtained within a reasonable time after the imminent flooding event has ended.

**S 1346aa** - Authorizes the Park and Recreation Board, in its discretion, to extend or renew an existing lease of a float home moorage site for a period of up to thirty years.

## Taxation

**H 375** - For income tax purposes, the bill clarifies that a marriage must be valid and recognized under the Idaho Constitution, updates references to the Internal Revenue Code and conforms Idaho income tax law to changes made to the Internal Revenue

Code that affect tax years beginning with 2013.

**H 381** - Ensures that the option to donate to the Veterans Support Fund will be available on all Idaho Individual Income Tax forms and all electronic filing options.



**H 383** - In 2013, H 315 amended the statute which defines "taxable value" in determining levy rates of all taxing districts that levy property taxes. Due to that 2013 change, taxing districts would not receive all that they had requested relating to property taxes. This bill revises the provision from 2013 so that taxing districts will receive the appropriate revenue stemming from property tax levies.

**H 384** - Provides that a member of a federally recognized Indian tribe who resides on an Idaho Indian reservation may exclude from Idaho taxable income, any income earned by the taxpayer on that reservation. This bill adopts the intent of HCR 32 which was passed during the 2013 Legislative session.

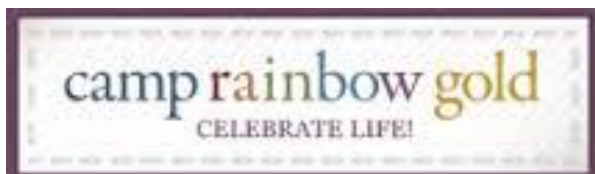
**H 440** - Provides guidance to both the Idaho Tax Commission and electric utility companies which are rate regulated in determining the market value of certain operating property of those electric utility companies. This bill is designed to reduce the potential for recurring litigation.

**H 441aaS** - This bill addresses issues

stemming from the passage last year of H 513 which dealt with exemptions from the personal property tax. The bill clarifies definitions and provides that taxpayers with personal property value less than \$100,000 need only apply for the exemption once as long as certain conditions are met. The bill also clarifies the process of distributing personal property tax replacement money to local units of government.

**H 530** - Provides an exemption from the use tax for taxpayers who donate food and beverages to individuals and nonprofit organizations. Similar legislation was passed by the Idaho Legislature in 2012 and 2013 with respect to food and beverage tastings. Many commodity producers donate food and beverages to neighbors and nonprofit organizations. These donations are subject to a 6% use tax, according to current Idaho tax law. This bill provides for an exemption from that 6% use tax.

**H 531** - Camp Rainbow Gold is a cancer camp in Idaho which serves children with cancer and the families of children with cancer. The American Cancer Society operated Camp Rainbow Gold for approximately 30 years. Recently, the American Cancer Society divested itself of all cancer camps across the country to focus more specifically on cancer research. Since 1984, the American Cancer Society has been exempt from Idaho Sales Tax and Camp Rainbow Gold has been exempt from the sales tax under the American Cancer Society umbrella. Now that Camp Rainbow Gold is its own organization, it is no longer exempt. This legislation preserves the status quo by providing Camp Rainbow Gold the same exemption it has had over the past 30 years under the American Cancer Society.



**H 546aaS** - Provides a new performance-based economic development tool that issues a tax credit up to 30% for up to 15 years on corporate income tax, sales tax and payroll taxes. The tax credit would be available to both existing and new companies seeking expansion in Idaho. The tax credit and percentages would be based upon the quality of jobs created, the regional economic impact and return on investment for Idaho.

**H 547** - Revises the distribution of cigarette tax revenue to provide for fixed amounts distributed annually to the Public School Income Fund (\$3,315,000) and the County Juvenile Probation Fund (\$3,315,000). Fixed annual distributions are established for the Permanent Building Fund (\$5 million), the Central Cancer Registry Fund (\$120,000) and the Cancer Control Fund (\$300,000). Also, moneys will be distributed annually to the GARVEE Debt Service Fund to pay off GARVEE bonds (up to \$4.7 million each year). In addition, up to \$5 million will be distributed annually for aquifer stabilization efforts. Any remaining moneys will go to the State Highway Account to pay for highway maintenance.

**H 584** - Provides that active duty service members who are deployed outside of Idaho can maintain their homeowner's exemption, even if they are not necessarily deployed to a combat zone.

**H 595aaS** - Increases the annual allowable contribution to medical savings accounts to \$10,000 per person for state income tax.

**H 598** - Provides that subscriptions, licenses or similar arrangements governing the use of computer software are not subject to Idaho sales or use tax unless some tangible form of the software is delivered to the user. This includes remotely accessed computer software, commonly known as software offered over the "cloud."

**S 1213** - In Idaho, oil and natural gas wells are always considered exempt from personal property taxes. This bill simplifies things by eliminating the need to apply for the personal property tax exemption.

**S 1236** - Authorizes county treasurers to transmit property tax notices electronically at the taxpayer's request.

**S 1301** - Shields or protects "innocent spouses" from tax liability arising from an understatement of income attributable to the other spouse who has filed a joint tax return with the innocent spouse. To qualify for innocent spouse protection, a spouse must be separated or divorced from the taxable spouse, prove that he or she received no benefit from the unreported income, and that it would be inequitable to hold the innocent spouse liable for the tax.

## Transportation

**S 1265aa** - Recognizes that public airports are essential community facilities and are included in the planning duties of a planning and zoning commission. Requires that managers of local airports be notified of any

intent to amend a zoning plan; that a study of aviation hazards may be required for a special use permit; and that notice and hearing be provided in transfer of development rights and consideration of variance permits, expressly to avoid aviation hazards.



**S 1283aa** - Revises provisions relating to public and private rights-of-way as part of a platted subdivision.

**S1284aa,aa** – Allows increased speed limits if certain circumstances occur with the maximum speed limit on certain interstate highways not to exceed 80 miles per hour.

## **Interim Committees**

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Those larger issues that could not be addressed in a 74-day session, and would require more study, prompted a busy interim committee schedule for legislators and staff for the 2014 interim. There are five current study committees on energy, federal lands, health care, natural resources and public defense reform. There are two new committees: a criminal justice reinvestment oversight committee, and a committee to study endowment asset issues.

### **New Committees:**

**Criminal Justice Reinvestment Oversight Committee:** Authorized by S 1393 in the 2014 session to monitor performance and outcome measures as set forth in the Justice Reinvestment Act and study the data-driven justice reinvestment and resource allocation approach and policies to improve public safety, reduce recidivism and reduce spending on corrections in Idaho. This committee will sunset after five years.

**Endowment Asset Issues Interim Committee:** Authorized by HCR 58 in the 2014 session to study endowment asset issues of importance to the state of Idaho.

### **Ongoing Committees:**

**Energy Environment and Technology Interim Committee:** Authorized by SCR 127 in the 2013 session to monitor energy, environment and technology issues.

**Federal Lands Interim Committee:** Authorized by HCR 21 in the 2013 session to study the issues relating to the management of and title to certain federal lands within the state of Idaho.

**Health Care Task Force:** Initially created in 1999 by the Pro Tem and Speaker to address unprecedented increases in health insurance premiums, this committee now studies a wide range of health care issues impacting the state of Idaho.

**Natural Resources Interim Committee:** Authorized by HCR 31 in the 2013 session to study natural resource issues.

**Public Defense Reform Interim Committee:** This ongoing committee began in 2013 (HCR 26), and was reauthorized in 2014 (HCR 40). This committee is tasked with studying how to reform the state's public defender system, including the creation, funding and implementation of a public defense commission and requirements for county office operations and a statewide association.

## **Legislation Vetoed by the Governor**

Line item veto of Senate Bill 1430, Section 1 as follows:

SECTION 1. In addition to the appropriation made in Section 1 of House Bill No. 626, as enacted by the Second Regular Session of the Sixty-second Idaho Legislature, there is hereby appropriated to the Executive Office of the Governor ~~\$1,800 from the General Fund to be expended for personnel costs~~ for the period July 1, 2014, through June 30, 2015.

## **Proposed Constitutional Amendment - HJR 2**

"Shall Article III, of the Constitution of the State of Idaho be amended by the addition of a new section 29, to confirm that the legislature may authorize executive rulemaking; however, the legislature shall not relinquish oversight, which such oversight is done by approval or rejection, in whole or in part, of an executive rule; and to provide that the legislature's approval or rejection of such a rule shall not require the approval of the governor?".

# Budget Summary

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## GENERAL FUND BUDGET UPDATE FISCAL YEAR 2014

<b><u>REVENUES</u></b>	<b><u>Gov's Revised Recommendation</u></b>	<b><u>Legislative Action</u></b>
1. Beginning Cash Balance	\$ 79,952,900	\$ 79,952,900
2. FY 2013 After Year-End Reversions	2,832,000	2,832,000
3. Adjusted Beginning Balance	82,784,900	82,784,900
DFM Revised Rev Est (2.1% increase from FY 2013 Actual)	2,808,220,000	2,808,220,000
5. Ahead (Behind) Forecast as of February 2014	0	3,574,500
6. TOTAL REVENUES	2,808,220,000	2,811,794,500
7. TOTAL REVENUES & BEGINNING BALANCE	2,891,004,900	2,894,579,400
<b><u>TRANSFERS</u></b>		
8. 2013 Legislative Session Transfers	(3,000,000)	(3,000,000)
9. Budget Stabilization Fund §57-814, IC	(2,375,800)	(2,375,800)
10. H479 Revolving Development Fund/Water Resources H479 Secondary Aquifer Plan., Mgmt., & Implementation	0	(10,500,000)
11. Fund	0	(4,500,000)
12. H635 Permanent Building Fund	(15,000,000)	(10,000,000)
13. H635 Budget Stabilization Fund	(35,000,000)	(24,000,000)
14. H635 Public Education Stabilization Fund	(15,154,200)	(10,000,000)
15. H635 Higher Education Stabilization Fund	(7,401,100)	(2,000,000)
16. S1210 Deficiency Warrants for Fires, Pest, Haz. Materials	(11,875,000)	(11,875,000)
17. NET TRANSFERS IN (OUT)	(89,806,100)	(78,250,800)
18. NET REVENUES AND TRANSFERS	2,801,198,800	2,816,328,600
<b><u>APPROPRIATIONS</u></b>		
19. FY 2014 Original Appropriations	2,781,023,800	2,781,023,800
20. Supplementals	20,175,000	8,440,600
21. TOTAL LEGISLATIVE APPROPRIATIONS	2,801,198,800	2,789,464,400
22. TOTAL ESTIMATED ENDING BALANCE	\$0	\$26,864,200

**GENERAL FUND BUDGET UPDATE  
FISCAL YEAR 2015**

	<b><u>Gov's Revised Recommendation</u></b>	<b><u>Legislative Action</u></b>
<b><u>REVENUES</u></b>		
1. Estimated Beginning Cash Balance	\$ 0	\$ 26,864,200
2. DFM Orig Rev Est (6.4% increase from FY 2014 Forecast)	2,987,767,000	2,987,767,000
3. Tax Relief	(30,000,000)	0
4. Cigarette Taxes from Gen Fund to Health Care Fund	(4,737,000)	0
5. H546 Idaho Reimbursement Incentive Act	0	(3,000,000)
6. H595 Medical Savings Account Tax Credit	0	(4,000,000)
7. H598 Sales and Use Tax on Software	0	(2,000,000)
8. H641 Public Schools Bond Levy Equalization Cig Taxes H660 from 2012 Session (Court Fees Directed to Gen Fund)	0	(358,000)
9. Fund)	0	2,000,000
10. TOTAL REVENUES	<u>2,953,030,000</u>	<u>2,980,409,000</u>
11. TOTAL REVENUES & EST. BEGINNING BALANCE	2,953,030,000	3,007,273,200
<b><u>TRANSFERS</u></b>		
12. Revolving Development Fund/Water Resources	(10,500,000)	0
13. Secondary Aquifer Plan., Mgmt., & Implementation Fund	(4,500,000)	0
14. H624 Constitutional Defense Fund/Legislature	(1,000,000)	(1,000,000)
15. H647 Permanent Building Fund/Dept. of Administration	(101,200)	(101,200)
16. H649 Wolf Control Fund/Wolf Depredation Control Board	(2,000,000)	(400,000)
17. S1420 Time Sensitive Emergencies Registry Fund/H&W	0	(225,800)
18. NET TRANSFERS IN (OUT)	<u>(18,101,200)</u>	<u>(1,727,000)</u>
19. NET REVENUES AND TRANSFERS	2,934,928,800	3,005,546,200
<b><u>APPROPRIATIONS</u></b>		
20. FY 2015 Original Appropriations	2,886,445,900	2,936,096,600
21. TOTAL ESTIMATED ENDING BALANCE	\$ 48,482,900	\$ 69,449,600



## General Fund Revenue Collections and Estimates

The Economic Outlook and Revenue Assessment Committee (EORAC), appointed by leadership and made up of nine members from the Senate and nine members from the House, convened before the session and heard testimony from economists and key industry representatives from throughout the state. The committee then reviewed the FY 2014 and FY 2015 General Fund revenue forecasts presented to the Second Regular Session of the 62nd Idaho Legislature in the Governor's State of the State Address. The committee concluded that revenue projections in the executive forecast were reasonable for the purposes of setting budgets, inasmuch as the committee's median forecast was higher than the executive forecast by 0.8% or \$22.0 million for FY 2014 and 1.7% or \$50.2 million lower for FY 2015.

For the purposes of setting budgets, JFAC used the executive forecast for both FY 2014 and FY 2015. The numbers below also reflect adjustments from legislation impacting General Fund revenues. The bill number, description and estimated fiscal impact of each of the law changes can be found on the General Fund Budget Report.

REVENUE SOURCE	FY 2013 Actual Collections	Revenue Estimates			
		FY 2014		FY 2015	
		January Forecast	With Law Changes	January Forecast	With Law Changes
Individual Income Tax	\$1,284,323,929	\$1,319,797,000	\$1,319,797,000	\$1,403,026,000	\$1,396,026,000
Corporate Income Tax	198,659,090	193,831,000	193,831,000	206,510,000	206,510,000
Sales Tax	1,109,828,539	1,148,070,000	1,148,070,000	1,233,406,000	1,231,406,000
Product Taxes					
Cigarette Tax	13,077,000	3,696,000	3,696,000	3,696,000	3,338,000
Tobacco Tax	10,013,026	9,965,000	9,965,000	10,034,000	10,034,000
Beer Tax	1,927,751	1,928,000	1,928,000	1,980,000	1,980,000
Wine Tax	3,908,678	4,178,000	4,178,000	4,315,000	4,315,000
Liquor Transfer	20,925,004	24,210,000	24,210,000	23,979,000	23,979,000
Total Product Taxes	49,851,459	43,977,000	43,977,000	44,004,000	43,646,000
Miscellaneous Revenue					
Kilowatt Hour Tax	1,919,852	1,900,000	1,900,000	2,000,000	2,000,000
Mine License Tax	531,466	750,000	750,000	850,000	850,000
State Treasurer	355,696	(1,025,000)	(1,025,000)	260,000	260,000
Judicial Branch	4,591,958	4,476,000	4,476,000	4,651,000	6,651,000
Insurance Premium Tax	55,621,675	55,651,000	55,651,000	56,913,000	56,913,000
State Police	127,729	0	0	0	0
Secretary of State	2,537,965	2,682,000	2,682,000	2,787,000	2,787,000
Unclaimed Property	6,997,488	6,000,000	6,000,000	6,100,000	6,100,000
Estate Tax	63,000	304,000	304,000	0	0
Other/Dept. Transfers	34,875,345	31,807,000	31,807,000	27,260,000	27,260,000
Total Miscellaneous Revenue	107,622,174	102,545,000	102,545,000	100,821,000	102,821,000
<b>TOTAL REVENUES*</b>	<b>\$2,750,285,191</b>	<b>\$2,808,220,000</b>	<b>\$2,808,220,000</b>	<b>\$2,987,767,000</b>	<b>\$2,980,409,000</b>
% Change from prior year	6.3%	2.1%	2.1%	6.4%	6.1%
With Beginning Balances	139,052,900	82,784,900	82,784,900	26,864,200	26,864,200
Revenue Adjustment		0	3,574,500	0	0
<b>REVENUES &amp; BALANCES</b>	<b>\$2,889,338,091</b>	<b>\$2,891,004,900</b>	<b>\$2,894,579,400</b>	<b>\$3,014,631,200</b>	<b>\$3,007,273,200</b>

\*Forecast numbers have been adjusted for rounding

## **FY 2014 General Fund Revenues**

In January 2014, the Division of Financial Management (DFM) revised the FY 2014 forecast down slightly by \$587,000 (from August 2013) to \$2,808,220,000, a 2.1% increase. The dollar amount projected for FY 2014 is \$33.2 million more than estimated last year at sine die, but percentage-wise is less. The end-of-session estimate called for 4.6% growth, but when FY 2013 had significantly higher collections than forecast, the percentage growth for the following year was reduced.

At the beginning of this session the Economic Outlook and Revenue Assessment Committee (EORAC) supported the DFM's revised forecast, and the Joint Finance-Appropriations Committee (JFAC) accepted that amount for budgeting purposes for the remainder of the year. It was an apprehensive February after January's revenues dropped \$23.9 million below the year-to-date forecast, but an easier March after a quick recovery in February with revenues bouncing back up to \$3.5 million in the black. It appeared to be a timing issue which has been a recurring theme between January and February over the past several years.

To finalize the General Fund budgets for FY 2014, the Legislature relied upon a beginning balance of \$80 million accumulated from the previous year, \$2.8 million from after year-end reversions, and left an estimated ending balance of \$26,864,200. These funds will be available for FY 2015 deficiency warrants and supplemental requests. There was no new legislation that impacted General Fund revenues for FY 2014.

## **FY 2014 Deficiency Warrants, Transfers, and Supplementals**

In **S 1210**, after taking into account beginning balances of \$5,100, the Legislature appropriated an additional \$11,875,000 for deficiency warrants as follows: \$10,379,600 for fire suppression on public and private lands, \$40,900 for exotic pest monitoring; \$83,400 for Japanese Beetle treatment; \$1,337,500 for potato cyst nematode monitoring and control; and \$38,700 for hazardous materials cleanup around the state.

Money from the General Fund was transferred into the Revolving Development Fund (\$10.5 million), and the Secondary Aquifer Planning, Management, and Implementation Fund (\$4.5 million) under control of the Idaho Water Board in the Department of Water Resources. In addition, \$10 million was transferred into the Permanent Building Fund to be used for alteration and repair projects in FY 2015, of which \$8 million will be spent under the direction of the Permanent Building Advisory Council, and \$2 million for the renovation and repair costs of the Education Building at the University of Idaho.

A total of \$8,440,600 was provided for in supplemental appropriations. The most significant was \$6.6 million to the Department of Administration for the Idaho Education Network (IEN). The Legislature was notified at the beginning of the session that the federal E-rate funds had not been paid to the Education Networks of America (ENA) since March of 2013, and the network was at risk of being shut down without state funding. The supplemental will cover the E-rate funding from March of last year through the end of FY 2014.

## State Stabilization Funds

**H 635** was the year-end bill that directs a portion of the cash surplus at the end of the fiscal year into the stabilization funds. By setting aside the statutory limitation of a 5% cap on the Budget Stabilization Fund (BSF) of General Fund revenues, the bill transfers \$24 million into the BSF, \$10 million into the Public Education Stabilization Fund, and \$2 million into the Higher Education Stabilization Fund. If there is a revenue shortfall, the State Controller will maintain a \$26 million carryover into FY 2015, and the transfers will be reduced on a pro-rata basis.

**S 1408** raised the savings cap on the Budget Stabilization Fund from 5% to 10% beginning in FY 2015. The cap will increase from \$137.5 million to \$275 million. Because revenues are projected to increase by 2.1% in FY 2014, which is less than the trigger of 4%, a transfer is not anticipated in FY 2015. With FY 2015 revenues projected at 6.1% (adjusted to include the fiscal impact of legislation) there will be an estimated transfer of \$30 million in FY 2016.

## FY 2015 General Fund Revenues

The Governor, the EORAC, and JFAC all supported using DFM's General Fund forecast of 6.4% over the FY 2014 estimate, to build the FY 2015 recommendation and appropriation levels. The original revenue estimate of \$2,987,767,000 was impacted by five different bills. **H 660**, from the 2012 session, directed that when the judges' retirement plan became an IRS qualified plan managed by PERSI, an estimated \$2 million in court fees that had historically been deposited into the Judges' Retirement Fund would instead be deposited into the General Fund and be appropriated to the Supreme Court for retirement benefits. **H 546aaS**, **H 595aaS**, and **H 598** all provided various forms of tax relief resulting in a revenue reduction of \$9 million. Finally, the Public Schools appropriation **H 641** reduced the excess amount transferred in the DFM forecast to the General Fund from cigarette taxes for Bond Levy Equalization by \$358,000. The adjusted revenue forecast of \$2,980,409,000 represents a 6.1% General Fund increase.

## FY 2015 Transfers and Appropriations

Cash was appropriated and \$1,727,000 will be transferred out of the General Fund on July 1, 2014, and deposited into four different dedicated funds. One million will be transferred to the Constitutional Defense Fund in the Legislature; \$101,200 to the Department of Administration to pay for temporary parking while the new garage is being constructed; \$400,000 to the Wolf Control Fund as a trailer to **H 470aaS**; and \$225,900 to the Time Sensitive Emergencies Registry Fund in Health & Welfare as a trailer to **S 1329aa** establishing trauma centers.

The Legislature appropriated \$2,936,098,400 from the General Fund in FY 2015, for a 5.6% increase over FY 2014 Original Appropriations. This is \$155 million more than in FY 2014, and is split \$2,888.2 million for ongoing expenditures and \$47.9 million for one-time expenditures.

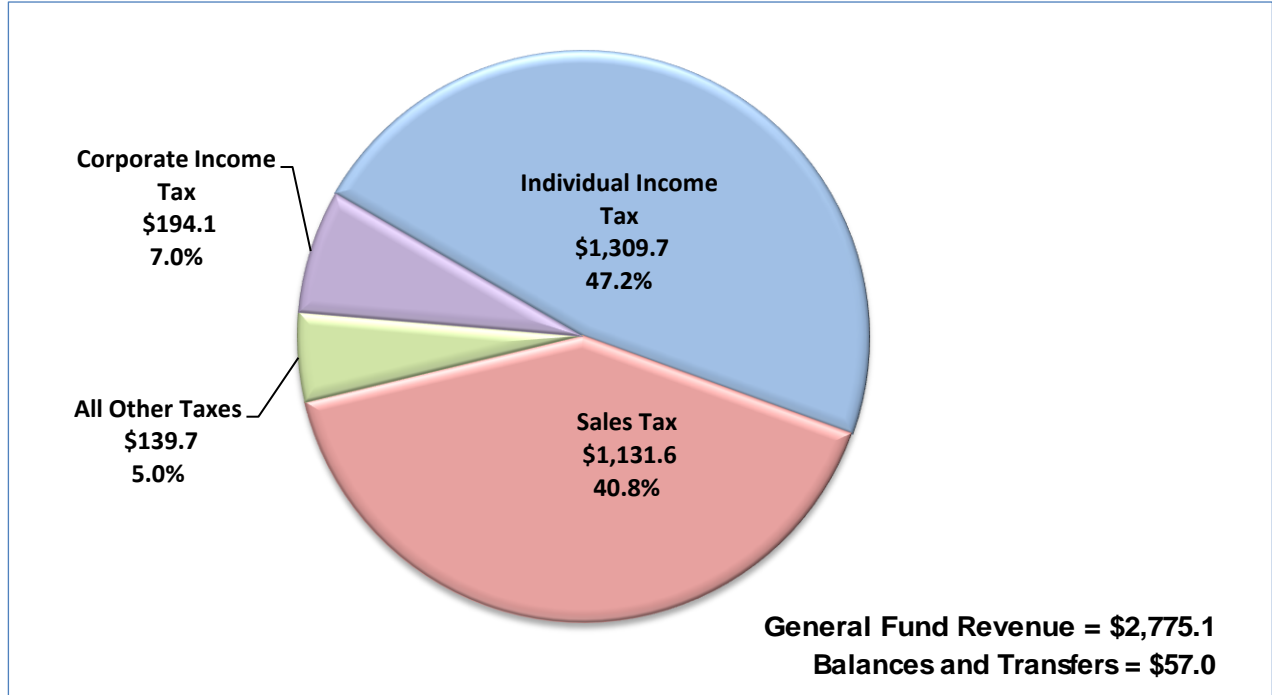
**General Fund Comparison**  
**Original Appropriation to Governor's Recommendation & JFAC Action**

Department/Agency	FY 2014 Orig Approp	FY 2015 Gov's Revised Rec	Change from 2014 Orig	FY 2015 JFAC Action	Dollar Difference from Gov	Dollar Difference from FY 2014	Change from 2014 Orig
<b>Education</b>							
Public School Support	1,308,365,400	1,345,231,300	2.8%	1,374,598,400	29,367,100	66,233,000	5.1%
Ag Research & Extension Service	24,422,700	25,996,800	6.4%	26,453,700	456,900	2,031,000	8.3%
College and Universities	236,543,600	251,143,900	6.2%	251,223,200	79,300	14,679,600	6.2%
Community Colleges	30,226,600	32,993,700	9.2%	32,978,500	(15,200)	2,751,900	9.1%
Education, Office of the State Board	2,411,500	2,234,600	(7.3%)	2,289,200	54,600	(122,300)	(5.1%)
Health Education Programs	10,558,800	11,207,300	6.1%	11,355,700	148,400	796,900	7.5%
Professional Technical Education	48,957,400	51,730,000	5.7%	53,079,000	1,349,000	4,121,600	8.4%
Public Television, Idaho	1,826,800	2,187,700	19.8%	2,200,700	13,000	373,900	20.5%
Special Programs	8,965,500	9,103,500	1.5%	9,346,400	242,900	380,900	4.2%
Superintendent of Public Instruction	8,290,000	8,450,100	1.9%	8,524,700	74,600	234,700	2.8%
Vocational Rehabilitation	7,304,000	7,456,400	2.1%	7,493,900	37,500	189,900	2.6%
<b>Health &amp; Human Services</b>							
Catastrophic Health Care Program	34,830,100	36,003,800	3.4%	34,966,300	(1,037,500)	136,200	0.4%
Health & Welfare, Department of	139,365,600	148,342,200	6.4%	144,941,300	(3,400,900)	5,575,700	4.0%
Medicaid Division	477,469,200	484,021,600	1.4%	492,347,100	8,325,500	14,877,900	3.1%
Public Health Districts	8,232,500	8,389,400	1.9%	8,531,200	141,800	298,700	3.6%
Independent Living Council, State	98,000	98,400	0.4%	98,600	200	600	0.6%
<b>Public Safety</b>							
Correction, Department of	180,828,400	197,379,700	9.2%	204,240,600	6,860,900	23,412,200	12.9%
Judicial Branch	31,320,300	37,015,000	18.2%	40,930,400	3,915,400	9,610,100	30.7%
Juvenile Corrections, Department of	37,452,900	38,654,000	3.2%	39,027,400	373,400	1,574,500	4.2%
Police, Idaho State	22,491,300	25,118,400	11.7%	23,799,900	(1,318,500)	1,308,600	5.8%
<b>Natural Resources</b>							
Environmental Quality, Department of	14,839,100	15,170,100	2.2%	15,636,200	466,100	797,100	5.4%
Lands, Department of	5,174,300	5,170,100	(0.1%)	5,274,200	104,100	99,900	1.9%
Parks & Recreation, Department of	1,332,000	3,202,400	140.4%	3,463,800	261,400	2,131,800	160.0%
Water Resources, Department of	11,195,000	11,702,500	4.5%	11,827,400	124,900	632,400	5.6%
<b>Economic Development</b>							
Agriculture, Department of	9,925,000	10,177,900	2.5%	10,322,200	144,300	397,200	4.0%
Commerce, Department of	5,788,700	5,850,100	1.1%	5,890,000	39,900	101,300	1.7%
Labor, Department of	302,300	509,500	68.5%	313,500	(196,000)	11,200	3.7%
Self-Governing Agencies							
Hispanic Affairs, Commission	96,600	99,200	2.7%	116,900	17,700	20,300	21.0%
Historical Society	2,342,200	2,517,400	7.5%	2,589,100	71,700	246,900	10.5%
Libraries, State Commission for	3,179,200	3,381,500	6.4%	3,510,700	129,200	331,500	10.4%
Public Defense Commission	0	0	n/a	300,000	300,000	300,000	n/a
State Appellate Public Defender	2,073,600	2,458,900	18.6%	2,238,600	(220,300)	165,000	8.0%
Veterans Services, Division of	971,500	949,100	(2.3%)	964,300	15,200	(7,200)	(0.7%)
<b>General Government</b>							
Administration, Department of	11,907,000	12,769,000	7.2%	14,301,400	1,532,400	2,394,400	20.1%
Attorney General	19,416,400	19,451,600	0.2%	20,046,500	594,900	630,100	3.2%
Controller, State	7,297,800	6,833,900	(6.4%)	6,885,600	51,700	(412,200)	(5.6%)
Office of the Governor							
Aging, Commission on	4,466,100	4,475,200	0.2%	4,483,200	8,000	17,100	0.4%
Arts, Commission on the	690,500	696,400	0.9%	702,000	5,600	11,500	1.7%
Blind, Commission for the	1,282,800	1,296,000	1.0%	1,307,000	11,000	24,200	1.9%
Drug Policy, Office of	288,100	292,600	1.6%	296,800	4,200	8,700	3.0%
Financial Management, Division of	1,593,000	1,601,400	0.5%	1,627,200	25,800	34,200	2.1%
Governor, Executive Office of the	1,931,400	1,979,700	2.5%	2,007,700	28,000	76,300	4.0%
Military Division	5,238,100	5,595,800	6.8%	5,621,800	26,000	383,700	7.3%
Species Conservation, Office of	478,300	686,300	43.5%	693,800	7,500	215,500	45.1%
Legislative Transfer	6,149,000	6,452,000	4.9%	6,452,000	0	303,000	4.9%
LSO, OPE	5,125,200	5,205,400	1.6%	5,383,100	177,700	257,900	5.0%
Lieutenant Governor	147,600	152,100	3.0%	157,500	5,400	9,900	6.7%
Board of Tax Appeals	504,800	522,200	3.4%	528,000	5,800	23,200	4.6%
State Tax Commission	33,980,700	30,774,600	(9.4%)	30,962,200	187,600	(3,018,500)	(8.9%)
Secretary of State	1,991,400	2,344,900	17.8%	2,373,400	28,500	382,000	19.2%
Treasurer, State	1,355,500	1,370,300	1.1%	1,394,300	24,000	38,800	2.9%
<b>STATEWIDE TOTAL</b>	<b>2,781,023,800</b>	<b>2,886,445,900</b>	<b>3.8%</b>	<b>2,936,096,600</b>	<b>49,650,700</b>	<b>155,072,800</b>	<b>5.6%</b>

## FY 2014 General Fund Revenue & Appropriations

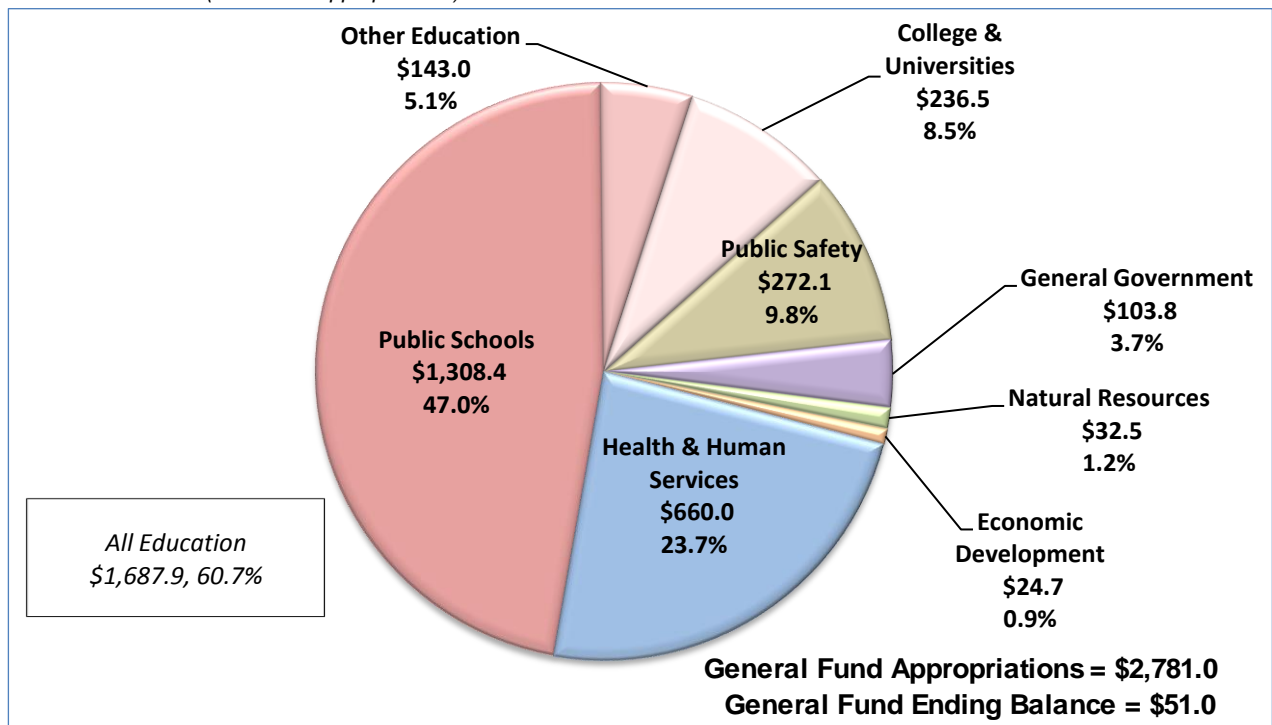
### "Where the money comes from . . ."

Dollars In Millions (Percent of Revenue)



### "Where the money goes . . ."

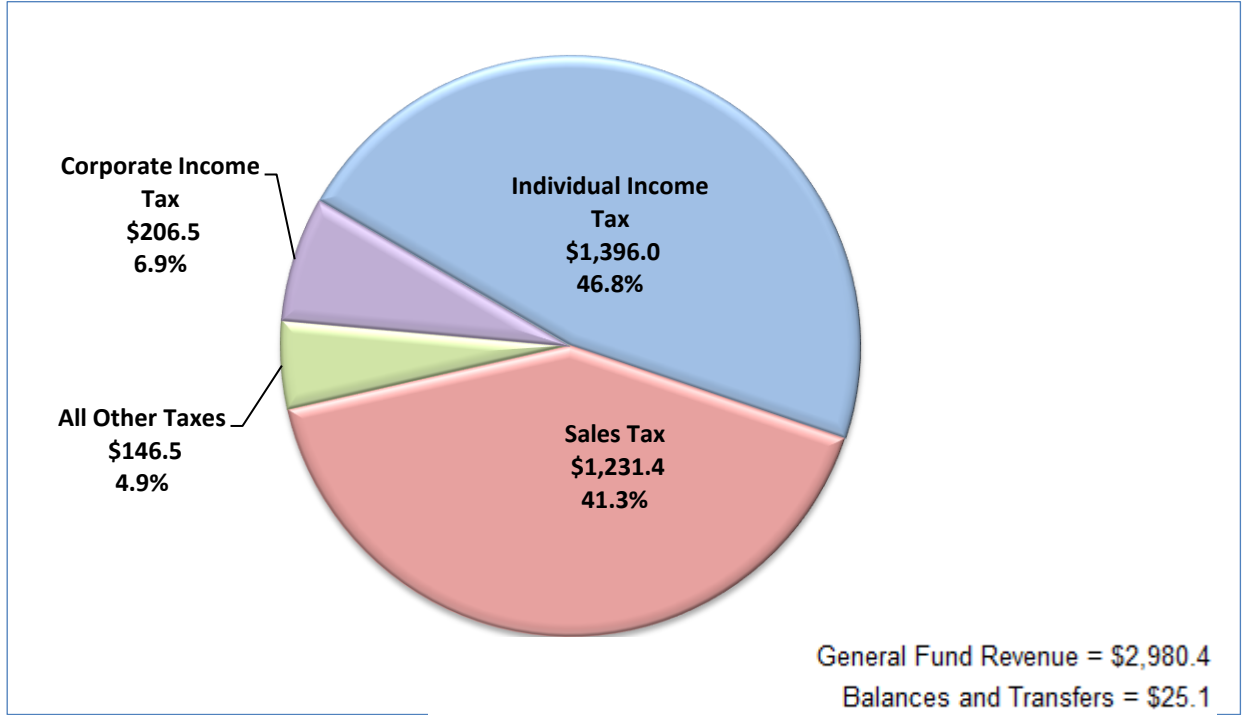
Dollars In Millions (Percent of Appropriations)



## FY 2015 General Fund Revenue & Appropriations

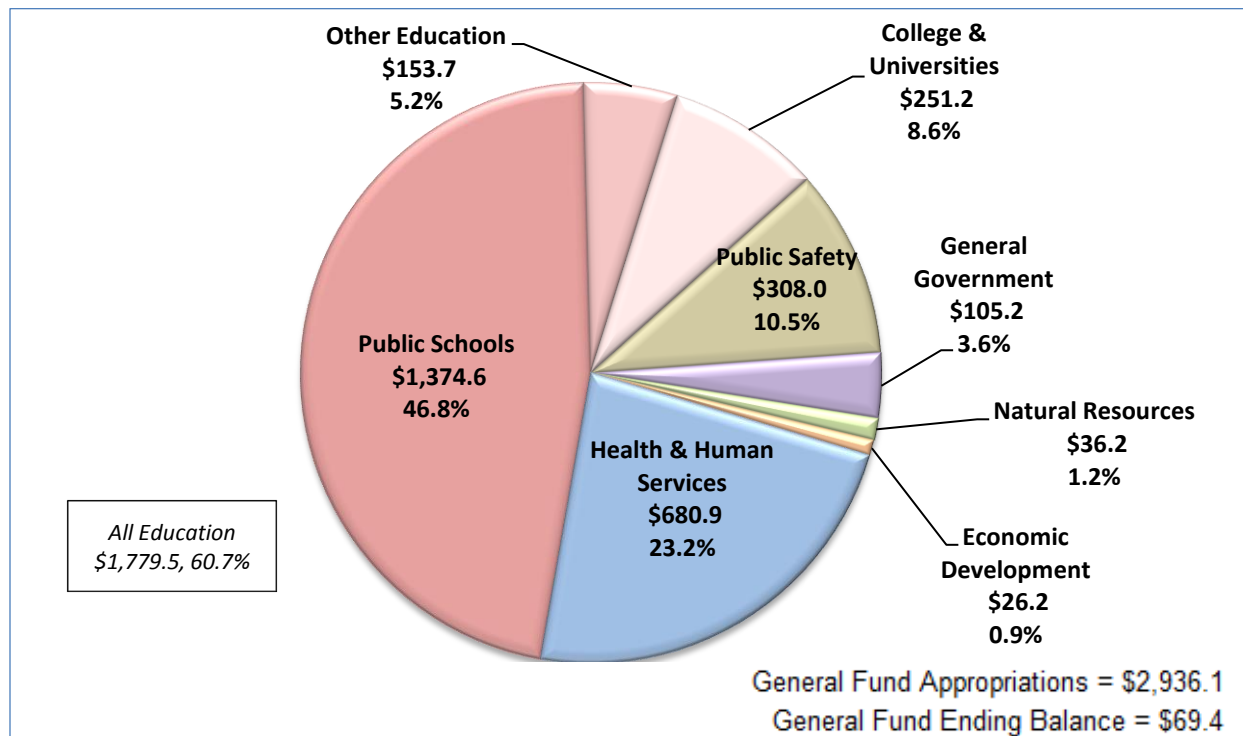
### "Where the money comes from . . ."

Dollars In Millions (Percent of Revenue)



### "Where the money goes . . ."

Dollars In Millions (Percent of Appropriations)



**State of Idaho**  
**Major Reserve Fund Balances**  
*In Millions of Dollars*

In Millions of Dollars	Budget Stabiliza- tion Fund	Public Ed Stabiliza- tion Fund	Econom- ic Recovery Reserve	Idaho Millenni- um Fund	Higher Ed Stabiliza- tion Fund	Emergen- cy Funds*	TOTAL
1. Balance June 30, 2003	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	(\$ 0.218)	(\$ 0.218)
2. Balance June 30, 2004	\$ 0.000	\$ 7.135	\$ 0.000	\$ 22.872	\$ 0.000	\$ 0.154	\$ 30.161
3. Balance June 30, 2005	\$ 15.971	\$ 12.135	\$ 22.044	\$ 44.677	\$ 0.000	\$ 0.132	\$ 94.960
4. Balance June 30, 2006	\$ 108.648	\$ 7.771	\$ 24.632	\$ 67.436	\$ 0.000	\$ 0.281	\$ 208.768
5. Balance June 30, 2007	\$ 121.566	\$ 109.030	\$ 2.657	\$ 64.079	\$ 0.000	\$ 0.875	\$ 298.207
6. Balance June 30, 2008	\$ 140.625	\$ 112.046	\$ 66.133	\$ 70.207	\$ 0.000	\$ 3.337	\$ 392.349
7. Balance June 30, 2009	\$ 128.225	\$ 17.979	\$ 68.101	\$ 74.206	\$ 0.000	\$ 0.720	\$ 289.231
8. Balance June 30, 2010	\$ 30.820	\$ 23.174	\$ 48.847	\$ 76.967	\$ 0.000	\$ 0.792	\$ 180.600
9. Balance June 30, 2011	\$ 0.100	\$ 11.154	\$ 0.054	\$ 74.589	\$ 0.000	\$ 3.339	\$ 89.235
10. Balance June 30, 2012	\$ 23.869	\$ 36.968	\$ 0.056	\$ 14.156	\$ 0.367	\$ 4.233	\$ 79.648
FY 2013							
11. After Year-End Adjustments/ Reversions		11.905		0.007			11.912
12. Interest Earnings		0.177	0.001	0.047	0.004		0.228
13. Transfers In				4.982	0.572	3.274	8.828
14. Disbursements				(3.701)		(4.082)	(7.782)
15. Transfers from GF §57-814a	25.877						25.877
16. Transfers from H346	85.392						85.392
17. Balance June 30, 2013**	\$ 135.138	\$ 49.049	\$ 0.057	\$ 15.492	\$ 0.942	\$ 3.424	\$ 204.103
FY 2014							
18. After Year-End Adjustments/ Reversions		13.960					13.960
19. Interest Earnings Estimate		0.149	0.000	0.155	0.003	0.305	0.613
20. Transfers In				5.000	0.281		5.281
21. Disbursements		(0.331)		(0.792)		(0.405)	(1.528)
22. Transfers from GF §57-814a	2.376						2.376
23. End-of-Year Transfers Estimate H635	24.000	10.000			2.000		36.000
24. Estimate June 30, 2014***	\$ 161.514	\$ 72.827	\$ 0.057	\$ 19.855	\$ 3.227	\$ 3.324	\$ 260.804

\* Emergency Funds include: 1) Governor's Emergency, Section 57-1601, Idaho Code; and 2) Disaster Emergency, Section 46-1005A, Idaho Code including Federal Emergency Management Act moneys.

\*\* The balance in Idaho's major reserve funds was \$204.1 million (line 17) at the end of FY 2013 or 7.3% of the FY 2014 Original Appropriation.

\*\*\* The balance in Idaho's major reserve funds at the end of FY 2014 (line 24) is estimated to be \$260.8 million or 9.8% of the FY 2015 Original Appropriation.

# Budget Highlights

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## Education

### Public Schools

There were seven appropriation bills for K-12 Public Schools in FY 2015, **H 637** through **H 643**. These total \$1,676,634,300 and include an increase of \$66.2 million, or 5.1%, from the General Fund. It is based on 179 support units of enrollment growth, includes compensation increases for school district staff, provides funding for a variety of statutory increases, and includes a 12% increase in discretionary funds over the current level. The Public School's FY 2015 budget includes over \$74 million for items or programs that were recommended by the Task Force for Improving Education, including \$15.8 million for leadership awards, a \$35 million increase in discretionary funding, \$12.2 million for teacher professional development, \$10.25 million for classroom technology/Wi-Fi, \$640,600 for advanced opportunities, and \$326,000 for strategic planning.

Sources of Funds	FY 2014 Original Appropriation	FY 2015 Original Appropriation
General Fund	\$1,308,365,400	\$1,374,598,400
Dedicated Funds	74,567,600	86,812,400
Federal Funds	215,223,500	215,223,500
<b>TOTAL APPROPRIATION</b>	<b>\$1,598,156,500</b>	<b>\$1,676,634,300</b>

**General Fund Percent Change:**

5.1%

**Total Funds Percent Change:**

4.9%

Specifically, the appropriation provides:

- An increase of \$27.3 million, or 3.8%, in total compensation for teachers, which includes enrollment growth, a 1% base increase, a 2.42% minimum salary increase, and \$15.8 million in leadership awards.
- \$46 million General Fund increase to discretionary funds as follows:
  - \$3.6 million to maintain the \$20,000/support unit value to account for 179 new support units,
  - \$7.4 million to maintain the \$20,000/support unit value to backfill dedicated funds, and
  - \$35 million to increase the \$20,000/support unit value to \$22,401, a 12% increase.

Other highlights include \$12.2 million for teacher professional development; \$8 million for classroom technology; \$5 million of one-time moneys for districts to purchase content and curriculum; \$4.5 ongoing for district and state-level expenditures for instructional improvement systems; \$3 million one-time for a second round of technology pilot projects; and \$2.25 million for statewide and local Wi-Fi services.



## **Agricultural Research and Extension Service (UI)**

The Agricultural Research and Cooperative Extension Service's FY 2015 appropriation **S 1414** in the amount of \$26,479,400 includes an 8.3% increase from the General Fund. Specifically, it includes an increase of \$1,510,000 for base operating needs and personnel costs for potato pathology research and barley agronomy.

## **College and Universities**

The College and Universities' FY 2015 appropriation **S 1417** in the amount of \$498,576,700 provides a 6.2% General Fund increase and overall increase of 7.0%. Specifically, it includes the following amounts from the General Fund:

- \$2,759,700 ongoing for the 60% Goal, and \$4,085,800 one-time to be allocated by the State Board of Education, and
- \$3,535,000 for health insurance increases and \$3,740,600 for a 2% Change in Employee Compensation (CEC),
- \$1 million to BSU, ISU, and UI for work at the Center for Advanced Energy Studies (CAES),
- \$421,300 for occupancy costs at BSU and ISU,
- \$400,000 for the University of Idaho to expand the second year of law school to Boise, and
- \$200,000 to the Higher Education Research Council as a match increase for the new National Science Foundation grant

## **Community Colleges**

The Community Colleges' FY 2015 appropriation **S 1415** in the amount of \$33,578,500 includes a 9.1% increase from the General Fund. Specifically, it includes \$1,091,200 for occupancy costs, \$143,600 for the Idaho Falls Center at CSI, \$100,000 for the STEM initiative at CSI, \$302,900 for nursing support staff at CWI, and \$302,300 to expand the NIC Sandpoint Center.

## **Professional-Technical Education**

Professional-Technical Education's FY 2015 appropriation **S 1416** in the amount of \$62,954,000 is an 8.4% increase from the General Fund. It includes \$852,200 for replacement items, \$1,334,600 for the advanced manufacturing initiative, and \$756,400 for the agriculture education initiative.

## **Idaho Public Television**

**S 1397** appropriated \$8,068,000 to Idaho Public Television for FY 2015. Of the total appropriation, \$2,200,700 is from the General Fund, and included \$400,200 for replacement items as well as \$400,000 to address priority maintenance and repair needs on an ongoing basis.

# Health and Human Services

## Catastrophic Health Care Program

The FY 2015 appropriation for the Catastrophic Health Care Program is \$34,966,300, which reflects an increase of \$136,200 or 0.4% from the FY 2014 Original Appropriation. The increased funding is to cover the costs of overseeing the medical review process and managing the contract between the counties and the state. The Legislature also passed **H 601** that establishes the amount the program will pay for services provided at 95% of comparable Medicaid rates for services provided.

## Department of Health and Welfare

The FY 2015 appropriation for the Department of Health and Welfare is \$2,528,263,900, consisting of \$637,288,400 from the General Fund, \$253,632,900 in dedicated funds, and \$1,637,342,600 in federal funds. This reflects an increase of 3.6% from the General Fund and 1.0% in total funds. No additional personnel were authorized.

## Medicaid Division

The budget for the Medicaid Division includes \$492,347,100 from the General Fund and \$2,033,290,000 in total funds. The General Fund increase for Medicaid is 3.1% and enhancements for all funds include:

- \$41.3 million for changes in caseloads, mandatory price changes, and the federal match rate, as well as decreases in anticipated rebates from brand name prescription drugs, of which \$10.5 million was from the General Fund.
- \$8.7 million for increased costs associated with the Idaho population that is eligible for, but not yet enrolled in Medicaid, as required under the Patient Protection and Affordable Care Act, of which \$2.5 million was from the General Fund.
- \$6.3 million to allow more units of care to be provided, with the goal of keeping individuals in the community rather than being cared for in a nursing home, that included \$1.8 million from the General Fund.
- \$8.6 million to provide incentive payments for providers that use electronic health records that require a minimal match of \$38,500 from the General Fund.

## Mental Health Services & Psychiatric Hospitalization

Mental Health Services received a 9.3% General Fund increase, and a total increase of 8.7% for all funds; and Psychiatric Hospitalization received a 0.5% General Fund increase, and a 5.3% total increase in all funds from the prior year. Enhancements to support mental health care in the community and in the state hospitals include:

- \$2,120,000 to establish and operate behavioral health community crisis centers as created in **S 1352** - This includes \$1,520,000 of ongoing funding from the General Fund.

- \$170,000 from Endowment Funds to establish a student loan repayment program for physicians and other mid-level practitioners. Individual repayment amounts are specified in **S 1362** and capped at \$75,000 for a physician and \$50,000 for mid-level practitioners.
- \$287,200 and 4.0 FTP to provide additional patient care and improve billing practices at State Hospital South.
- \$107,100 and 1.0 FTP to provide a Chief of Psychology position at State Hospital North.
- \$65,600 to upgrade the electronic medical records software at the state hospitals.

## Other Department of Health and Welfare Budget Highlights

- Child Welfare received an additional \$976,100 and 8.0 FTP to increase the number of child welfare social workers and provide pay increases for current staff. The division also received \$1,434,100 from federal grant funds to help keep children out of foster care.
- Indirect Support Services received 5.0 FTP and \$361,200 for two new financial services staff and three new welfare fraud investigators, and \$2,901,500 to replace vehicles, IT equipment, and facility improvements.
- Public Health Services received \$11,770,000 for the immunization program; \$2,825,000 from the Millennium Fund for Project Filter and Women's Health Check; \$225,800 from the General Fund to establish trauma centers and the Time-Sensitive Emergencies Fund; and \$324,400 to replace several pieces of equipment in Laboratory Services.
- Division of Welfare received \$11,800,000 in one-time federal grant funds to connect the department's eligibility system with the Your Health Idaho state insurance exchange; \$2,415,000 of federal grant funds to maintain the state's eligibility system; \$2,234,800 of increased federal grant funds in personnel costs for staff that determine Medicaid eligibility; and a reduction of \$520,300 from the General Fund as a result of the federal government providing an enhanced match rate for staff that determine Medicaid eligibility.
- Licensing and Certification received an additional \$193,600 for ongoing pay increases for the staff who inspect and certify various facilities around the state.

## Public Safety

### Commission for Pardons & Parole

**S 1217** appropriated an additional \$95,000 in FY 2014 from the General Fund to cover out-of-state extradition costs when an offender violates the conditions of his or her parole, or when an offender absconds from the state of Idaho to avoid arrest or prosecution.

**H 627** was the appropriation bill for the Commission for Pardons & Parole for FY 2015. The bill appropriated \$2,502,700 from the General Fund, and \$70,700 from dedicated funds for a total of \$2,573,400. A trailer appropriation was provided in **S 1433** for \$225,000 to support the Justice Reinvestment Initiative that included a recommendation for information technology improvements at the Commission for Pardons & Parole.

## Department of Correction

Two supplemental appropriation bills passed for the Department of Correction. **S 1245** appropriated an additional \$1,931,200 to convert the privately-operated prison into a state-run prison; and authorized an additional 90 full-time equivalent positions to transition the operation of the Idaho Correctional Center by July 1, 2014.

**S 1371** appropriated an additional \$2,662,500 to the Department of Correction for FY 2014; and reduced the appropriation for the privately-operated Idaho Correctional Center (ICC) by \$502,300 to recognize the reduction in the per diem rate due to contract violations, for a net increase of \$2,160,200. The appropriation also added \$200,000 to cover legal fees in the Walter D. Balla v. Idaho State Board of Correction case; \$40,600 to house twenty more inmates at that CAPP facility; \$407,500 to house inmates in county jails and out-of-state facilities; \$818,900 for substance abuse treatment in the community; and \$1,195,500 to cover inmate medical care.

**S 1421** appropriated \$198,214,600 from the General Fund, \$20,549,600 from dedicated funds, and \$1,748,400 from federal funds for a total of \$220,512,600 to the Department of Correction for FY 2015. This represents an increase of 11% in the General Fund and a 9.4% increase overall.

- *General Line Items:* Included an additional \$523,000 to hire ten correctional officers at the Idaho Maximum Security Institution; \$160,000 from Endowment Funds to be used for emergency purposes at state prison facilities; \$145,800 to cover a 3% increase in per diem for those inmates housed at the Kit Carson prison in Colorado; \$268,900 to cover a 3% increase in per diem at the CAPP; and \$1,859,200 from the Millennium Income Fund to continue coordination, assessment, and community-based substance abuse treatment and recovery support services for probationers and parolees.
- *Justice Reinvestment Line Items:* Included \$277,900 to hire four information technology staff; \$357,500 to hire five pre-sentence investigators; and \$2,456,800 to expand community-based substance abuse treatment services for total funds of \$3,092,200.
- *Idaho Correctional Center Line Items:* Removed \$198,300 and 2.5 positions that were responsible for monitoring the private prison contract; transferred \$4,828,800, an estimate of the medical per diem at the ICC, to the statewide contract to partially offset the \$10.7 million increase in costs for the inmates housed there; transferred the remaining \$25,412,500 budget from the privately-operated ICC program to the State Prisons Division; provided \$340,000 in spending authority for fees generated at this facility from telephone, vending and commissary commissions used for inmate purposes; and provided \$2,445,500 to make the final payment in July to Corrections Corporation of America for services rendered in June 2014.
- *Medical Services Line Items:* Provided \$1,481,900 to cover a 3% increase in per diem; \$10,708,500 to expand coverage to 2,060 inmates housed at the ICC; \$357,400 to expand communication bandwidth at the department's institutions and district offices; and \$164,500 to hire two nurse managers to assist in contract monitoring for a total of \$12,712,300.

**H 648** appropriated an additional \$1.1 million from the General Fund to the \$14,133,300 base appropriation, due to the passage of **H 456aaS** that increases the daily rate for state inmates housed in county jails from \$40 to \$45 a day.

**S 1433** was a trailer to **S 1357**, better known as the Justice Reinvestment Initiative. In summary, the bill appropriated an additional \$2,559,100 to the Department of Correction to hire more probation and parole officers and research and support personnel; to provide training for officers, and to develop a web-based portal to manage offenders on light community supervision; reduced the appropriation in the Parolee Supervision Fund by \$1,192,600 due to insufficient revenue, and to discourage expanding inmate supervision utilizing that fund source; and through legislative intent, expanded the authorized use of funding provided for substance abuse treatment services. When you include the funding authorized in the FY 2015 appropriation **S 1421** and **S 1433** it brings the total funds provided to IDOC and Pardons & Parole for Justice Reinvestment to \$5,876,300.

## Judicial Branch

**H 636** was the FY 2015 appropriation to the Supreme Court. It included \$39,773,200 from the General Fund, \$18,070,700 from dedicated funds, and \$1,856,900 from federal funds for a total of \$59,700,800.

An additional \$3,268,900 was provided for the increased cost of health insurance and for the judges' retirement program. **H 660** of 2012 required the transfer of the Judges' Retirement Fund to PERSI for administration effective July 1, 2014, which resulted in a change in the funding structure and an increase in both the employer and employee contribution rates. Benefits included \$2,851,900 of ongoing funding, but the increase in employer benefits was partially offset by redirecting \$2 million in civil filing fees from the Judges' Retirement Fund to the General Fund. The net increase was \$851,900. Under **H 660**, the employer contribution rate increases to 55.28%, of which 23.87% comes from the General Fund, and 31.41% comes from the General Fund via the civil filing fees; while the employee contribution increases from 9.0% to 10.23%. In addition, \$231,600 was provided to cover the salaries (authorized last session) for three district judges, three court reporters, and two magistrate judges hired on October 1, 2013, to correspond with the county fiscal year. New funding was provided for:

- \$4,850,000 to implement the first year of a five-year project to support the process of replacing Idaho's Statewide Trial Court Automated Records System (ISTARS).
- \$125,000 to improve reporting and monitoring systems in all 44 counties to ensure that conservatorship cases are properly examined and reviewed.
- \$371,100 to improve outcomes in specialty courts.
- \$40,000 to enhance the Guardian ad Litem program.
- Shifted \$803,800 from the Drug Court, Mental Health and Family Court Services Fund for water adjudication to the General Fund, and shifted \$803,800 from the General Fund to the Drug Court, Mental Health and Family Court Services Fund for a net effect of zero. The purpose of this shift was to avoid using court fees for water adjudication activities.
- **H 646** appropriated an additional \$5,466,000 in spending authority from the Court Technology Fund to the Supreme Court for FY 2015 to further advance the process of replacing Idaho's Statewide Trial Court Automated Records System (ISTARS) per **H 509**. Among other things, **H 509** increased certain filing fees to improve access to the courts and court

records through the use of electronic filing, electronic storage of records, and video conferencing.

- **S 1431** appropriated an additional \$1,157,200 from the General Fund to the Judicial Branch to fund judicial salary increases per **S 1394**.

## Department of Juvenile Corrections

**H 613** appropriated moneys to the Department of Juvenile Corrections for FY 2015, included \$39,027,400 from the General Fund, \$7,709,800 from dedicated funds, and \$3,849,800 from federal funds for a total of \$50,587,000. New funding was provided for:

- \$215,400 to hire three quality improvement staff for compliance and contract monitoring activities required under the Prison Rape Elimination Act (PREA).
- \$95,000 to expand video monitoring at the state's three juvenile detention facilities and to provide specialized staff training and curriculum to prevent, detect, and respond to sexual harassment or assault, as required under PREA.
- Fund shift \$105,400 from the Juvenile Corrections Fund to the General Fund for continued support of the Juvenile Training Council.
- \$1,088,600 from the Millennium Income Fund for the Youth Prevention and Cessation programs to support programs that prevent and reduce the use of tobacco and other substances by youth.

## Idaho State Police

**H 610** included \$23,799,900 from the General Fund, \$36,439,700 from dedicated funds, and \$8,106,800 from federal funds for a total of \$68,346,400. Idaho State Police also received \$3,256,900 for replacement items to be used at the discretion of the department. New funding was approved for the following line items:

- Shifted \$396,100 from the Idaho Law Enforcement Fund to the General Fund in order to have an adequate balance in the dedicated fund at the end of FY 2015 to make the first payroll in FY 2016.
- Shifted \$193,400 from the Project CHOICE Fund to the General Fund for moneys borrowed from Project Choice in previous years.
- Provided \$300,300 from the Project CHOICE Fund for an ongoing career ladder/pay plan for commissioned officers, dispatch employees, and forensics employees.
- Provided \$1,144,400 and two positions in support of the Public Safety and Security Information System, commonly known as the Idaho Law Enforcement Telecommunications System (ILETS), of which \$661,000 was from the General Fund.
- \$930,200 to hire four sergeants and two patrol officers.
- \$301,000 to hire two investigators in the Investigations Program.
- \$116,600 to hire a laboratory system director in Forensic Services.
- \$100,000 for infrastructure needed on lots to be purchased just north of the Meridian complex for a new POST Academy dormitory and practical training area that will be developed over the next seven years.
- \$85,600 to hire a forensics drug analyst in Forensic Services.

- \$98,400 to hire one senior information technology systems integration analyst for the Criminal Justice Information Services Program.
- \$10,500 to increase the annual payment made to the Idaho Prosecuting Attorneys Association from \$95,400 to \$105,900.
- \$94,000 from the Millennium Income Fund for tobacco permittee compliance inspections.

## Natural Resources

### Department of Environmental Quality

**H 615** appropriated \$66,006,900 to the Department of Environmental Quality for FY 2015. The budget transferred \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation Fund, expressed legislative intent regarding an annual progress report of the superfund cleanup, and acknowledged that the Water Pollution Control Fund is being used for a variety of water quality projects not specified in Idaho Code. The budget included one line item for \$84,100 from the General Fund for a water quality analyst to enhance the department's ability to develop water quality standards, address lawsuits and settlement agreements, prepare rule packages, and prepare reviews.

The budget also included an additional three positions and \$300,000 from the General Fund in **H 645** which trailed **H 406**. **H 406** provided the language necessary for the state to start the process of taking over the administration and enforcement of the National Pollutant Discharge Elimination System. These three new employees will begin the process of developing a funding strategy, developing rules, developing guidance, drafting statutes, drafting a memorandum of agreement, and developing an application package. Costs at full build-out in 2022 are estimated at 25 full-time positions and \$2.5 million annually. Including both appropriation bills the General Fund budget was a 5.4% increase and the overall budget was a 0.2% decrease from the FY 2014 Original Appropriation.

### Department of Fish and Game

**S 1216** appropriated an additional \$2,229,900 to the Department of Fish and Game for FY 2014 for Wildlife Program projects, Fisheries Program projects, and Communications Program projects.

**H 588** appropriated \$95,771,100 for FY 2015. JFAC authorized fourteen line items of which two were most notable. The Legislature approved \$540,200 in federal Pittman-Robertson moneys to replace lost federal US Fish and Wildlife funding for wolf management activities, and secondly, approved \$1.5 million one-time to relocate the wildlife health laboratory including \$1,125,000 in federal Pittman-Robertson moneys, \$180,000 in license plate receipts, \$110,000 from the bighorn sheep lottery, and \$80,000 from the Permanent Building Fund. The overall budget was an increase of \$6.7 million or 7.6%.

## Department of Lands

**H 616** appropriated \$47,254,300 and approved eight line items including \$792,000 for phase three of the land information management system, \$250,000 for phase one of a lands and waterways information system, \$247,600 for three additional forestry specialists, \$79,200 for additional information technology equipment, \$29,800 for additional timber equipment, \$58,800 for additional fire equipment, and \$49,800 for timber protective association support. The General Fund increase was 1.9% and the overall budget was a 2.3% increase in all funds from the current budget.

## Department of Parks and Recreation

**H 617** appropriated \$33,691,200 and permitted the department to exceed the 10% transfer limitations between programs for certain project grants and provided carryover authority for the development program from FY 2014 into FY 2015. JFAC approved \$2,519,100 for replacement items including \$1.6 million from the General Fund for park repairs; \$74,500 from camping and park entry fees for a park ranger; \$400,000 from the Capital Improvement Fuel tax with an equal match from the federal Land and Water Conservation Fund for a sewer upgrade at Eagle Island State Park; and \$250,000 from the General Fund to build a  $\frac{3}{4}$ -mile road to connect the bridge at Eagle Island State Park to the existing roads inside the park.

**H 644** authorized the Department of Parks and Recreation to sell the Aqua Life Aquaculture Facility to the Idaho Water Resource Board for the 2011 appraised value. Parks and Recreation received a \$250,000 additional ongoing General Fund appropriation to recognize the benefits to the park system from the lost opportunity that a public sale could have afforded. The Water Resource Board will use the water rights toward the resolution of delivery calls in the Hagerman Valley. Including both **H 617** and **H 644**, the overall budget was a 160.0% increase in the General Fund and a 1.5% increase in all funds from the current budget.

## Department of Water Resources and Water Resource Board

**H 479** appropriated and transferred \$15 million from the General Fund, for FY 2014, to the Idaho Water Resource Board to be used for projects to ensure water availability for existing uses and to provide water supplies for future economic development. Projects included \$4 million to acquire senior priority Snake River water rights to supply the Mountain Home Air Force Base; \$2 million for environmental approvals and land exchange analysis to further the Galloway Reservoir project; \$1.5 million to complete a feasibility and environmental study regarding enlargement of Arrowrock Reservoir; \$2.5 million to pursue enlargement of Island Park Reservoir; \$500,000 to develop computer infrastructure needed for the water supply bank; \$4 million to develop additional managed recharge capacity needed to reach Eastern Snake Plain Aquifer Comprehensive Aquifer Management Plan goals; and \$500,000 to conduct joint water need studies in coordination with Northern Idaho communities.

**H 618** appropriated \$21,667,200 for FY 2015 to the Department of Water Resources. Line items approved were the transfer of \$716,000 from the Revolving Development Fund to the Secondary Aquifer Planning, Management, and Implementation Fund to make further progress



on the Eastern Snake Plain Aquifer Management Plan, and \$183,600 from the General Fund as the department's share to replace the cooling system at the Idaho Water Center. The overall budget was a 5.6% increase in General Fund support and a 1.7% increase in all funds from the current budget.

## **Wolf Depredation Control Board**

**H 649** appropriated and transferred \$400,000 one-time from the General Fund to the Wolf Control Fund. **H 470aaS** found that additional financial resources were needed to continue the implementation of Idaho's wolf management plan. It established a five-member Wolf Control Board in the Governor's Office and created a set of new funds and subaccounts to be administered by the Department of Agriculture. **H 470aaS** established fees from sportsmen and the livestock industry to be allocated into the Wolf Control Fund. The responsibility of the Board is to allocate the money for control actions of wolves where there is a depredation conflict between wolves and wildlife or between wolves and livestock and there is an emergency clause which allows the producers to begin collecting and depositing assessments upon enactment. There is also a five-year sunset.

## **Economic Development**

### **Department of Agriculture**

**H 633** appropriated \$36,076,200 for a 2.9% increase from the General Fund and a 0.8% increase in all funds over the current budget. The agency received \$30,000 from the General Fund for additional international trade office support. The department shares expenses of the foreign trade offices in Mexico, Taiwan, and China with the Department of Commerce.

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

**H 614** appropriated \$2,878,500 to the SWCC for FY 2015, for a 7.4% increase in the General Fund and a 6.7% increase in all funds over the FY 2014 budget. The Commission received \$28,000 from the General Fund to update the 10-year-old agricultural pollution abatement plan and \$50,000 from the General Fund to increase the state's support for individual soil and water conservation districts. Legislative intent clarified that the additional district support is not to go through the statutory allocation formula, but instead will be distributed equally between the 50 soil and water conservation districts. The current year distribution is \$1,103,200 plus \$50,000 in capacity building grants. This additional appropriation effectively increased the base amounts from \$8,500 per district to \$9,500 per district for FY 2015.

### **Department of Commerce**

**S 1403** appropriated \$34,416,900 to the Department of Commerce for FY 2015, and provided

funding for four line items. The first was \$30,000 from the General Fund for additional international trade office support. The department shares expenses of the foreign trade offices in Mexico, Taiwan, and China with the Department of Agriculture. This additional funding will allow the departments to expand services into Southeast Asia or Russia. The second provides \$29,600 for additional IGEM grants, which are used to bridge the funding gap between the development of a technology, created by research at our institutions of higher education, and its commercialization in the marketplace, and the money is from unappropriated free fund balances. The third provided \$50,000 in operating expenditures transferred from trustee and benefit payments that was originally provided in FY 2013 for Small Business Assistance Grants, but there has not been much demand for the grants and consequently the department asked to transfer the funding from grants to general operations. The fourth provided \$3 million in spending authority for the Idaho Opportunity Fund. This is not new cash, rather money that was transferred into the Department of Commerce from the General Fund in FY 2014, and the spending authority will be ongoing until all of the cash is expended. The Idaho Opportunity Fund provides grants of up to \$250,000 for the recruitment and retention of businesses. Grants are made at the discretion of the director of Commerce, as opposed to Rural and Gem Grants, which must be approved by the Economic Advisory Council. The grants must be used for public infrastructure projects so the public benefits, and not just a single company. In addition, there is an ongoing appropriation of \$400,000 from the General Fund for the Idaho Opportunity Program. In summary, the total budget is a 0.5% increase above the FY 2014 appropriation.

## **Idaho Transportation Department**

**H 608** is the FY 2015 appropriation to the Idaho Transportation Department in the amount of \$517,442,300. This bill provides funding from approximately 50% dedicated funds that come from the gas tax, vehicle registrations, and other transportation-specific fund sources. The other 50% of the appropriation is federal funds in the form of grants and federal match dollars. The appropriation is an overall increase of 5.2% over FY 2014, the majority of which is funding for road construction projects. The appropriation also removes 90 positions because of efficiencies and savings that have been realized by the department's recent organizational realignment. Six new line items were funded:

- \$1,353,000 to retrofit existing snowplows with surface material spreader data collection units;
- \$21,464,700 for road construction funding;
- \$290,000 for airport aid funding;
- \$2,500,000 to move the department's DMV systems off the State Controller's mainframe computer because the mainframe will no longer be available;
- \$100,000 for a software interface that will link construction project management software to ITD's internal financial system; and
- \$211,500 for interagency agreements that ITD has with the departments of Parks and Recreation and Health and Welfare to provide shared services, including winter road maintenance and statewide dispatching and road reporting services.

## Public Defense Commission

**H 634** is the trailer appropriation bill that provides for the fiscal impact of **H 542**, which establishes the Public Defense Commission. The Commission was appropriated \$300,000 from the General Fund for FY 2015 and was authorized 1.5 full-time equivalent positions. The bill included \$119,800 for salaries and benefit costs for an executive director and a part-time administrative assistant; \$70,200 in operating expenditures; and \$110,000 in trustee and benefit payments for public defender training.

## General Government

### Department of Administration

**H 647** appropriated \$23,666,700 to the Department of Administration for FY 2015. The department received \$165,700 to pay for promotional costs associated with the new ThriveIdaho wellness program, \$247,600 for statewide network infrastructure and security costs, plus video conferencing equipment, as well as \$127,500 for the federal surplus property program. The appropriation also moved the Idaho Education Network (IEN) out of the Information Technology Program and into a stand alone program, in addition to consolidating the Idaho Technology Authority into the Information Technology Program. The restructure will ensure additional transparency as the department moves forward.

**H 550** and **H 650** appropriated moneys from the General Fund to the department for the Idaho Education Network (IEN). Specifically, **H 550** appropriated \$6.6 million in FY 2014 to pay the federal share of the telecommunications tax (better known as E-rate funds) that were due to the state's private vendors from the Federal Communications Commission (FCC). The federal funds have been withheld since March 2013 while the FCC's federal contractor conducts an independent review of the validity of an amendment made to the original IEN contract. This appropriation paid for broadband infrastructure and connectivity services that were already rendered to Idaho's school districts for the IEN and services that will be provided through June 30, 2014. **H 650** appropriated \$4.8 million to pay the federal portion of the E-rate funds that will be due to vendors from July 1, 2014 through February 28, 2015. Additional consideration about the remainder of the FY 2015 funding will be made next legislative session. There was also substantial intent language in both bills that outlined the parameters for the funding. The annual cost of the IEN is approximately \$2.9 million from the General Fund and \$7.3 million in federal funds.

### Permanent Building Fund

**S 1425** appropriated \$26,320,000 to the Permanent Building Fund, of which \$15,794,400 is for statewide building maintenance and repair projects and \$10,525,600 is for capital construction projects. The Permanent Building Fund budget includes construction and maintenance costs for state buildings, including those at the universities and community colleges. The capital construction projects funded in FY 2015 include:

- \$1,000,000 for infrastructure at the Capitol Annex (also known as the Old Ada County Courthouse). This is the fifth and final appropriation to finalize the effort to refurbish the building's infrastructure.
- \$2,500,000 for construction of the Research and Innovation Center at the University of Idaho.
- \$80,000 for the Department of Fish and Game's Wildlife Research Lab.
- \$4,563,000 to complete the remodel and expansion of the Idaho State Historical Museum in downtown Boise.
- \$600,000 for the architectural and design phase of a combined Idaho State Police facility in Pocatello.
- \$722,500 for the Edgemoor Armory in Mountain Home. Additional federal funds in the amount of \$722,500 will provide the matching support necessary to complete the project.
- \$1,060,100 for the Bioskills Learning Center at Idaho State University's Meridian campus.

**H 635** provided a transfer of \$10 million from the General Fund to pay for additional statewide building alterations and repairs in FY 2015, of which \$2 million is designated for the Education Building at the University of Idaho.

## Attorney General

**S 1391** is the appropriation for the Office of the Attorney General and it provides \$20,036,100 from the General Fund, \$377,900 from the dedicated fund, and \$1,075,400 from federal funds for a total of \$21,489,600. The most significant budget item was an additional \$300,200 from the General Fund to hire one deputy attorney general and two investigators in support of the Special Prosecution Unit.

## Office of Species Conservation

**S 1297** appropriated \$50,000 from the General Fund as a supplemental for sage grouse lek monitoring. **H 587** appropriated \$13,522,800 for FY 2015 and included \$200,000 one-time for sage grouse management. Of that, \$75,000 was for additional contracts with Fish and Game for spring 2015 lek surveys, \$75,000 was for implementation of the adaptive management component of the Governor's sage grouse management alternative, and \$50,000 was for the defense of the Governor's alternative from legal challenges. The overall budget was a 45.1% increase from the General Fund and a 2.1% increase in all funds from the current budget.

## State Tax Commission

**S 1413** appropriated \$38,008,000 to the State Tax Commission for FY 2015 and included \$377,800 for replacement items, and \$200,000 from the General Fund to update and modernize the 30-year old property tax software. Because it is very outdated, only 24 counties currently use the software while other counties have gone on to develop their own property tax software. This software is used by county assessors to value properties, and the Tax Commission is responsible through Idaho Code to provide the counties with a standardized mechanism for assessments. Overall, this budget is an 8.4% decrease below the FY 2014 Original Appropriation

with eight fewer authorized full-time equivalent positions.

## Secretary of State

**S 1388** appropriated \$2,371,900 from the General Fund to the Secretary of State for FY 2015, which included \$300,000 for biennial election costs as required in Idaho Code. Overall, this budget is a 19.1% increase over the FY 2014 appropriation.

## State Treasurer

**S 1409** appropriated \$3,566,600 to the State Treasurer for FY 2015, and of the total appropriation \$2,183,800 is from dedicated funds, and \$1,382,800 is from General Funds. The bill also provided \$200,000 for the purchase of software and payment of an investment consultant that will allow the State Treasurer to manage the Diversified Bond Fund portfolios in-house, whereas they were previously managed externally. The external management costs were deducted from portfolio earnings at the average amount of \$1.2 million per year. Overall, this budget is an 8.4% increase over the FY 2014 appropriation.

**S 1350** established the State Treasurer Investment Advisory Board. The five-member board will consist of individuals appointed by the Governor who are knowledgeable and experienced in financial matters. The primary duty of the investment board will be to make recommendations to the State Treasurer, who serves as chairman of the investment board, regarding the types and kinds of investments that the State Treasurer or an investment manager may utilize pursuant to Sections 67-1210 and 67-1210A, Idaho Code. Investment board members will be compensated \$50.00 per day for the meetings they attend and reimbursed for direct expenses.

**S 1426** is the trailer appropriation bill that provides for the fiscal impact of **S 1350**, which established the State Treasurer Investment Advisory Board. For FY 2015, the bill appropriated \$10,000 to the State Treasurer to provide for the direct expenses and honorariums of board members.

## Millennium Fund

For FY 2015, the Legislature appropriated a total of \$7,843,900 from the Idaho Millennium Income Fund with \$1,162,100 to be distributed to various non-governmental entities, \$6,681,800 to be transferred to several state entities, and \$611,300 to be transferred back to the Idaho Millennium Fund. Individual grant awards include:

- 1) \$70,400 to the Idaho Academy of Family Physicians for awareness of the consequences of tobacco use;
- 2) \$159,000 to the American Lung Association for youth tobacco prevention programs;
- 3) \$1,088,600 to the Department of Juvenile Corrections for prevention and cessation programs for youth, formerly overseen by the Courts;
- 4) \$160,100 to Supportive Housing and Innovative Partnerships, Inc. (SHIP) for the promotion of prescription drug safety;

- 5) \$328,800 to the Boys & Girls Club for the Youth Empowerment Project;
- 6) \$94,000 to the Idaho State Police for tobacco permittee compliance inspections as required by law;
- 7) \$750,000 to the Public Health Districts for tobacco cessation programs;
- 8) \$179,800 to the Idaho Drug Free Youth Program for a parent and teen prevention education program;
- 9) \$65,000 to the Idaho Regional Alcohol Drug Awareness Resource Center (RADAR) at Boise State University, for distribution of substance abuse related materials;
- 10) \$2,500,000 to the Department of Health and Welfare for Project Filter tobacco cessation services and counter marketing campaign;
- 11) \$325,000 to the Department of Health and Welfare on behalf of the American Cancer Society, Cancer Action Network, for expanding services under the Idaho Women's Health Check (WHC) program;
- 12) \$264,000 to the Idaho Meth Project for a prevention and public awareness campaign and creating a new prescription drug education component; and
- 13) \$1,859,200 to the Department of Correction for community-based substance abuse treatment services.

## **Employee Compensation, including Salary and Benefits for FY 2015 Salary Increases**

Although the Governor recommended no salary increases for state employees for FY 2015, the Legislature's Joint Change in Employee Compensation (CEC) Committee chose to meet this session for the first time since 2008. JFAC then funded the recommendations of the CEC Committee, which provided an overall increase of 2% for state employees: 1% for ongoing increases and 1% for one-time increases, both of which are based on merit. The Legislature also encouraged agencies to continue their use of salary savings to compensate employees. The 2% CEC cost the General Fund \$10.7 million, the dedicated funds \$8.5 million, and federal funds \$3.1 million for a total of \$22.3 million.

### **Benefit Changes**

The Legislature also approved a health insurance premium increase of \$1,450 per employee, which equates to a 15.9% increase over FY 2014. The premium increase is paid by the employer. Employee premium costs are also expected to increase by an average of \$500 per employee (the exact amount per employee depends on which plan the employee is enrolled in and whether or not there are dependents on their plan). Changes in benefits cost the General Fund \$15.5 million, the dedicated funds \$9.7 million, and the federal funds \$3.9 million for a total of \$29.1 million.

## Statewide Elected Officials Compensation

**S 1395aaH** amended Section 59-501, Idaho Code, to provide statutory pay increases for the seven statewide elected officials in each of the next four calendar years. Beginning in 2015, the salaries of the Governor, Secretary of State, State Controller, State Treasurer, and Superintendent of Public Instruction will increase by 1.5% in each of the next four years. The Lieutenant Governor's salary will increase by 18.4% in 2015 and then by 1.5% each year for three years. In 2015, the Attorney General's salary will increase to match that of district judges, as provided in Section 59-502, Idaho Code. **S 1430** appropriated \$22,200 from the General Fund for the FY 2015 fiscal impact of **S 1395aaH**. The Governor line item vetoed \$1,800 in **S 1430** that was appropriated to his office for the FY 2015 pay increase. This action does not impact the statutory adjustments provided for in **S 1395aaH**.

Elected Office	Current	CY 2015	CY 2016	CY 2017	CY 2018
Governor	\$119,000	\$120,785	\$122,597	\$124,436	\$126,302
Lt Governor	\$35,700	\$42,275	\$42,909	\$43,553	\$44,206
Attorney Gen	\$107,100	\$124,000	\$124,000	\$124,000	\$124,000
Sec of State, SCO, State Treasurer, Supt of Public In- struction	\$101,150	\$102,667	\$104,207	\$105,770	\$107,357

## Judicial Compensation

**S 1394** increased the Supreme Court Judges' salaries by 10.7%, Court of Appeals Judges' salaries by 7.5%, District Judges' salaries by 8.5%, and Magistrate Judges' salaries by 2.5% in FY 2015; and subsequently increases the Supreme Court Judges' pay an additional 3.7% in FY 2017. **S 1431** appropriated an additional \$1,157,200 from the General Fund to the Judicial Branch to fund judicial salary increases authorized in **S 1394**.

Position	Current	FY 2015	FY 2017
Supreme Ct Judges	\$121,900	\$135,000	\$140,000
Ct of Appeals Judges	\$120,900	\$130,000	n/a
District Judges	\$114,300	\$124,000	n/a
Magistrate Judges	\$109,300	\$112,000	n/a