

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 09, 2014

TIME: 8:00 A.M.

PLACE: Room C310

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

ABSENT/ EXCUSED: None

STAFF PRESENT: Holland-Smith, Lockett

CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY PRESENTATION: **LEGISLATIVE SERVICES OFFICE (LSO)**
Jeff Youtz, Director, Legislative Services Office

Mr. Youtz presented the FY 2015 budget recommendation for the Legislative Services Office. To view the presentation, click the following link. [Legislative Services Office](#)

Mr. Youtz explained the various functions of each of the following four divisions that are under his direction: 1) Division of Research and Development, Division of Budget and Policy Analysis, the Legislative Audit Division, and the Information Technology Division. The overall FY 2015 budget request for LSO reflects a 2.2% increase with no new positions. LSO's budget is 65% from the General Fund and 35% Dedicated Funds.

AGENCY PRESENTATION: **EXECUTIVE OFFICE OF THE GOVERNOR**
Jani Revier, Administrator, Division of Financial Management

Ms. Revier presented the FY 2015 budget for the Executive Office of the Governor. To view the presentation, click the following link [Executive Office of the Governor](#)

The FY 2015 budget recommendation totals \$1,979,700 which is a 2.5% increase. Included in the budget per Idaho Code, Section 67-815, is \$15,000 for services and facilities to the Governor-elect from moneys set aside for the transition. If the Governor-elect is the incumbent Governor, there is no expenditure of funds and the appropriation is reverted.

PRESENTER: **DIVISION OF FINANCIAL MANAGEMENT**
Jani Revier, Administrator

Ms. Revier presented the Division of Financial Management FY 2015 budget. To view the presentation, click the following link. [Division of Financial Management](#)
The budget recommendation for FY 2015 totals \$1,643,100 with 16 FTP which is a maintenance level budget.

**AGENCY PRESENTATION: PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERSI)
Don Drum, Executive Director**

To view the presentation, please click on the following link. [Public Employee Retirement System](#)

Idaho has one of the top public employee retirement systems in the United States. As of December 31, 2013, the value of the PERSI fund was \$13,872,622,168 with a return of 9.7%. Idaho Code governs PERSI, it is relatively conservative, and the Idaho Legislature makes benefit changes while the PERSI Board makes funding decisions. Effective July 1, 2012, the Board reduced the net return assumption to 7%. Idaho's retirement system has always required employee participation; PERSI benefits have never been enhanced without an ongoing revenue stream in place to fund them. The PERSI Board is required to take action on contribution rates when the amortization period of the actuarial liability exceeds 25 years. A discretionary rate increase was to be phased in over three years beginning July 1, 2011. In December 2010 and again in December 2011, the Board voted to postpone the rate increases for one year. The first of three rate increases went into effect for FY 2014; however, in October 2013, the Board voted to postpone the second rate increase, which is now scheduled to go into effect for FY 2016. Idaho employers have always met their contribution obligations. Membership for 2013 totaled 131,592 with 65,535 active members. The number of PERSI retirees and annuitants has steadily increased since 2010 from 33,625 to 38,947.

The Governor's recommended FY 2015 budget totals \$7,049,700 and 64 FTP, which is a 2.77% increase. The one line item recommended by the Governor is for a new training manager. PERSI has over 125,000 members, 755 employers and a staff of over 60 people. PERSI management recognizes the need to help newer, younger members understand the value of their benefits, and management also needs to develop better employer training to help employers understand legislation, rules and evolving procedures.

**AGENCY PRESENTATION: OFFICE OF LT. GOVERNOR
Brad Little, Lt. Governor**

The FY 2015 budget request for the Lt. Governor's office is \$152,100, a 3% increase, with 3 FTP. The Lt. Governor serves as Acting Governor when the Governor is absent from the state. He also serves as the Governor's chief appointment officer, vetting candidates for boards, commissions and councils, and facilitates economic development.

ADJOURN: Chairman Cameron adjourned the meeting at 9:17 a.m.

Senator Cameron
Chairman

Peggy Moyer
Secretary