

MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 13, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
**ABSENT/
EXCUSED:** None
CONVENED: Chairman Bell called the meeting to order at 8:00 a.m.

STAFF
PRESENT: Paul Headlee, Richard Burns, Ray Houston

GERMANE COMMITTEE REPORTS

HOUSE EDUCATION COMMITTEE

PRESENTER: Representative Reed DeMordaunt, Chairman, spoke to the Governor's Task Force recommendations and briefly commented as follows:
Leadership Awards Premium. The recommendation satisfies the "Leadership Awards" component of the career ladder recommendation of the Governor's Task Force on improving Education (Task force Summary Recommendation 12 and Fiscal Stability/Effective Teachers and Leaders Subcommittee recommendation 1.2.) He commented that leadership premium payments for public school educators, local school districts identify as serving in a leadership capacity.

Strategic Plan. School districts already feel burdened by the amount of "strategic planning" they do which is primarily compliance oriented. More important, a process and facilitated conversation between boards and superintendents that look at specific data, targets and bright spots. Fiscal impact of \$300K to provide board training.

Advanced Opportunities. All students have access to advanced opportunities by expanding post secondary offerings while a student is still in high school.

Discretionary/Operation Funding. Would support the Governor's recommendation as well as the Task Force recommendation to begin restoring discretionary dollars. There has been talk about changing the name from discretionary to operational. On the face of it, this seems like a fairly easy request. The reason for this request is there is a perception that the term discretionary means optional money. In his mind discretionary means that school districts have the discretion on how to use the money. In other words they have the flexibility they need, particularly through challenging economic times, in order to spend the money. Unfortunately, in the world of accounting terms like operation and discretionary have very specific meanings.

He voiced his concern that this would have an unintended consequence that would negatively affect our schools. Our state accounting system has operational costs, and personnel costs that are clearly distinct from one another. For our schools much of this discretionary spending has been used for personnel costs, particularly health care. So if we were to build an operational fence around these discretionary dollars then it could not be used for personnel costs.

School Net- Instructional Improvement System. We are moving full steam ahead in training the staff of 10 of our buildings for use of School Net as we now have confidence that our concerns have been heard and addressed.

Professional Development Budget. He recommended that the intent language should identify some of those dollars for professional development for teachers for the gifted and talented program.

SENATE EDUCATION COMMITTEE

PRESENTER: **Senator John Goedde, Chairman,** provided comments on policy priorities which impact the education budget. It was his intention to focus on recommendations from the Governor's Task Force on improving K-12 education in the order upon which stakeholders agree that progress can be made this year.

He discussed recommendations made by the Senate Education Committee as follows:

Restoration of Discretionary Funds. His committee agreed with the Task Force and the Governor that funds reduced during the recent recession need to be restored to the K-12 system.

Annual Strategic Planning. Supported funding for trustee and administrator training in this area.

Idaho Education Network. Supported the supplemental appropriation to keep the IEN going in this fiscal year as well as an appropriation in the next fiscal year.

Technology Pilots. The committee supports another year of funding for technology pilots.

Leadership Award. Supported this first step in the career ladder concept with the understanding that not every educator is a leader in the field.

Transparency. His committee recommends that efforts be made to clearly separate funds used by the Department of Education within the Public Education budget from money flowing directly to local districts.

Professional Technical Education (PTE). Strongly support additional PTE funding to assure that PTE has the ability to move forward toward that goal.

Charter School Funding. Recommended leaving \$150,000 of General Funds to start the additional work required by the charter school changes made last year and additional requirements of assistance and supervision.

Schoolnet. Under consideration, and still gathering feed back from districts and education stakeholders.

State Board Committee Work. Recommend approval of the supplemental appropriation in the current budget year to initiate the committees working on those Task Force recommendations not ready for legislative action and support an appropriation in the upcoming budget to fund the continuation of that work.

Interim Committees Recommended approval of the supplemental appropriation and upcoming appropriation in the upcoming budget.

Interim Committee. Supported formation of two interim committees at \$10,000 each. The first interim committee would study Professional-Technical Education, its

funding is split between secondary and post secondary education, and how programs are approved. The second committee would study how health insurance is provided to employees in the education arena.

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

PRESENTER: **Representative Ken Andrus, Chairman** spoke to the Governor's recommendation for wolf control. He supported agriculture research and agricultural education improvement, which is not in the regular budget process. He felt that agriculture research is very important to Idaho.

SENATE JUDICIARY & RULES COMMITTEE

PRESENTER: **Senator Patti Anne Lodge, Chairman**, spoke to the number of children who have an incarcerated parent in Idaho, estimated 9,056 children. Children of incarcerated parents are five times more likely to go to prison. She discussed working with various groups and organizations on Justice Reinvestment.

We must remain focused on reducing the costs that make our communities safe for people who come out of the correction system. These costs could be reduced with treatment and be the best investment. Asking for five probation officers is not enough because there is the need to concentrate on high risk people. She supported the \$2 million of new funding for recidivism. Investment in children is a much better investment. Speaking to another issue, treatment services need a few extra people to do a better job and reinvestment.

HOUSE JUDICIARY & RULES COMMITTEE

PRESENTER: **Representative Rich Wills, Chairman** commented on HB 340, changing the policy relating to judges which he supported. He commented that the Supreme Court can not get well qualified staff people and work groups are working to overcome obstacles with the change in mandate. The Supreme Court needs more money in this program. He also supported the need for more State Police officers for highway safety for more money in their programs.

SENATE TRANSPORTATION COMMITTEE

PRESENTER: **Senator Bert Brackett, Chairman** spoke to the effort this past year to start the discussion about the need for increased transportation funding for maintenance. The Governor's Task Force identified some potential revenue sources and attempted to rank their acceptability; which included gas tax, registration fees, shifting sales tax, and several other items. The report did not consider capacity expansion or safety enhancements that they are without adequate funding for transplantation.

He spoke to some very positive things:

- (1) Realignment generated \$12.5 million in personnel and insurance savings
- (2) Improvement in cash forecasting and project management practices should provide an additional \$100 million in highway maintenance
- (3) Changing how the state repays the last two GARVEE bonds it issued, an estimated \$40 million in interest will be saved.

Reported that they have taken on some tough issues this year and next year he

believed the state will be set to make a concerted effort to bite the bullet and raise revenue to maintain the good infrastructure system we have inherited.

He discussed other issues that affect transportation and transportation in Idaho on the federal level.

SENATE RESOURCES AND ENVIRONMENT COMMITTEE

PRESENTER: **Senator Monty Pearce, Chairman** spoke to the water problem on the eastern Snake River plain. In case this can not be resolved he suggested that this committee appropriate \$100,000 to \$200,000 to help in solving this problem. If the money is not used it should be stipulated that it be returned.

SENATE AGRICULTURAL AFFAIRS COMMITTEE

PRESENTER: **Senator Steve Bair, Chairman** stated that agriculture is the largest industry in Idaho. Idaho is also the largest potato grower and 3rd in the nation in production. He commented that the Agricultural Affairs Committee reviewed the National Agricultural Education Initiative. As to the budget situation, the dollars flowing to the agricultural extension projects will go a long way. He supported the Governor's recommendation budget for the Idaho Conservation Commission budget.

Representative Bell
Chair

Kathryn Yost
Secretary