

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 05, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: 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 convened the meeting at 8:04 a.m.

LEGISLATURE
Office of Performance Evaluations

PRESENTER: Cathy Holland-Smith, Division Manager, Budget and Policy Analyst

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, to reopen the FY 2015 appropriation for the Office of Performance Evaluations to make a technical correction.

CARRIED: **Original Motion**
Moved by **Schmidt**, seconded by **Mortimer**, to approve for introduction \$100 from the General Fund.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Vick

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

STATE TREASURER

PRESENTER: **Jared Hoskins, Budget and Policy Analyst**

UNANIMOUS CONSENT: On request by **Youngblood**, granted by unanimous consent, to reopen the FY 2015 appropriation for the State Treasurer for the purpose of including standard legislative intent language regarding the payment of bank service fees.

UNANIMOUS CONSENT: On request by **Youngblood**, granted by unanimous consent, legislative intent language as shown below regarding the payment of bank service fees to be included in the appropriation bill for the State Treasurer.

Legislative Intent Language

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

SETTING FY 2015 APPROPRIATIONS

DEPARTMENT OF ADMINISTRATION

PRESENTER: **Robyn Lockett, Senior Budget and Policy Analyst,**
Department of Administration

CARRIED: **Original Motion**
Moved by **Youngblood**, seconded by **Bolz**, to approve for introduction \$5,233,800 General Funds, \$18,432,900 Dedicated Funds with FTP of 145.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Vick

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

CARRIED: **Original Motion**
Moved by **Youngblood**, seconded by **Bolz**, to approve for introduction a cash transfer \$101,200 from General Funds. There is hereby appropriated to the Department of Administration and the State Controller shall transfer \$101,200 from the General Fund to Facilities Maintenance Fund, on July 1, 2014, or as soon thereafter as practicable, for the period July 1, 2014 through June 30, 2015.

AYES:

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

Nays: 0

Ab/Ex: 1

Vick

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

UNANIMOUS CONSENT: On request by **Youngblood**, granted by unanimous consent, the legislative intent language, shown below, be accepted and will be incorporated in the Department of Administration appropriation bill.

INTENT

LANGUAGE: Legislative Intent Language

LEGISLATIVE INTENT: It is the intent of the Legislature that the Director of the department shall notify the State Tax Commission when monthly cigarette tax distributions to the Permanent Building Fund have reached an amount adequate to make the final payment of the Capitol restoration project bonds. Fund analysis has determined that amount shall be approximately \$10,500,000.

LEGISLATIVE INTENT: It is the intent of the Legislature that the Department of Administration shall analyze their Information Technology Program-related expenses and billings to determine a billing methodology that shares costs between all users of the technology services and capital equipment purchases and maintenance. It is the recommendation of the Joint Finance-Appropriations Committee that the billing methodology be promulgated in agency rule and presented to the Legislature during the 2015 legislative session.

LEGISLATIVE INTENT: It is the intent of the Legislature that the Department conduct an internal analysis of its interagency and intra-agency billing procedures. The Department is directed to limit recovery of interagency costs into the Indirect Cost Recovery Fund to those same costs it bills other state agencies through interagency billing procedures. When a direct General Fund appropriation has been made to pay for personnel costs or for operating expenditures, the Department shall not recover those funds across programs in their indirect cost recovery process.

LEGISLATIVE INTENT: The Legislature recognizes that effective contract management is essential to ensuring that public funds are spent appropriately, as described in the Office of Performance Evaluations report on contract management released in January 2013. Therefore, it is the intent of the Legislature that the Department shall develop and incorporate a checklist for best practices into its contracting processes. The Department shall also develop a statewide contract monitoring system that outlines the entire contracting process so that contracts are properly developed, awarded, and monitored using a standardized, statewide framework. The implementation of these measures shall be reported to the Legislature during the 2015 legislative session.

LEGISLATIVE INTENT: It is the intent of the legislature that the Director of the Department of Administration shall notify the Legislature prior to any contract extensions or renewals. As part of the budget submission process, the Department of Administration shall submit a list of contracts due for renewal in the upcoming fiscal year that exceed \$1,000,000 on an annual basis. Further, the Director shall notify the Legislature (Leadership, the JFAC chairmen, and the germane committee chairmen) in writing, of any proposed early contract renewal or extension at least 90 days prior to signing the contract.

**UNANIMOUS
CONSENT:**

On request by **Thayn**, granted by unanimous consent, the legislative intent language as shown below, was accepted and will be incorporated in the Department of Administration appropriation bill.

**INTENT
LANGUAGE:**

The Legislature directs the Department of Administration to research the benefits of incentivizing state employees to enroll in a Health savings Account (HSA), used in conjunction with a state provided high-deductible insurance plan, and/or a Voluntary Employment Benefit Association (VEBA). The Department shall provide information about the financial and logistical implementation of these options to the Joint Financial-Appropriation Committee at the committee's interim tour in Fall 2014.

Capitol Commission

PRESENTER: **Robyn Lockett, Senior Budget and Policy Analyst**

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Schmidt**, to approve for introduction \$3,072,000
Dedicated Funds with FTP of 0.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Vick

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

Capitol Commission

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Schmidt**, to approve a cash transfer of \$100,000
Dedicated Funds with FTP of 0.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Vick

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

UNANIMOUS REQUEST: On request by **Bolz**, granted by unanimous consent, the legislative intent language
as shown below was accepted and will be incorporated in the Capitol Commission
appropriation bill.

INTENT LANGUAGE: **Legislative Intent Language**

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the
department of Administration for the Idaho State Capitol Commission any
unexpended and unencumbered balances of moneys categorized as dedicated funds
as appropriated for fiscal year 2014, to be used for nonrecurring expenditures, for
the period July 1, 2014, through June 30, 2015.

Bond Payments

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Johnson**, to approve for introduction \$4,267,600 General Funds, \$20,352,400 Dedicated Funds, for a total of \$24,620,000 with FTP of 0.00

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Keough, Vick

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

Permanent Building Fund

CARRIED:

Original Motion

Moved by **Thompson**, seconded by **Schmidt**, to approve for introduction \$26,320,000 Dedicated Funds with FTP of 0.00

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Vick, Gibbs

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

**UNANIMOUS
CONSENT:**

On request by **Thompson**, granted by unanimous consent, the legislative intent language, as shown below, was accepted and will be incorporated in the appropriation bill for the Permanent Building Fund.

**INTENT
LANGUAGE:**

Legislative Intent Language

UTILIZATION OF MATCHING FUNDS. It is legislative intent that the moneys appropriated in this act may be made available for matching any allocation of moneys now in existence or hereafter made available by agencies of the United States and/or private donations; and it is further the express intention of the Legislature to authorize the Division of Public Works to expend, for the purpose of paying the cost of any land, building, equipment or the rebuilding, renovation or repair of buildings, moneys appropriated for public works to various agencies as part of the respective agency operating budgets; provided the express approval by the Permanent Building Fund Advisory Council is granted to make application for such moneys in each instance.

EXEMPTION OF APPROPRIATIONS FROM CERTAIN PROVISIONS. All appropriations made herein shall be exempt from the provisions of Chapter 36, Title 67, and Section 67-3516, Idaho Code, but shall be available for expenditure only after allotment in accordance with the other provisions of Chapter 35, Title 67, Idaho Code, and all appropriations made hereunder shall be subject to the provisions of Section 67-5711, Idaho Code, except as otherwise provided herein.

REALLOCATION OF PROJECT SAVINGS. It is the intent of the Legislature that the Division of Public Works have the flexibility to allocate any savings or unused appropriation from any capital, line-item project to any other requested and funded fiscal year 2015 capital projects. The reallocation of such appropriation must be approved by the Permanent Building Fund Advisory Council prior to the funds being spent.

DEPARTMENT OF CORRECTION

PRESENTER: Richard Burns, Principal Budget and Policy Analyst

Management Services

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$11,260,600 General Funds, \$835,000 Dedicated Funds, \$500,000 Federal Funds for a total of \$12,595,600 with FTP of 119.50

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Thayn, Gibbs

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

State Prisons

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$92,857,300 General Funds, \$9,262,400 Dedicated Funds, \$150,400 Federal Funds for a total of \$102,270,100 with FTP of 1,066.50

FAILED:

Substitute Motion

Moved by **Nuxoll**, seconded by **Thayn**, to approve for introduction \$92,857,300 General Funds, \$9,262,400 Dedicated Funds, \$150,400 Federal Funds for a total of \$102,270,100 with FTP of 1,066.50

Change in Employee Compensation ongoing

Ayes: 6

Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn

Nays: 13

Cameron, Keough, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Ab/Ex: 1

Gibbs

CARRIED: Vote on the Original Motion for \$102,270,100

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Gibbs

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

UNANIMOUS CONSENT: On request by **Bolz**, granted by unanimous consent, the legislative intent language, as shown below, was accepted and will be incorporated in the Department of Correction for State Prisons.

INTENT LANGUAGE: Legislative Intent Language for the Idaho Correctional Center
EXEMPTION FROM OBJECT TRANSFER LIMITATIONS FOR FISCAL YEAR 2015.

To provide the Department of Correction maximum flexibility in converting the Idaho Correctional Center from a privately-operated to a publically-operated facility, the Idaho Correctional center is hereby exempted from the provisions of Section 67-3511 (1) and (3), Idaho Code, for all moneys appropriated to it for the period July 1, 2014, through June 30, 2015. Legislative appropriations shall not be transferred from one fund to another fund, unless expressly approved by the Legislature.

Private Prisons

CARRIED: Original Motion

Moved by **Bolz**, seconded by **Schmidt**, to approve for introduction \$2,445,500 General Funds with FTP of 0.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Gibbs

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

UNANIMOUS CONSENT: On request by **Bolz** granted by unanimous consent, the legislative intent language shown below, was accepted and will be incorporated in the Department of Correction for Private Prisons.

INTENT LANGUAGE: Legislative Intent Language
It is legislative intent that any unexpended balance of moneys, as appropriated to the Department of Correction for the privately-operated Idaho Correctional Center for fiscal year 2015, be returned to the General Fund once final payment has been made to cover the state's contractual obligation with Corrections Corporation of America.

County and Out-of-State Placement

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$14,133,300 General Funds.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Gibbs

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

Correctional Alternative Placement

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$9,425,800 General Funds, \$200,000 Dedicated Funds, for a total of \$9,625,800 with FTP of 0.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Gibbs

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

Community Corrections

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$16,921,100 General Funds, \$9,527,400 Dedicated Funds, \$60,100 Federal Funds for a total of \$26,508,600 with FTP of 370.35

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Thayn, Gibbs

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

Education and Treatment

CARRIED:

Original Motion

Moved by **Nuxoll**, seconded by **Bolz**, to approve for introduction \$10,424,000 General Funds, \$425,300 Dedicated Funds, \$1,037,900 Federal Funds for a total of \$11,887,200 with FTP of 52.00

Ayes: 17

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

Nays: 0

Ab/Ex: 3

Thayn, Thompson, Gibbs

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

Medical Services

CARRIED:

Original Motion

Moved by **Nuxoll**, seconded by **Bolz**, to approve for introduction \$40,747,000 General Funds, \$299,500 Dedicated Funds for a total of \$41,046,500 with FTP of 2.00

Ayes: 16

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

Nays: 2

Vick, Bayer

Ab/Ex: 2

Thayn, Gibbs

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

Commission for Pardons and Parole

Original Motion

Moved by **Schmidt**, seconded by **Vick**, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00 zero funding

CARRIED:

Substitute Motion

Moved by **Bolz**, seconded by **Nuxoll**, to approve for introduction \$2,502,700 General Funds, \$70,700 Dedicated Funds for a total of \$2,573,400 with FTP of 32.00

Ayes: 17

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

Nays: 2

Bayer, Schmidt

Ab/Ex: 1

Thayn

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

ADJOURN:

Chairman Bell adjourned the meeting at 10:06 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary