

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 13, 2015
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Cameron, Keough, Mortimer, Bair, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/ EXCUSED: None
CONVENED: Chairman Bell called the meeting to order at 8:00 a.m.

PRESENTER: **David Fulkerson, Interim Administrator, Office of the Governor Division of Human Resources**
Division of Human Resources; LBB Page 6-89

Mr. Fulkerson, acting director for the Division of Human Resources brought a presentation on the FY 2014 performance highlights and projects for the Idaho Division of Human Resources. Mr. Fulkerson spoke on the academy training highlights and the I-Perform standardized reporting system.

The FY 2015 Projects include; a statewide needs assessment, total compensation review, IT reclassification study, and enhancements for the performance evaluation system, and the Application Tracking System (ATS) Mr. Fulkerson concluded with the FY 2016 Budget Recommendation, and stood for questions. [The Division of Human Resources](#)

PRESENTER: **Ann Joslin, State Librarian, Self-Governing Agencies**
Commission for Libraries; LBB Page 5-85

Idaho State Librarian **Ann Joslin** presented the FY 2016 Budget Recommendation for the Idaho Commission on Libraries. She illustrated how the online resources provide professional development for library staff, develop and scale library programs, leverage national initiatives, and carry out ongoing community projects for the State of Idaho.

Challenges in the work force due to insufficient funding have left two vacancies in the library staff unfilled. Alternative funding is a regular challenge to support reading grants and programs such as; Idaho Learns, Early Literacy, Summer Reading Outreach, and Read to Me. Ms. Joslin further discussed how librarians are being asked for a greater amount of knowledge base with the ever evolving context of the digital age. She concluded with the Governor's Budget Recommendation and stood for questions. [Commission for Libraries](#)

PRESENTER: Michael Faison, Executive Director, Office of the Governor Commission on the Arts
Idaho Commission on the Arts LBB Page 6-57

Director Faison delivered a presentation in support of the Governor's Budget Recommendation for FY 2016 for the Idaho Commission on the Arts. The zero-based budgeting plan still guides the Commission on the Arts as they pursue the priorities of the agency services. At present, slightly more than 50% of the Commission's Budget comes from the National Endowment for the Arts (NEA) a federal grant fund. The balance is derived from the JFAC appropriation. From 2008 to 2015 the appropriation decreased 26% necessitating increased reliance on the NEA partner. Changes with the NEA partner now require the Commission on the Arts as well as all other State Art agencies, to fully match the partnership agreement with funds that are directly under the control of the agency.

The Commission endeavors to make the arts part of our children's structured education, for eleven years the Commission in partnership with the State Department of Education, has offered the Arts-Powered Schools Summer Institute, coordinating up to 100 teachers, administrators and teaching-artists annually, for a week of exploration in the creative process, and the acquisition of valuable curricular resources to enrich their teaching practice, in support of Idaho Humanities Content Standards and Idaho Core English Language Standards. Director Faison stood for questions regarding the FY 2016 Budget Recommendation. [Commission on the Arts](#)

PRESENTER: Gavin Gee, Director, Department of Finance
Idaho Department of Finance; LBB Page 5-29

Director Gee presented the FY 2016 Budget Recommendation for the Idaho Department of Finance. The Department of Finance administers the following 23 laws; the Idaho Bank Act, the Bank Holding Company Act, the Interstate Banking Act, the Interstate Branching Act, the International Banking Act, the Trust Company Act, the Saving Bank Act, the Business and Industrial Development Corporation Act (BIDCO), the Credit Union Act, the Money Transmitters Act, the Credit Code, the Mortgage Company, the Collection Agency Act, the Uniform Securities Act, the Residential Mortgages Practices Act, the Business Combination Act, the Control Share Acquisition Act, the Idaho Commodity Code, the Endowment Care Cemetery Act, the Continuing Care Disclosure Act, Idaho Escrow Act, Financial Fraud Prevention Act, and the Idaho Loan Broker Statutes. Director Gee then displayed the DOF 2011 Legislative Audit for years 2009–2011, where no findings and no recommendations were reported.

He explained the DOF plays a critical role in preserving local financial institutions and works with bank officials during on-site examinations and off-site monitoring to enhance the Idaho State Charter and promote economic development. Director Gee further discussed the Community Banking Initiatives including; 35% of Agriculture and small business loans, holding place for State and National Town Hall Meetings, and keeping local money in local institutions. Director Gee concluded with a report on Maximum Leverage from IT, he spoke on the need for appropriation to increase cybersecurity, Federal Bank and Credit Union Examination Software, and Specialized Internal Programs including VM Ware, a cost-saving virtual servers.

Director Gee briefly spoke on the Financial Education Initiatives, and stood for questions regarding the Governors Budget Recommendation. [Department of Finance](#)

**PRESENTER: Ken Edmunds, Director, Department of Labor
Idaho Department of Labor; LBB Page 5-47**

Director Edmunds opened his presentation with a statistical illustration of Idaho Economic Activity; since the depth of the recession in 2009, Idaho products are up 48% to 7.4 billion, Wages and Salaries are up 15% to 26.2 billion, Gross product is up 15% to 62.2 billion, Idaho Exports are up 49% to 5.8 billion, and State Unemployment Benefit Payments are down 69% to 126.3 million.

The challenge ahead for the Idaho Dept. of Labor will be the Workforce Gap. As shown by Director Edmunds, the Workforce Gap illustrates the difference between the projected Job growth in the State of Idaho versus the Workforce available to meet demand. A startling difference of 95, 230 position are projected to remain vacant. Director Edmunds further discussed the Idaho Dept. of Labor's resource and staffing needs, unemployment insurance, employment services including; Career Information Systems, Human Rights Commission, and Disability Determination Services, and initiatives regarding the FY 2016 Budget Recommendation. [Department of Labor](#)

PRESENTER: Keith Bybee, Principal Analyst, Budget & Policy Analysis and Keith Simila, Executive Director, Professional Engineers and Land Surveyors, Self-Governing Agencies Regulatory Boards

Mr. Bybee presented information covering the organization of the Regulatory Boards. They are comprised of the Board of Accountancy, Board of Professional Engineers and Land Surveyors, Bureau of Occupational Licenses (which houses 29 boards and commissions), the Outfitters and Guides Board, and the Real Estate Commission.

Director Simila further discussed, the four permanent full-time equivalent positions on staff, there is no changes to the number of employees in the agency, and no vacancies. The board members are appointed by the Governor, and currently report a clean legislative audit. All funding for the board's operations are dedicated funds and no General Funds are requested or used. Revenues accrue from licensing fees and penalties whereas all unused funds are reverted back to the dedicated fund. Director Simila introduced a legislative proposal to increase the number of board members from 5 to 7, and a board salary stipend adjustment request in the amount of \$4,000. Another legislative proposal adds a \$400 fine in lieu of discipline for first time violators of Continuing Professional Development rules with an anticipated annual revenue increase of \$4,000 to the dedicated fund and decrease of \$2,000 to the General Fund. Fee increases to licensees (except late fees) are not anticipated. Director Simila and Mr. Bybee concluded the presentation and stood for questions regarding the FY 2016 Budget Recommendation. [Regulatory Boards](#)

ADJOURN: There being no further business to come before the committee, Chairman Bell adjourned the meeting at 9:53 a.m.

Representative Bell
Chair

Christi Cox
Secretary