

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 19, 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.
LSO STAFF: Ray Houston, Jared Tatro, Jared Hoskins

GERMANE COMMITTEE REPORTS

HOUSE AGRICULTURAL AFFAIRS

PRESENTER: **Ken Andrus, Chairman, House Agricultural Affairs**
Germane Committee Report: House Agricultural Affairs

Chairman Andrus presented briefly on the increase in demand for Idaho beef and the result of which, has caused an increase in cost per pound of Idaho beef from seventy cents to two dollars. The agricultural industry has a budget requirement and our leaders are doing very well to meet all demands. Chairman Andrus discussed further how hay and grain growers are also doing very well as a result of the agricultural prosperity. A request to maintain the agricultural research funding was expressed as efforts to achieve optimum efficiency continue. Chairman Andrus then stood for questions regarding the Budget Recommendation.

SENATE AGRICULTURAL AFFAIRS

PRESENTER: **Jim Rice, Chairman, Senate Agricultural Affairs**
Germane Committee Report: Senate Agricultural Affairs

Chairman Rice briefly spoke on the performance of the farmgate receipts in the last few years. Driven by growth in animal agriculture, we are the 3rd largest provider for dairy in the US. There has been some downturn in the west coast ports due to labor disputes, as a result we have seen a downturn in exports to Asia. Ongoing research is very important to the agricultural community, and while the agricultural industry in the State of Idaho could be considered recession-proof, it is important attention is paid to the amount borrowed by our farmers. Chairman Rice further discussed how the industry is healthy, and how Idaho's transportation system is absolutely critical to the success agricultural industry and other sectors of our economy. Chairman Rice then stood for questions regarding the Budget Recommendation.

HOUSE HEALTH AND WELFARE

PRESENTER: Fred Wood, Chairman, House Health and Welfare
Germane Committee Report: House Health and Welfare

Chairman Wood presented information on the Joint Public Hearing offered by the Senate and House Health and Welfare committees regarding complaints about lack of health care due to inability to afford it. He addressed the following eleven areas of the Budget Recommendation for the Idaho Department of Health and Welfare:

1. Fully Fund Crisis Center: Behavioral Health Center
2. Catastrophic Center
3. Children and Adult mental health
4. Increase in
5. Allumbaugh House
6. Immunizations
7. Food Stamp issuance
8. Legal Services vs. outside private Counsel
9. Pay increase
10. Surveys and License
11. SHIP planning Grant and Received

Chairman Wood expressed support for Idaho families involved in programs for Mental Health and Substance Abuse. He then stood for questions regarding the FY 2016 Budget Recommendation.

SENATE JUDICIARY AND RULES

PRESENTER: Marv Hagedorn, Vice Chairman, Senate Judiciary and Rules
Germane Committee Report: Senate Judiciary and Rules

Senator Hagedorn expressed support for competitive salaries for Idaho's correctional officers. He discussed the unacceptable turnover rate and for correctional officers, and briefly mentioned the Justice Reinvestment and Idaho's recovering economy. Senator Hagedorn shared how Idaho simply cannot afford to continue to hire and train members of this workforce just to them lose them to a more competitive compensation. Senator Hagedorn drew attention to the high level of performance from the new director in the Department of Correction, and spoke quickly in favor of funding all line items in the FY 2016 Budget Recommendation.

HOUSE JUDICIARY AND RULES

PRESENTER: Rich Wills, Chairman, House Judiciary Rules and Administration
Germane Committee Report: House Judiciary, Rules and Administration

Chairman Wills spoke on the SB 1357, the Justice Reinvestment Initiative and expressed excitement about where the program is headed. Chariman Wills briefly mentioned Mental Health issues and citizens who need rehabilitation rather than just criminal correction. Chairman Wills expressed excitement about the redesign of associated with SB 1357. Chairman concluded by standing for questions regarding the Budget Recommendation.

STATEWIDE BUDGET DECISIONS-JFAC ADJUSTED

PRESENTER: Cathy Holland-Smith, Manager, Division of Budget and Policy Analysis
Proposal JFAC Adjusted for FY 2016

SUBJECT: FY 2015 General Fund Revenue for Budget Setting

UNANIMOUS CONSENT: On request by **Mortimer**, and granted by unanimous consent, that the Joint Finance-Appropriations Committee adopt and use the Governor's and Economic Revenue Assessment Committee's (EORAC) recommended General Fund revenue projection of \$2,964,497,000, a 5.3% increase, for the purpose of setting and modifying State agency Budgets for FY 2015.

SUBJECT: FY 2016 General Fund Revenue for Budget Setting

UNANIMOUS CONSENT: On request by **Schmidt**, and granted by unanimous consent, that the Joint-Finance Appropriations Committee adopt and use the Governor's and Economic Outlook and Revenue Committee's (EORAC) recommended General Fund revenue projection of \$3,127,644,000, a 5.5% increase, for the purpose of setting and modifying state agency budgets for FY 2016.

UNANIMOUS CONSENT: On request by **Johnson**, granted by unanimous consent, to accept the following language:

SECTION 1. BENEFIT CHANGES:

It is legislative intent to include \$650 increase for health insurance per eligible full-time FTP by agency as recommended by the Governor and the CEC Committee, adjustments in variable benefit costs, and fund shifts to the General Fund as recommended by the Governor of \$5,799,500 General Funds, \$4,064,300 Dedicated Funds, \$1,656,600 Federal Funds for a total of \$11,520,400

UNANIMOUS CONSENT: On request by **Lacey**, granted by unanimous consent, to accept the following language:

SECTION 2. INFLATIONARY ADJUSTMENTS:

It is legislative intent not to include the agency's request or the Governor's recommendation for money from the General Fund, dedicated funds, or federal funds for inflationary adjustments in the JFAC Adjusted. Committee members may, at their discretion, add back funding in their motions on a case-by-case basis.

UNANIMOUS CONSENT: On request by **Nuxoll**, granted by unanimous consent, to accept the following language:

SECTION 3. REPLACEMENT ITEMS:

It is legislative intent not to include the agency's request or the Governor's recommendation for [one time] funding for replacement operating expenditures and capital outlay from the General Fund, dedicated, or federal funds. Committee members may, at their discretion, add funding in their motions on a case-by-case basis.

UNANIMOUS CONSENT: On request by **Cameron**, granted by unanimous consent, to accept the following language.

SECTION 4. STATEWIDE COST ALLOCATION (SWCAP):

It is legislative intent to include the Governor's recommendation for adjustments for Attorney General fees, risk management fees, State Controller fees, and State Treasurer fees. Approved for introduction, \$(912,100) General Funds, \$(617,600) Dedicated Funds, \$(159,500) Federal Funds for a total of \$(1,689,200) to SWACP.

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, to accept the following language:

SECTION 5. ANNUALIZATIONS:

It is the intent of the legislature to include the Governor's recommendation for elected officials salary increases of \$15,600, and not the increase recommended in Health & Welfare for the SHIP supplemental because it has not been acted upon. Approved for introduction is \$15,600 General Funds, for a total of \$15,600 for Annualizations.

UNANIMOUS CONSENT: On request by **Lacey**, granted by unanimous consent to accept the following language:

SECTION 6. CHANGE IN EMPLOYEE COMPENSATION (CEC):

It is the intent of the legislature to include funding for a 3% pay increase for permanent employees for state agencies and institutions, as recommended by the Governor and the CEC Committee. This includes the Governor's recommended fund shifts for CEC. Approved for introduction \$16,740,200 General Funds, \$12,026,400 Dedicated Funds, \$4,503,900 Federal Funds for a total of \$33,270,500 to CEC 3% increase.

UNANIMOUS CONSENT: On request by **Malek**, granted by unanimous consent to accept the following language:

SECTION 7. MOVE MINIMUMS ON THE PAY SCHEDULE 2% FROM 68% TO 70% OF POLICY: It is the intent of the legislature to include funding for agencies for the cost of moving employees on the pay schedule to the new minimum salary as recommended by the CEC Committee. Approved for introduction \$54,200 General Funds, \$42,200 Dedicated Funds, \$42,200 Federal Funds for a total of \$138,600 to Move Minimums on Pay Schedule 2%, from 68% to 70% of Policy per CEC committee.

UNANIMOUS CONSENT: On request by **Gibbs**, granted by unanimous consent to accept the following language:

SECTION 8. ELECTED OFFICIALS PAY INCREASE:

It is the intent of the legislature to include funding for pay raises for elected officials approved during the 2014 legislative session. Approved for introduction \$4,400 General Funds, totaling \$4,400 to Elected Officials Pay Increase.

UNANIMOUS CONSENT: On request by **Horman**, granted by unanimous consent to accept the following language:

SECTION 9. NONDISCRETIONARY ADJUSTMENTS:

It is the intent of the legislature to include staff recommendation for statutorily driven changes in Public Schools with 167 new support units, instead of 87 support units in the Governor's recommendation, include the Governor's recommendation for enrollment workload growth in Higher Education and Professional-Technical Education, and caseload, utilization, and federal match rate adjustments as recommended by the Governor in Health & Welfare (including Medicaid). Approved for introduction \$51,516,000 General Funds, \$2,514,000 Dedicated Funds, \$19,767,600 Federal Funds for a total of \$73,797,600 for Nondiscretionary Adjustments.

UNANIMOUS CONSENT: On request by **Keough**, granted by unanimous consent to accept the following language:

SECTION 10. ENDOWMENT ADJUSTMENTS:

It is the intent of the legislature to include the Governor's recommendation for changes in spending in the Endowment Funds in Public Schools, Colleges and Universities, and the Department of Health & Welfare. Approved for introduction \$(1,283,200) General Funds, \$2,483,400 Dedicated Funds, for a total of \$1,200,200 for Endowment Adjustments.

ADJOURN: There being no further business to come before the committee, Chairman Bell adjourned the meeting at 9:46 a.m.

Representative Bell
Chair

Christi Cox
Secretary