

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 25, 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: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis
Public Health District**
SUBJECT: **Public Health Districts**

Mr. Tatro read through the line items pertaining to the Budget Request and Recommendation for Idaho's Public Health Districts. Starting with the JFAC Base: an additional \$74,800 for the change in employee benefits, \$6,500 for medical inflationary adjustments, a reduction in statewide cost allocation by \$10,600, and \$179,300 for the change in employee compensation, and for FY 2016: \$8,719,200 from the General Fund to the Idaho Public Health Districts.

Further discussion revealed that this motion reflects the Governor's Recommendation with the additional \$500 for employee compensation for Southeast Health District #6, to bring all staff to 70% of the compensation policy. While this motion shows a 6.1% reduction from the appropriation in FY 2015, the difference is with the Millennium Fund grant and funding for that grant will be voted on with Millennium Fund budget setting on Monday, March 2. If JFAC accepts the Joint Millennium Fund Committee recommendation then the Public Health Districts Budget will increase 2.0% from the 2015 Original Appropriation.

CARRIED: **Original Motion**

Public Health Districts

Appropriation

Moved by **Nuxoll**, seconded by **Schmidt**, to approve for introduction \$8,719,200 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$8,719,200 with FTP of 0.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

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**.

SELF-GOVERNING AGENCIES

PRESENTER: Jared Tatro, Principal Analyst, Division of Budget & Policy Analysis

SUBJECT: Self-Governing Agencies: Division of Veteran's Services

Mr. Tatro read through the following line items regarding the Division of Veteran's Services. The JFAC Adjusted Base, with an additional \$197,900 for benefit costs, \$493,200 for inflationary adjustments, \$1,405,200 for replacement items, remove \$15,800 for statewide cost allocation, and add \$420,000 for the change in employee compensation. Then \$218,500 and 3.0 full-time equivalent positions as requested in line item #1, and additional \$25,600 for temporary staff benefit increases as requested in line item #2, \$666,000 for new capital outlay and operating expenditures as requested in line item #3, \$100,600 for ongoing IT needs as requested in line item #4, \$400,000 for uses outlined in line item #5 from the Veterans Recognition Fund, and \$100,000 for the Idaho Suicide Hotline as requested in line item #6.

Fiscal Year 2016, 331.0 full-time equivalent positions, \$987,400 from the General Fund, \$16,001,800 from dedicated funds, and \$15,179,500 from federal funds for a total of \$32,168,700.

Further discussion revealed that this motion reflects the Governor's Recommendation with the addition of the third FTP and associated funding as requested in line item #1. This additional position will provide administrative support to the new veterans service officer that will be located in the Magic Valley. Currently, Veteran's in the Magic Valley rely on a service officer that is located in Boise. This motion also includes \$900,000 for various alteration and repair projects that were requested through the Permanent Building Fund.

The Permanent Building Fund Advisory Council recommended \$450,000 for the division for several alteration and repair projects. However, with cash balances hovering around 25% of the agencies annual operating budget, or about \$8 million, it is the intent of the legislature that the division continue using its existing internal resources for one more year. The additional appropriation provided for in this motion will allow the division to address more needs in the coming year without the use of state funds. Currently, the cash balances for the dedicated and federal funds are slightly increased from the beginning of the fiscal year, which means the division continues to maintain a healthy unencumbered cash balance and is receiving revenue slightly faster than the division is spending.

CARRIED: **Original Motion**

Self-Governing Agencies
Division of Veterans Services

Moved by **Keough**, seconded by **Malek**, to approve for introduction \$987,400 General Funds, \$16,001,800 Dedicated Funds, \$15,179,500 Federal Funds for a total of \$32,168,700 with FTP of 331.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

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**.

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget & Policy Analysis**

SUBJECT: **Self-Governing Agencies: Medical Boards**

Mr. Tatro presented to the committee, line items regarding the Medical Boards Budget Recommendation. Starting with the JFAC Base: add an additional \$29,200 for benefit costs, \$1,200 for inflationary adjustments, \$70,300 for replacement items, \$6,400 for statewide cost allocation, and \$72,900 for the change in employee compensation.

Then add \$6,500 and 0.2 full-time equivalent positions as requested in line item #1; add \$14,900 for the Board of Medicine executive director vacation payoff as requested in line item #2; add \$13,500 for a fingerprint card scanner as requested in line item #3; \$24,000 for increased enforcement costs as requested in line item #4; \$100,000 for nursing workforce development as requested in line item #5; \$20,600 for Nursing associate director pay increases as requested in line item #6; and add 0.50 full-time equivalent positions and \$24,400 for additional part-time staff with the Board of Veterinary Medicine.

Further discussion revealed that this motion reflects the Governor's Recommendation for all five medical boards, with the addition of:

- 1) A replacement vehicle for the Board of Pharmacy to be used in Southwest Idaho.
- 2) Additional pay increases for the Board of Nursing as requested by the agency.
- 3) The addition of part-time resources for the Board of Veterinary Medicine.

While the board did not officially request the additional part-time staff, the need has been evident for the past couple years and will not be resolved without legislative action. This motion equates to a 1.0% increase from fiscal year 2015.

FAILED: **Substitute Motion**

Appropriation
Self-Governing Agencies
Medical Boards

Moved by **Nuxoll**, seconded by **Guthrie**, to approve for introduction \$0 General Funds, \$5,480,500 Dedicated Funds, \$0 Federal Funds for a total of \$5,480,500 with FTP of 45.10

Ayes: 9

Cameron, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Monks, Gannon

Nays: 11

Keough, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King

Ab/Ex: 0

CARRIED: **Original Motion**

Self-Governing Agencies
Medical Boards

Appropriation
Original Motion

Moved by **Miller**, seconded by **King**, to approve for introduction \$0 General Funds, \$5,534,000 Dedicated Funds, \$0 Federal Funds for a total of \$5,534,000 with FTP of 45.10

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

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**.

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**

SUBJECT: Office of the Governor: Office of Drug Policy

Mr. Tatro read through the line items listed in the budget recommendation for the Office of Drug Policy. Starting with the JFAC Base: plus an additional \$4,000 for benefit costs, \$600 for statewide cost allocation, and \$12,000 for the change in employee compensation.

Then add \$609,500 to pay grant recipients faster as outlined in line item #1; transfer \$12,000 from operating expenditures to personnel costs as provided in line item #2; and add \$15,000 to retain and pay for the use of the federal prevention fellow as provided in line item #3.

Finally, 6 full time equivalent positions, \$303,000 from the General Fund, \$18,500 from dedicated funds, and \$3,933,100 from federal funds for a total of \$4,254,600 for the Office of Drug Policy for fiscal year 2016. This reflects the Governor's Recommendation and is a 17.7% increase from fiscal year 2015.

CARRIED: Original Motion

**Office of the Governor
Office of Drug Policy**

Appropriation

Moved by **Youngblood**, seconded by **Schmidt**, to approve for introduction \$303,000 General Funds, \$18,500 Dedicated Funds, \$3,933,100 Federal Funds for a total of \$4,254,600 with FTP of 6.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

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**.

PRESENTER: Robyn Lockett, Principal Analyst, Division of Budget & Policy Analysis

SUBJECT: Office of the Governor: Office of Human Resources

Ms. Lockett explained to the committee, that this budget reflects a maintenance of current operations requests. Additionally, the CEC Committee has recommended the minimum amounts on the pay schedule to be moved from 68% to 70% of policy, and that the language reflect that intent.

CARRIED: **Original Motion**

Office of the Governor
Division of Human Resources

Appropriation

Moved by **Gannon**, seconded by **Lacey**, to approve for introduction \$0 General Funds, \$1,732,800 Dedicated Funds, \$0 Federal Funds for a total of \$1,732,800 with FTP of 12.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

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 **Gannon**, granted by unanimous consent, the legislative intent language was accepted:

INTENT LANGUAGE: It is the intent of the legislature that of the moneys appropriated in section 1, of this act, the Division of Human Resources shall pay the Division of Professional-Technical Education for the cost of providing statewide management and human resources training. The payment amount shall be equal to the Miscellaneous Revenue Fund expenditures in fiscal year 2016 within the Related Services Program of the Division of Professional-Technical Education, less any unencumbered balance remaining on June 30, 2015.

EMPLOYEE COMPENSATION: It is the intent of the Legislature to progress toward the goal of funding a competitive salary and benefit package that will attract qualified applicants, retain employees committed to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance. Consequently, the Division of Human Resources shall adjust the minimum amounts on the compensation schedule to 70% of policy in order to move the salary structure closer to market rates. The Division shall also continue the job classifications that are currently on payline.

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget & Policy Analysis**

SUBJECT: **Public Employee Retirement System (PERSI)**

Ms. Lockett explained to the committee how this budget reflects the JFAC adjusted numbers and the line item related to the funding from the Judge's Retirement Fund. This motion included the majority of the replacement items requested including; 1 scanner and 8 new servers. This will be adequate for the agency to create a solid replacement schedule for future server replacement. Motion also included funding for FTP.

CARRIED: **Original Motion**

Office of the Governor
Public Employee Retirement System

Appropriation

Moved by **Monks**, seconded by **Schmidt**, to approve for introduction \$0 General Funds, \$7,384,500 Dedicated Funds, \$0 Federal Funds for a total of \$7,384,500 with FTP of 65.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

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 **Gannon**, granted by unanimous consent, the legislative intent language was accepted:

INTENT LANGUAGE: It is the intent of the Legislature, notwithstanding Section 59-1311(4)(d), Idaho Code, moneys appropriated in Section 1 of this act for the Portfolio Investment Program are for administrative costs of the Portfolio Investment Program as provided in Section 59-1311(3), Idaho Code. Amounts necessary to pay all other investment expenses related to the Portfolio Investment Program are perpetually appropriated to the Public Employee Retirement System Board as provided in Section 59-1311 (4)(a), (b), and (c), Idaho Code.

PRESENTER: **Robyn Lockett, Principal Analyst, Division of Budget & Policy Analysis**

SUBJECT: **Office of the Governor: Commission on the Arts**
Ms. Lockett explained to the committee how this budget request reflects a maintenance of current operations, plus ongoing increase of \$100,000 to support arts education programs. The Arts Commission was established in 1966 and Idaho Code states that it be “the policy of the state to encourage the development of our artistic and cultural life and to join with all persons and institutions concerned with the arts to insure that the role of the arts in our communities will grow and play an evermore significant part in the welfare and educational experience of our citizens.”

CARRIED: **Original Motion**

Office of the Governor
Commission on the Arts

Appropriation

Moved by **Horman**, seconded by **King**, to approve for introduction \$759,400 General Funds, \$106,100 Dedicated Funds, \$1,040,200 Federal Funds for a total of \$1,905,700 with FTP of 10.00

Ayes: 17

Cameron, Keough, Bair, Mortimer, Johnson, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 2

Nuxoll, Thayn

Ab/Ex: 1

Monks

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: There being no further business to come before the committee, chairman Bell adjourned the meeting at 9:06 a.m.

Representative Bell
Chair

Christi Cox
Secretary