

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 03, 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.

BUDGET SETTING

PRESENTER: **Paul Headlee, Deputy Division Manager, Division of Budget & Policy Analysis**
SUBJECT: **Professional-Technical Education: Agricultural Research and Extension Services**

Mr. Headlee read through the line items pertaining to the budget request for the Agricultural Research and Extension Service; a department of the University of Idaho that receives its own legislative appropriation for the valuable analysis and research to the State of Idaho. This extensive work includes research on all major Idaho agricultural products and economic activities that apply to the state as a whole. There are 42 locations out of the 44 counties in the State of Idaho to maximize interstate cooperation. There are two line items included in the request:

Line item #1, provides 5.5 FTP and \$1,528,900 ongoing from the General Fund to fully fund existing technical support staff by shifting from temporary and one-time non-appropriated funds to the General Fund and additional moneys to hire new staff. This shift is to stabilize funding and to increase the productivity of the research faculty.

Line item #2, provides 2.0 FTP and \$200,000 ongoing from the General Fund to hire one Tenure-Track assistant or associate professor and one postdoctoral research associate to conduct research on the US Sheep Experiment Station (USSES) property near Dubois, Idaho. Of this amount \$175,000 is for personnel costs and \$25,000 is for operating expenditures. This will include exceptions to be transferred between object codes; and consistent with other higher education budgets, there is no FTP cap.

CARRIED: **Original Motion**
State Board of Education
Agricultural Research & Extension Service

Appropriation

Moved by **Bair**, seconded by **Horman**, to approve for introduction \$28,736,200 General Funds, \$25,600 Dedicated Funds, \$0 Federal Funds for a total of \$28,761,800 with FTP of 292.74

Ayes: 19

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

Nays: 0

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**.

PRESENTER: **Paul Headlee, Deputy Division Manager, Division of Budget & Policy Analysis**

SUBJECT: **State Board of Education: Division of Professional Technical Education**

Mr. Headlee summarized the FY 2016 Governor's Recommendation and JFAC adjusted delivering Professional-Technical Programs advanced manufacturing initiative. Specifics of the appropriation line-items discussion are as follows:

Line item #1, this provides 5.5 FTP. The funding for this line item is needed to bring current technical positions back from [one-time] non-appropriated funds onto stable funding, fund the 5.5 new positions, and provide research assistance stipends.

Line item #2, the Agricultural Science and Technology Program and the Agricultural Science/Mechanics Program would not receive additional funding because these programs received a 46.2% increase from FY 2014 to FY 2015.

Line item #4 provides \$325,000 one-time from the General Fund and \$325,000 of ongoing dedicated fund spending authority for the Idaho Quality Program Standards Incentive Grants Program and the Agricultural and Natural Resource Education Program Start-Up Grants Program.

Line item #5 provides \$505,700 of one-time federal spending authority for the federal Workforce Investment Act sub-grant from the Idaho Department of Labor. This funding would provide resources to complete the SkillStack certification effort and address integrated retention and completion projects for adult basic education.

Line item #6 provides 6.37 FTP and the transfer of \$102,600 from Operating Expenditures into Personnel Costs that results in a net zero fiscal impact.

Totals include: 523.46 FTP, \$56,204,600 from the General Fund, \$1,441,400 of Dedicated Funds, and \$9,282,800 of federal funds, for a total of \$66,928,800.

This will include carry-over authority of dedicated funds for the division and provide exceptions to budget laws that will allow funds to be transferred between object

codes for the Post-Secondary Program only. There is no FTP cap. Replacement items for the six technical colleges include; one simulation mannequin for CSI; one wheel balancer for CWI; two floor sweepers at EITC; six leader/phabrix multi-format signal analyzers and monitors at for ISU; one hydraulic metal brake for LCSC; and one hydraulic trainer for NIC.

CARRIED:

Original Motion

Division of Professional-Technical Education

Appropriation

Moved by **Guthrie**, seconded by **Johnson**, to approve for introduction \$56,204,600 General Funds, \$1,441,400 Dedicated Funds, \$9,282,800 Federal Funds for a total of \$66,928,800 with FTP of 523.46

Ayes: 19

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

Nays: 0

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**.

PRESENTER: Keith Bybee, Principal Analyst, Division of Budget & Policy Analysis

SUBJECT: Self-Governing Agencies: Division of Building Safety

Mr. Bybee presented the appropriation for the Self-Governing Agency: Division of Building Safety. This appropriation will include the Governor's Recommendation for benefit cost increases, replacement items, and statewide cost allocation. Also included, is the 3% CEC increase following the JFAC adjusted budget.

Mr. Bybee further discussed the \$40,000 fund shift in Line Item #2, from the dedicated fund to the general grant which now allows 1% of Agency overhead. Overall, this budget is a 3% increase above the FY 2015 appropriation.

CARRIED:

Original Motion

Self-Governing Agencies

Division of Building Safety

Appropriation

Moved by **Keough**, seconded by **Youngblood**, to approve for introduction \$0 General Funds, \$11,301,300 Dedicated Funds, \$85,300 Federal Funds for a total of \$11,386,600 with FTP of 121.00

Ayes: 19

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

Nays: 0

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**.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget & Policy Analysis**

SUBJECT: **Self-Governing Agencies: Industrial Commission**

Mr. Bybee presented the appropriation for the Self-Governing Agency: Industrial Commission. This appropriation will include the Governor's Recommendation for benefit cost increases, replacement items, and statewide cost allocation. Also included is the 3% CEC increase following the JFAC adjusted budget.

CARRIED: **Original Motion**
Industrial Commission

Appropriation

Moved by **Keough**, seconded by **Youngblood**, to approve for introduction \$0 General Funds, \$15,236,100 Dedicated Funds, \$800,000 Federal Funds for a total of \$16,036,100 with FTP of 138.25

Ayes: 19

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

Nays: 0

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**.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget & Policy Analysis**

SUBJECT: **Self-Governing Agencies: Department of Insurance**

Mr. Bybee read through the appropriation information and the line items pertaining to the appropriation for the Department of Insurance. This appropriation includes the Governor's Recommendation for the benefit cost increases, replacement items, and statewide cost allocation. It also includes the 3% CEC increase following the JFAC adjusted budget. There is one line item.

Line item #1, transfers \$42,600 from operating expenditures to personnel costs to pay for three position reclassifications. This budget is a 2.3% increase above FY 2015 appropriation.

CARRIED: **Original Motion**
Department of Insurance
Appropriation
Moved by **Youngblood**, seconded by **Lacey**, to approve for introduction \$0
General Funds, \$8,371,200 Dedicated Funds, \$657,300 Federal Funds for a total of
\$9,028,500 with FTP of 73.50
Ayes: 19
Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Guthrie, Schmidt, Lacey, Bell,
Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
Nays: 0
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**.

PRESENTER: **Keith Bybee, Principal Analyst, Division of Budget & Policy Analysis**
SUBJECT: **Self-Governing Agencies: Department of Labor**
Mr. Bybee read through the information pertaining to the Budget Recommendation
and appropriation for the Department of Labor.

CARRIED: **Original Motion**
Department of Labor
Appropriation
Moved by **Mortimer**, seconded by **Schmidt**, to approve for introduction \$320,700
General Funds, \$25,626,800 Dedicated Funds, \$66,631,400 Federal Funds for a total
of \$92,578,900 with FTP of 700.00

Ayes: 17
Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Guthrie, Schmidt, Lacey, Bell,
Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, King
Nays: 1
Gannon
Ab/Ex: 2
Thayn, Malek

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 On request by **Mortimer**, granted by unanimous consent, legislative intent language
CONSENT: was accepted.
INTENT **Section 1.** It is the intent of the Legislature notwithstanding Section 72-519, Idaho
LANGUAGE: Code, on July 1, 2015 or as soon thereafter as is practicable, the State Controller
shall transfer the sum of three million dollars (\$3,000,000) from the Industrial
Administration Fund to the Workforce Development Training Fund for the purpose
of providing Industry Sector grants.

UNANIMOUS CONSENT: On request by **Mortimer**, granted by unanimous consent, the legislative intent language was accepted.

INTENT LANGUAGE: **Section 2.** Legislative Intent – It is the intent of the Legislature that during the time period July 1, 2015 to June 30, 2016, the Department of Labor shall maintain the same number of local offices and provide the same or similar level of service as provided on July 1, 2014. Further, the Department of Labor shall report to the Joint Finance Appropriations Committee, at the committee's 2015 fall interim meeting and detail the gap between necessary resources and the current level of service to maintain the same number of local offices. Additionally, the department report shall include recommendations to fund these services.

UNANIMOUS CONSENT: On request by **Mortimer**, granted by unanimous consent, the legislative intent language was accepted.

INTENT LANGUAGE: **Section 3.** Legislative Intent – It is the intent of the Legislature that during the 2nd regular session of the 63rd Idaho Legislature, the Department of Labor shall report to the Joint Finance Appropriations Committee on activities of the Workforce Development Training Fund. The report shall include results of employment for enrollees in the program, their wages before and after training, duration of employment, relation of training to field of employment, and detail how the money was expended.

FAILED: *Language*
 Moved by **Gannon**, seconded by **King**, for unanimous consent to accept the following language, **failed**.

Section 4. Legislative Intent. It is the intent of the Legislature that any moneys used for the Industry Sector Grants only support partnerships between private industry and institutions of higher education that are funded in part by the state of Idaho General Fund.

PRESENTER **Wayne Hoffman, President, Idaho Freedom Foundation**

SUBJECT: **Establishing Annual Reporting Requirements for State Agencies Receiving Federal Funds**
 As presented by **Mr. Hoffman**, this action would require state agencies, through the budget process, to identify not only available federal funds, but the potential impact of having those funds reduced and an agency's operating plan if there is a 10% or greater reduction in federal funding.

CARRIED: **Original Motion**
RS 23543
Motion to Print
 Moved by **Bair**, seconded by **Mortimer**
Ayes: 19
 Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Monks, Burtenshaw, Gannon, King
Nays: 0
Ab/Ex: 1
 Malek

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 at 9:24 a.m.

Representative Bell
Chair

Christi Cox
Secretary