

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, March 09, 2015

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Cameron, Keough, Mortimer, Bair, Johnson, Guthrie, Schmidt, Lacey

Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon

ABSENT/EXCUSED: Senators Nuxoll, Thayn, Representative(s) Horman

CONVENED: **Chairman Bell** called the meeting to order at 8:00 a.m.

STATE BOARD OF EDUCATION

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

SUBJECT: **State Board of Education: College and Universities**
Mr. Headlee Read through the line items for the budget request for the State Board of Education: College and Universities.

CARRIED: **Original Motion**
State Board of Education
College and Universities
Appropriation
Moved by **Lacey**, seconded by **Mortimer**, to approve for introduction \$258,776,400 General Funds, \$261,701,900 Dedicated Funds, \$0 Federal Funds for a total of \$520,478,300 with FTP of 4,212.77
C/O for non-GF

Ayes: 18
Cameron, Keough, Bair, Mortimer, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 2
Nuxoll, Horman

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 **Lacey**, granted by unanimous consent, the legislative intent language was accepted.

LEGISLATIVE SECTION 4.

INTENT: It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this Act, the following amounts may be used:

(1) An amount not to exceed \$140,000 may be used by the Office of the State Board of Education for system wide needs;

(2) An amount of approximately \$1,760,500 may be used for the mission and goals of the Higher Education Research Council as out lined in the State Board of Education policy III.W., which includes awards for infrastructure, matching grants, and competitive grants through the Idaho Incubation Fund program; and

(3) An amount not to exceed \$863,300 may be used by the State Board of Education for instructional projects designed to foster innovative learning approaches using technology, to promote accountability and information transfer throughout the higher education system including longitudinal student-level data and program/course transferability, and to promote the Idaho Electronic Campus.

SECTION 5.

It is the intent of the Legislature that the State Board of Education shall report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee on the implementation and effectiveness of the appropriations for the Complete College Idaho Initiative. Reporting shall address the \$2,759,700 appropriated in fiscal year 2015 and the \$2,033,800 appropriated in Section 1 of this act for Fiscal Year 2016. The Board may use the measures of effectiveness submitted by the institutions in their budget requests or develop other measures as necessary. Reporting to the Legislature should occur no later than February 1, 2016.

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

SUBJECT: State Board of Education: Community Colleges:
Mr. Headlee read through the line items pertaining to the FY 2016 Community Colleges budget request. All funds are from the General Fund.

CARRIED: Original Motion
State Board of Education
Community Colleges
Appropriation
Moved by Guthrie, seconded by Miller, to approve for introduction \$33,961,000 General Funds, \$600,000 Dedicated Funds, \$0 Federal Funds for a total of \$34,561,000 with FTP of 0.00

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Nuxoll, Horman

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 **Guthrie**, granted by unanimous consent, the legislative intent language was accepted.

INTENT SECTION 3.

LANGUAGE: It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsections I. - III of this Act , an amount not to exceed \$70,000 may be expended by the Office of the State Board of Education for system wide needs including, but not limited to, projects to promote accountability and information transfer throughout the higher education system.

SECTION 4 .

It is the intent of the Legislature that for the \$1,227,400 appropriated from the General Fund in Section 1 of this act for the Complete College Idaho initiative, the State Board of Education shall report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee on the implementation and effectiveness of the individual institution's efforts. The Board may use the measures of effectiveness as submitted by the institutions in their FY 2016 budget requests or develop other measures as necessary. Reporting to the Legislature should occur no later than February 1, 2016.

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

SUBJECT: **State Board of Education: Superintendent of Public Schools**
Mr. Headlee read through the requested line items of the Budget Recommendation for the FY 2016 State Board of Education: Superintendent of Public Schools.

CARRIED: **Original Motion**
State Board of Education
Superintendent of Public Instruction

Appropriation

Original Motion

Moved by **Mortimer**, seconded by **Cameron**, to approve for introduction \$15,745,900 General Funds, \$6,395,900 Dedicated Funds, \$17,071,500 Federal Funds for a total of \$39,213,300 with FTP of 142.00

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Nuxoll, Horman

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 **Mortimer**, granted by unanimous consent, the legislative intent language was accepted.

**INTENT
LANGUAGE:**

SECTION 2.

It is a legislative priority to provide funding to enable schools to procure broadband services during the 2015- 2016 school year. This funding is intended to protect Idaho's schoolchildren and their education from disruption while the state works on a longer term solution to pay for Internet-based curriculum and connectivity. Funding is provided for July 1, 2015, through June 30, 2016.

SECTION 3.

USE OF FUNDS: It is the intent of the Legislature that up to \$6,300,000 from the General Fund provided in Section 1 of this act shall be provided to schools to purchase broadband services in an amount equivalent to what was procured as of March 26, 2015.

(a) Schools shall have the power to procure telecommunication services, including high-bandwidth connectivity, Internet access, and purchase equipment, and other related services, as necessary to provide for the continuation of broadband-related functions so long as all purchases are conducted in accordance with Idaho Code governing procurement.

(b) The Superintendent of Public Instruction shall require school districts to provide documentation to support all funds distributed. Payments to schools for broadband and associated services shall be for the non-discounted portion of E-rate services, when applicable.

(c) Equivalent services shall be determined by the superintendent as the level of services necessary to meet the educational needs of the students and to provide and maintain necessary supporting equipment and infrastructure. When reimbursement is requested for this purpose, or as it relates to the expansion of services or for the purchase of equipment, then the superintendent may approve such requests after a cost/benefit analysis is conducted that justifies the expansion or purchase of equipment.

(d) The superintendent shall have the authority to make advances of the money appropriated for this purpose to schools as the superintendent deems adequate, as determined by the demonstrated need and of the cost of services to the school district.

(e) This is a fixed appropriation and any unexpended and unencumbered balance shall revert to the General Fund.

SECTION 4.

REPORTING REQUIREMENTS. The superintendent shall collect information from the school districts and report to the Legislature and to the Governor as to the level of service purchased. The superintendent shall also report the number of students using the services, including, but not limited to, the number of students using the internet, the number of students taking online courses, the number of students using online digital curriculum, and the number of students using other digital tools.

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

SUBJECT: **HB 168 Supplemental for the Superintendent of Public Instruction:
Proposed Language Amendments**

Mr. Headlee spoke on **H168** and read through the changes include additional funding for services in Section C and Section 3; Use of Funds.

UNANIMOUS CONSENT: On Request by **Malek**, granted by unanimous consent, the Fiscal Year 2015 budget for the State Board of Education, Superintendent of Public Instruction, was reopened.

CARRIED: **Original Motion**
State Board of Education
Superintendent of Public Instruction

Language

Moved by **Malek**, seconded by **Mortimer**, Amend Section 3 of **H168** of 2015 by addition of subsection c as presented

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Nuxoll, Horman

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**.

INTENT LANGUAGE:

SECTION 3.

USE OF FUNDS. It is the intent of the Legislature that the funding provided in Section 2 of this act is for schools to purchase broadband services in an amount equivalent to what was provided through the Idaho Education Network as of February 1, 2015.

(a) The Superintendent of Public Instruction shall require school districts to provide documentation, as determined by the superintendent, to support all funds distributed.

(b) The superintendent shall have the authority to make advances of the money appropriated in Section 2 of this act to school districts as the superintendent deems adequate, as determined by past usage, and of sufficiency to minimize financial difficulties by the school districts while procuring services.

(c) The superintendent shall have the authority to make payments for additional costs incurred by schools, from the money appropriated in Section 2 of this act, if they became ineligible for E-rate reimbursement as a result of purchasing services on the now void Idaho Education Network contract. Once the superintendent determines that the appropriation provided for in Section 2 of this act is sufficient to pay for all costs to maintain broadband services and associated maintenance, then remaining funds may be paid to school districts. If the total remaining funds are insufficient to fully compensate eligible schools, then the superintendent shall prorate reimbursement based upon available funds.

(d) The superintendent shall target the resources necessary for students currently relying on online curricula by coordinating with the Idaho Digital Learning Academy and other providers of online education to identify barriers to completing their courses and finding appropriate solutions. The superintendent shall prioritize assistance to those students who are scheduled to graduate in the spring or winter of 2015.

(e) This is a fixed appropriation and any surplus shall revert back to the General Fund on July 31, 2015. School districts are cautioned that funding from the state for FY 2016 is not included in this act. However, it is the intent of the Legislature to provide funding for these services for FY 2016 as soon as is practicable.

EMERGENCY CLAUSE. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.

SELF-GOVERNING AGENCIES

PRESENTER: Jared Hoskins, Senior Analyst, Division of Budget & Policy Analysis

SUBJECT: Self-Governing Agencies: Commission on Hispanic Affairs
Mr. Hoskins read through the line items pertaining to the budget request for the Commission on Hispanic Affairs.

CARRIED: Original Motion
Self-Governing Agencies
Commission on Hispanic Affairs
Appropriation

Moved by **Johnson**, seconded by **Gibbs**, to approve for introduction \$124,000 General Funds, \$102,100 Dedicated Funds, \$41,900 Federal Funds for a total of \$268,000 with FTP of 3.00

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Nuxoll, Horman

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 Hoskins, Senior Analyst, Division of Budget & Policy Analysis

SUBJECT: Self-Governing Agencies: Office of the State Appellate Public Defender
Mr. Hoskins presented the line items pertaining to the budget request for the Office of the State Appellate Public Defender.

CARRIED: **Original Motion**
Self-Governing Agencies
Office of State Appellate Public Defender

Appropriation

Moved by **Gibbs**, seconded by **Keough**, to approve for introduction \$2,451,300 General Funds, \$25,000 Dedicated Funds, \$0 Federal Funds for a total of \$2,476,300 with FTP of 23.00. Also included in the motion was a transfer of \$137,500 in operating expenditures from the Office of the State Appellate Public Defender Program to the Capital and Conflict Representation Program. Further, the motion included a cash transfer of \$25,000 from the Miscellaneous Revenue Fund within the Department of Juvenile Corrections to the Miscellaneous Revenue Fund within the Office of the State Appellate Public Defender.

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Nuxoll, Horman

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 **Gibbs**, granted by unanimous consent, the legislative intent language was accepted.

**INTENT
LANGUAGE:**

SECTION 1.

OUTSIDE COUNSEL COSTS. Of the amount appropriated in Section 1 of this act, \$207,500 from the General Fund, or so much thereof as is necessary, shall be used solely to pay outside counsel for non-capital appeals in which a conflict of interest is identified in accordance with the Idaho Rules of Professional Conduct and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, capital representation costs and the operating, personnel, and capital out lay costs of the Office of the State Appellate Public Defender Program. Any remaining unexpended and unencumbered amounts not so used shall revert to the General Fund.

SECTION 2.

CAPITAL REPRESENTATION COSTS. Of the amount appropriated in Section 1 of this act, \$94,900 from the General Fund, or so much thereof as is necessary, shall be used solely for costs directly related to the provision of representation in capital cases and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, outside counsel costs of non-capital appeals and the operating, personnel, and capital out lay costs of the Office of the State Appellate Public Defender Program. Such costs may include, but are not limited to, consultation with experts; travel, lodging, and per diem for expert and lay witnesses; depositions; investigation; employee travel associated with witness interviews; court reporting and transcription services; expert witness fees; outside counsel in the event of a conflict of interest; and preparation of trial exhibits. Any

remaining unexpended and unencumbered amounts not so used shall revert to the General Fund.

STATE BOARD OF EDUCATION

PRESENTER: Jared Hoskins, Senior Analyst, Division of Budget & Policy Analysis

SUBJECT: State Board of Education: Idaho Public Television

Mr. Hoskins read through the line items pertaining to the budget request for Idaho Public Television. This reflects the JFAC Adjusted Budget with the inclusion of replacement items in the revised total amount recommended by the Governor as well as inflationary adjustments for property leases. It is a maintenance of current operations budget.

CARRIED: Original Motion
State Board of Education
Idaho Public Television

Appropriation

Moved by **Miller**, seconded by **King**, to approve for introduction \$2,314,000 General Funds, \$6,385,300 Dedicated Funds, \$0 Federal Funds for a total of \$8,699,300 with FTP of 60.00

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Nuxoll, Horman

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, Senior Analyst, Division of Budget & Policy Analysis

SUBJECT: State Treasurer

Mr. Hoskins read through the line items pertaining to the budget request for the State Treasurer. This reflects the JFAC Adjusted Budget along with the inclusion of one line item recommended by the Governor. This line item will allow the State Treasurer to pay the full amount of bank service fees directly, as apposed to paying a portion directly and remainder from investment earnings. This simplifies the payment process and provides transparency regarding fee amounts and investment earnings.

CARRIED:

Original Motion

State Treasurer

Appropriation

Moved by **Monks**, seconded by **Youngblood**, to approve for introduction \$1,415,300 General Funds, \$2,413,400 Dedicated Funds, \$0 Federal Funds for a total of \$3,828,700 with FTP of 26.00

Ayes: 17

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

Nays: 0

Ab/Ex: 3

Nuxoll, Horman, 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
CONSENT:**

On request by **Monks**, granted by unanimous consent, the legislative intent language was accepted.

**INTENT
LANGUAGE:**

SECTION 1.

STATE TREASURER LGIP FUND REAPPROPRIATION AUTHORITY.

There is hereby reappropriated to the State Treasurer any unexpended and unencumbered balances of moneys in the State Treasurer Local Government Investment Pool Fund as appropriated for fiscal year 2015, to be used for nonrecurring expenditures, for the period July 1, 2015, through June 30, 2016.

SECTION 2.

CONFERENCE-RELATED ACTIVITIES. It is the intent of the Legislature that no more than \$10,000 from the General Fund, as appropriated in Section 1 of this act, shall be spent on various conference-related activities including, but not limited to, sponsorships, inkind donations, and information booths. No moneys appropriated in Section 1 of this act from dedicated funds shall be used for conference-related activities unless otherwise provided by Idaho Code; provided, however, that in no event shall more than a total of \$10,000 from any fund source or combination thereof be used for said conference-related activities.

SECTION 3.

PAYMENT OF BANK SERVICE FEES. Of the amount appropriated in Section 1 of this act, \$435,900 from the General Fund and \$192,400 from the Professional Services Fund or so much thereof as is necessary, is to be used solely and only for the payment of bank.

**UNANIMOUS
CONSENT:**

On request by **Monks**, granted by unanimous consent, the legislative intent language was accepted.

**INTENT
LANGUAGE:**

SECTION 4.

MITIGATION OF BANK SERVICE FEES. On July 1, 2015, or as soon thereafter as is practicable, the State Treasurer shall make all efforts reasonably necessary to reduce or eliminate bank service fees associated with the State Treasurer's bank accounts including, but not limited to, entering into competitive bidding for bank services. Said fees include, but are not limited to, those associated with processing warrants, merchant services, account maintenance, balance and compensation services, general account services, depository services, paper disbursement services, automated clearinghouse services, electronic data interchange payment services, wire and transfer services, file transmission, client analysis, image retrieval, account reconciliation, and other miscellaneous services.

SECTION 5.

STATE TREASURER INVESTMENT ADVISORY BOARD. It is the intent of the Legislature that the State Treasurer, as Chairman of the State Treasurer Investment Advisory Board (hereinafter, "the investment board"), shall consult with the investment board regarding the advisability, merits, necessity, scope, and funding of any private, third-party, or outside audit of, or preparation of financial statements related to, the investment of idle funds and other funds accepted for investment by the State Treasurer. On or before January 22, 2016, the investment board shall report to the Legislature regarding the outcomes and recommendations of said consultation and the frequency of meetings held pursuant to Section 67-1203A(2), Idaho Code.

ADJOURN:

There being no further business to come before the committee, Chairman Bell adjourned the meeting at 9:02 a.m.

Representative Bell
Chair

Christi Cox
Secretary