

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 14, 2016
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayne, Guthrie, Schmidt, Lacey
Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/EXCUSED: None
CONVENED: Chairman Keough called the meeting to order at 8:00 A.M.
STAFF PRESENT: Houston, Tatro, Bybee
AGENCY PRESENTATION: **IDAHO TRANSPORTATION DEPARTMENT (ITD)**
PRESENTER: **Jerry Whitehead, Chairman, Idaho Transportation Board**
Brian Ness, Director

To view the presentation, please click on the following link: [Idaho Transportation Department](#)

Whitehead explained the Transportation Board is bipartisan and each Board member represents one of the six districts in Idaho. He thanked the Joint Finance-Appropriations Committee (JFAC) for the increased funding from the last legislative session; the money has been put to good use. He also acknowledged the dedicated staff at ITD and said there has been a total turnaround at ITD in the last few years.

Ness thanked the ITD Board members for their leadership. In 2010, he implemented a plan to make the agency become more efficient making significant improvements that created millions of dollars in savings in order to invest in road and bridge projects that provided the best return on investment. Today's presentation will outline ITD'S strategic direction for the next five years. First he addressed the FY 2017 Governor's budget recommendation and the FY 2016 supplemental appropriation recommendation. The FY 2017 base amount is \$576.4 million with about 1,700 full-time positions. Including adjustments, 11 line items, and debt service, the total funding from all sources is \$707.7 million. The Department is hoping to reduce the workforce by another 20 positions which should be possible with increased efficiency. There is a new, five-year, federal funding bill, Fixing America's Surface Transportation Act, known as "FAST" which will allow for long-term planning. This new federal funding bill streamlines the environmental review and permitting processes; increases public transportation funding, expands public-private investment and partnerships, and allows more state control in safety programs. The FY 2016 supplemental requests spending authority for \$160.4 million covering the following five items: 1) \$15.8 million from the FAST Act, 2) authority to invest the revenue from the user-fee increases, an ongoing adjustment for about \$50 million, 3) one-time adjustment of \$54.7 million for the Strategic Initiatives

Program Fund, 4) \$40 million for federal construction payouts, ongoing, and 5) one-time authorization to make accounting adjustments to allow transfer of costs as the GARVEE Program is closed out. In December, 2015, the Idaho Transportation Board selected 17 projects to be funded by the General Fund surplus, in addition to the 27 projects funded by the user-fee increases. These projects will be bid and awarded as soon as ITD receives spending authority.

Last year's increased revenue provided an immediate return on investment in the form of new jobs and safer roads and bridges. The Governor's Task Force on Transportation Funding found the state and local transportation systems had an annual shortfall of \$262 million. With user-fee increases which are ongoing, it reduced the annual shortfall by about one third to \$165.3 million. The number one priority is to address high-accident locations and improve operations by replacing the oldest bridges and fixing some of the most deteriorated pavement.

ITD has a new, five-year strategic plan which will set the direction and organizational structure of ITD for the next 25 to 30 years. The goals are: 1) to build on the foundation of success already created by making ITD's work culture more constructive, 2) to take the innovative spirit of employees to an even higher level which will allow them to be creative and develop procedures that save time and money and improve services, 3) to establish the 2020 vision and a strong succession staffing plan implementing a Horizontal Career Paths program where pay rates are tied to job performance, 4) to invest money wisely at the state level for maximum return on investment prioritizing projects by measuring safety, mobility, and economic growth, and finally, 5) to be involved in partnerships in the western states to provide a seamless transportation system for producing, shipping, and receiving commerce.

Ness also discussed several awards ITD has won over the last few years. In 2015 ITD earned a total of 53 state, regional and national awards for excellence and innovation, including another American Association of State Highway and Transportation Officials (AASHTO) President's Award.

FY 2016 DEFICIENCY WARRANT

DEFICIENCY WARRANT:

DEPARTMENT OF AGRICULTURE

Plant Industries

Pest Control Deficiency Warrants

PRESENTER:

Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office

Funding is requested to reimburse actual expenditures incurred in FY 2015 for exotic pest monitoring and control. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests, can cause economic losses to the public by the direct effects of the pests and through the placement of quarantines and import restrictions by other states and countries. Although some funding is provided in the base budget for gypsy moth monitoring, water milfoil treatment, and quagga mussel prevention, there is little funding in the base budget for other survey, control and eradication activities. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. FY 2015 costs included \$18,100 for exotic pest monitoring, \$289,900 for Japanese Beetle treatment, and \$16,000 for potato cyst nematode monitoring. (One-time)

**UNANIMOUS
CONSENT:**

On request by Miller, granted by unanimous consent, the FY 2016 budget for the Department of Agriculture was reopened.

CARRIED:

Original Motion

Moved by Miller, seconded by Bair, to approve for introduction \$324,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$324,000 with FTP of 0.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lacey

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 Keough.

FY 2016 SUPPLEMENTALS

**SUPPLEMENTAL: DEPARTMENT OF FISH AND GAME
Fisheries — Fish Projects**

PRESENTER: Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office

This supplemental request is in four parts totaling \$1,238,700 from federal funds. First, it includes \$691,000 one-time from federal U.S. Fish and Wildlife Service moneys to make the down payment on a \$2.4 million capital lease to upgrade Idaho's fleet of fish marking trailers. Second, this supplemental includes \$456,600 ongoing in operating expenditures from federal Bonneville Power Administration (BPA) moneys for additional chinook salmon genetics work. Third, this supplemental includes \$74,600 in ongoing operating expenditures from federal U.S. and Wildlife Service moneys for salmon and steelhead management. Fourth, the supplemental request includes \$14,000 in personnel costs and \$2,500 in operating expenditures for federal U.S. Fish and Wildlife Service moneys to increase chinook salmon production at the Sawtooth Fish Hatchery, near Stanley. The request is \$547,700 ongoing and \$691,000 one-time for a total of \$1,238,700 from federal funds.

**UNANIMOUS
CONSENT:**

On request by Bair, granted by unanimous consent, the FY 2016 budget for the Idaho Department of Fish and Game was reopened.

CARRIED:

Original Motion

Moved by Bair, seconded by Burtenshaw, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$1,238,700 Federal Funds for a total of \$1,238,700 with FTP of 0.00 (547,700 ongoing 691,000 OT)

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lacey

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 Keough.

SUPPLEMENTAL: Wildlife — Elk Management

This supplemental request is for \$100,000 in license moneys to match \$300,000 in federal Pittman-Robertson moneys to maintain an enhanced elk management program and allow for the continued capture and radio-collaring of over 400 elk annually. This program enables the department, through the use of aerial surveys and radio-collaring, to monitor survival and mortalities, including losses due to predation. This request will restore the operating expenditure appropriation that was reduced for FY 2015 to reconcile license revenue with license appropriation. License and tag-sale projections have exceeded expectations and federal PR apportionments are available if state match is provided. (Ongoing)

CARRIED:

Original Motion

Moved by Miller, seconded by Burtenshaw, to approve for introduction \$0 General Funds, \$100,000 Dedicated Funds, \$300,000 Federal Funds for a total of \$400,000 with FTP of 0.00 OE

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lacey

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 Keough.

SUPPLEMENTAL: IDAHO DEPARTMENT OF LANDS (IDL)
Forest and Range Fire Protection
Fire Preparedness

PRESENTER: Ray Houston, Principal Analyst, Budget & Policy, Legislative Services Office

The Governor recommends funding to enhance fire preparedness. The National Interagency Coordination Center is predicting 2016 fire conditions similar to 2015. The recommendation focuses on retaining, extending, and increasing fire line staffing levels that have been the greatest potential to improve initial attack response. It includes three months' funding in the amount of \$379,000, split 50% from the General Fund and 50% from dedicated fire preparedness moneys, with \$540,800 for the remaining nine months in an FY 2017 annualization. The ongoing recommendation includes funding for a 2,080 hour (1.00 FTP) assistant fire warden at Kootenai Valley, a 1,726 hour (0.83 FTP) helitack manager, a 1,726 hour (0.83 FTP) Grangeville Interagency Fire Center (GVC) assistant manager, a 1,394 hour (0.67 FTP) administrative assistant, an increase in the payscale for the seasonal workforce, the extension of 12 five-month seasonal employees to eight months, additional operating expenditures for travel costs, and \$30,000 for training of seasonal employees and contractors. Furthermore, it includes one-time funding in the amount of \$150,000 for a review of the fire program, \$24,000 for a vehicle, and \$2,400 for two computers. (\$202,600 ongoing and \$176,400 one-time) The FY 2016–2017 total will be \$1,122,400.

UNANIMOUS CONSENT: On request by Nuxoll, granted by unanimous consent, the FY 2016 budget for the Idaho Department of Lands was reopened.

CARRIED: **Original Motion**
Moved by Nuxoll, seconded by Gibbs, to approve for introduction \$189,500 General Funds, \$189,500 Dedicated Funds, \$0 Federal Funds for a total of \$379,000 with FTP of 3.33 (\$202,600 ongoing \$176,400 (one-time)

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lacey

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 Keough.

SUPPLEMENTAL: SELF-GOVERNING AGENCIES
Medical Boards — Board of Pharmacy
IT Systems Integration Analyst FTP

PRESENTER: Jared Tatro, Principal Analyst, Budget & Policy, Legislative Services Office

The Board of Pharmacy requests 1.00 FTP and associated funding for a new IT system integration analyst. This position will be responsible for oversight of building and implementing a new licensing system. This request is for a total of \$73,100 with \$21,100 being requested as a supplemental appropriation and \$52,000 as an annualized appropriation. The supplemental would be used to recruit, hire, train, and equip the requested IT position and represents about three months of service. The board is requesting the position and funding as a supplemental so they can get the position filled and trained in time to issue an RFP and have a new system up and running when the current system contract expires in October of 2016. This process can take 9 to 12 months. (ongoing and one-time)

DISCLOSURE — CONFLICT OF INTEREST: Pursuant to House Rule 38, Representative Monks disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

UNANIMOUS CONSENT: On request by King, granted by unanimous consent, the FY 2016 budget for Self-Governing Agencies, Medical Boards, was reopened.

CARRIED: **Original Motion**
Moved by King, seconded by Bell, to approve for introduction \$0 General Funds, \$21,100 Dedicated Funds, \$0 Federal Funds for a total of \$21,100 with FTP of 1.00 (15,900 ongoing 5,200 OT)

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lacey

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 Keough.

**SUPPLEMENTAL: Medical Boards —Board of Dentistry
New Licensing System**

The Board of Dentistry requests \$80,000 one-time, for the purchase of a new licensing system. The current system is set to expire in September of 2016, which is the same date that all dental licenses are set to expire. The board needs to have a new system in place by July 1, 2016 so it can be tested before going live. The board is also requesting \$40,000 as a one-time line item for the balance of installing the new system. The board maintains a free-fund balance of about \$700,000 or about 14 months of operations. (One-time)

CARRIED:

Original Motion

Moved by King, seconded by Johnson, to approve for introduction \$0 General Funds, \$80,000 Dedicated Funds, \$0 Federal Funds for a total of \$80,000 with FTP of 0.00 OT, OE

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lacey

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 Keough.

PRESENTATION: Keith Bybee, Principal & Budget Policy Analyst, Legislative Services Office

Bybee gave a brief presentation on General Fund Budget Update sheets (known as the “green sheet”) that are prepared daily which compare legislative action with the Governor’s budget recommendations as well as tracking bills that have a fiscal impact.

ADJOURNED:

There being no further business to come before the Committee, Chairman Keough adjourned the meeting at 10:25 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary