

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 13, 2017

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye
Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

ABSENT/ EXCUSED: WINTROW (EX)

CONVENED: Senator Keough called the meeting to order at 8:00 A.M.

LSO STAFF PRESENTATION: Holland-Smith, Jessup, Hoskins, Tatro, Houston, Sepich, Lockett

AGENCY PRESENTATION: **ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE**

PERSONATOR: **Representative Gibbs, Co-Chairman** : Thanks to the committee; first, the report will be brief; 7 or 8 members here are members of this committee; This committee meets a week before the session starts to meet with economist within Idaho, to make predictions; WE make a report for you and what you do with your report is to what you see fit; last 3 or 4 reports has been incredibly close to the Governor's numbers; the committee says the numbers are close again this year; look at the report for the FYI 2017, the projection for the Governor's numbers are \$3,335.5 million and the Committee's median projection was \$3,344.9 million and for FY 2018 the Governor's numbers are \$3,507.4 million and the Committee's median projection is \$3,524.2 which is a \$16.8 million difference. ([AUDIO](https://go.usa.gov/xXXNZ)) (<https://go.usa.gov/xXXNZ>)

CARRIED: Original Motion:

Moved by Senator Bair, seconded by Senator Mortimer, to accept the Economic Outlook & Revenue Assessment Committee Report.

The Motion passed on a voice vote.

AGENCY PRESENTATION: DEFICIENCY WARRANTS / SUPPLEMENTALS

PERSONATOR: Ray Houston, Principal Budget Analyst:
Department of Agriculture asks for spending authority of the Board of Examiners for up to \$5 million for control pest control. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. FY 2016 costs included \$26,300 for exotic pest monitoring, \$1,100 for potato cyst nematode monitoring, and \$315, 200 for Japanese Beetle treatment. ([AUDIO](https://go.usa.gov/xXXNn)) (https://go.usa.gov/xXXNn)

UNANIMOUS CONSENT On Request by Rep. Burtshaw, granted by unanimous consent, the FY 2017 budget for the Idaho Department of Agriculture, was reopened.

CARRIED: Idaho Department of Agriculture
Plant Industries
Pest Coontrol Deficiency Warrants

Original Motion
Moved by Rep. Burtenshaw, seconded by Sen. Bair, to approve for introduction \$324,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$324,600 .
AYES: 17

NAYS: 0

ABSENT/EX: 3

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.
([AUDIO](https://go.usa.gov/xXXNn)) (https://go.usa.gov/xXXNn)

AGENCY PRESENTATION: DEPARTMENT OF FISH AND GAME

PERSONATOR: Ray Houston, Budget Analyst: The department requests \$400,000 one-time from the dedicated Fish and Game Set-aside Fund for the Winter Feeding Program to address emergency conditions in the Upper Snake Region. The source of the funding is from \$0.75 of each proghorn, elk and deer tag sold. In August 2016, the Henry’s Creek fire in Eastern Idaho burned nearly 53,000 acres including 25,000 acres of the Tex Creek Wildlife Management Area (TCWMA). TCWMA provides crucial winter range for about 3,500 elk and 5,000 mule deer. ([AUDIO](https://go.usa.gov/xXXNG)) (https://go.usa.gov/xXXNG)

UNANIMOUS CONSENT On Request by Sen. Bair, granted by unanimous consent, the FY 2017 budget for the Idaho Department of Fish and Game, was reopened.

CARRIED:

Original Motion

Moved by Sen. Bair, seconded by Rep. Anderson, to approve for introduction \$0 General Funds, \$400,000 Dedicated Funds, \$0 Federal Funds for a total of \$400,000 with FTP of \$0.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

([AUDIO](https://go.usa.gov/xXXNG)) (<https://go.usa.gov/xXXNG>)

CHAIRMAN KEOUGH: Senator Bair, do you wish to explain your motion.

SEN BAIR : Yesterday, I got the pleasure of meeting with the Director, Ms. Keifer, and Mr. Seever. We discussed many topics and this increase of \$100,000 is the result from this discussion we had yesterday, some problems came up due to this excessively heavy winter we are having. The original \$300,000 was, primarily to help with the Henry's Creek fire. However, this morning, Ms. Keifer, received several notification from local offices stating they would need to begin winter feeding due to the heavy snow. They have the money in the accounts, but because of this heavy snow the \$100,000 has been added and they need the spending authority.

([AUDIO](https://go.usa.gov/xXXNG)) (<https://go.usa.gov/xXXNG>)

QUESTION:

REP. BELL: Appreciate all the work. What is the balance if we went another \$100,000?

SEN BAIR :It would make it pretty low.

BELL: So, there is still a balance?

SEN BAIR: Yes.

SEN MARTIN: What is the source of the funding?

SEN BAIR: The source of the funding is from \$0.75 of each pronghorn, elk, and deer tag sold and is put into this dedicated fund, Winter Feeding.

REP DIX: How quickly will the funds be replenished?

SEN BAIR: The majority of the tags are sold later in the year, but some tags will be sold in the spring.

HOUSTON: For FY 2016 there were \$202,000 worth sold and just checking back in November 2016, there was \$250,000 worth sold. So roughly \$202,000 — \$250,000 a year.

([AUDIO](https://go.usa.gov/xXXNG)) (<https://go.usa.gov/xXXNG>)

AGENCY PRESENTATION: OFFICE OF THE GOVERNOR

PRESENTER: **Rob Sepich, Budget Analyst** Anytime there is a a hazardous cost it comes out of this fund; The beginning balance for FY 2016 was \$8, 623 and the net amount charged was \$47,006; The Military Division requests the balance of \$38,400 be transferred from the General Fund.
([AUDIO](https://go.usa.gov/xXXRc)) (<https://go.usa.gov/xXXRc>)

QUESTION: REP KING: Is this typical, is this a regular amount or do we usually spend this amount or was there an extra hazardous spill?
SEPICH: Yes, this was a usual year, a little lower than past years.
([AUDIO](https://go.usa.gov/xXXRc)) (<https://go.usa.gov/xXXRc>)

UNANIMOUS CONSENT On Request by Rep. Miller, granted by unanimous consent, the FY 2017 budget for the Military Division, was reopened.

CARRIED: Original Motion
Moved by Rep. Miller, seconded by Rep. Youngblood, to approve for the addition of \$38,400 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$38,400.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

AGENCY PRESENTATION: DEPARTMENT OF TRANSPORTATION

PRESENTER: **Rob Sepich, Budget Analyst** The Idaho Transportation Department requests \$10,965,600 from the General Fund to be transferred to the Strategic Initiatives Program Fund pursuant H312 of the 2015 legislative session. This will grant them permission to utilize these funds for the bridge projects that are outlined on your sheets.
([AUDIO](https://go.usa.gov/xXXny)) (<https://go.usa.gov/xXXny>)

UNANIMOUS CONSENT On Request by Rep. Miller, granted by unanimous consent, the FY 2017 budget for the Idaho Transportation Department, was reopened

Original Motion

Moved by Rep. Dixon, seconded by Rep. King, to approve for introduction \$10,965,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$10,965,600.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

([AUDIO](https://go.usa.gov/xXXny)) (<https://go.usa.gov/xXXny>)

PRESENTER:

Rob Sepich, Budget Analyst This second request is from the FAST Act. The Idaho Department of Transportation requests as an FY 2017 supplemental in a one-time request of \$13,795,300.

([AUDIO](https://go.usa.gov/xXXnf)) (<https://go.usa.gov/xXXnf>)

Original Motion

Moved by Sen. Agenbrood, seconded by Rep. Dixon, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$13,795,300 Federal Funds for a total of \$13,795,300 with FTP of \$0.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

([AUDIO](https://go.usa.gov/xXXnf)) (<https://go.usa.gov/xXXnf>)

**AGENCY
PRESENTATION:**

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER:

Jared Tatro, Principal Budget Analyst: This first request is in the Division of Medicaid. The department requests \$10 million to be added to previous \$15 million from last years FY 2016. This is in ongoing dedicated receipts to deal with the fluctuations in the amount it receives for drug rebates and hospital cost settlements.

([AUDIO](https://go.usa.gov/xXXR6)) (<https://go.usa.gov/xXXR6>)

**UNANIMOUS
CONSENT**

On Request by Sen. Bair, granted by unanimous consent, the FY 2017 budget for the Idaho Department of Health and Welfare, was reopened.

CARRIED: Original Motion
Moved by Sen. Bair, seconded by Sen. Mortimer, to approve for introduction \$0 General Funds, \$10,000,000 Dedicated Funds, \$0 Federal Funds for a total of \$10,000,000.
AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

([AUDIO](https://go.usa.gov/xXXR6)) (<https://go.usa.gov/xXXR6>)

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE: DIVISION OF PUBLIC HEALTH SERVICES**

PRESENTER: **Jared Tatro, Principal Budget Analyst:** This is for the Division of Public Health Services for the Physical Health Program. This request is for an ongoing appropriation of \$509,300 from federal funds, to implement the Ryan White Part B Supplemental Grant.
([AUDIO](https://go.usa.gov/xXXnY)) (<https://go.usa.gov/xXXnY>)

QUESTIONS: REP. KING: Do the Inmates, in correctional facilities, get this treatment?
TATRO: No, they do not.

CARRIED: Original Motion
Moved by Rep. King, seconded by Sen. Bair, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$509,300 Federal Funds for a total of \$509,300.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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.

([AUDIO](https://go.usa.gov/xXXnY)) (<https://go.usa.gov/xXXnY>)

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE: SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES**

PRESENTER: **Jared Tatro, Principal Budget Analyst:** In 2015, the department was awarded a three-year Access to Recovery Grant (ATR) for the Substance Abuse and Mental Health Services Administration, to increase access to substance abuse treatment and recovery support services including transportation and temporary housing. This request is for \$1.5 million in one-time federal funds.
([AUDIO](https://go.usa.gov/xXXnK)) (<https://go.usa.gov/xXXnK>)

CARRIED: Original Motion
Moved by Rep. Malek, seconded by Sen. Bair, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$1,500,000 Federal Funds for a total of \$1,500,000.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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.

([AUDIO](https://go.usa.gov/xXXnK)) (<https://go.usa.gov/xXXnK>)

AGENCY PRESENTATION: **SELF-GOVERNING AGENCIES**

PRESENTER: **Jared Hoskins, Principal Budget Analyst :** This request comes from the Public Defense Commission to request to redirect \$100,000, which was originally appropriated for grants to counties for public defense (trustee & benefit payments) and use it to contract with the Idaho Policy Institute at Boise State University to conduct a public defender workload study(operating expenditures).
([AUDIO](https://go.usa.gov/xXXnH)) (<https://go.usa.gov/xXXnH>)

QUESTIONS: REP. MILLER: To clarify, these funds are being transferred out of the different Counties grant money?
HOSKINS: Yes, the max amount of funds that counties are statutorily eligible for does not exceed the amount they are appropriated, so they have some additional funds they are wishing to use to conduct this additional survey.
REP. MILLER: So this does not remove any amount the Counties are seeking grants for. This is in excess of what they could seek out in grants.
HOSKINS: Yes, that is correct.
REP. KING: Why is it that there is a national standard, why do we need to do a study?
HOSKINS: This work load study would be validated for Idaho Standards.
SEN. MORTIMOR: I studied on this study group; my support for the proposal; I feel as though we do need this study; we do not know exactly what is happening

inside Idaho; I think this is a good way to see exactly what is going on; we are just taking the extra money back into a good study;
REP. ANDERSON: As I read the numbers of \$82, 600 and \$16,500 that does not add up to \$100,000 what does the \$900 matter?
HOSKINS: I believe the numbers are being rounded there was a transposition error, but they are asking for \$100,000.

([AUDIO](https://go.usa.gov/xXXnH)) (<https://go.usa.gov/xXXnH>)

**UNANIMOUS
CONSENT**

On Request by Rep. Youngblood, granted by unanimous consent, the FY 2017 budget for the Public Defense Commission was reopened.

CARRIED:

Original Motion

Moved by Rep. Youngblood, seconded by Sen. Mortimer, to approve for introduction \$100,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of \$0.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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.

([AUDIO](https://go.usa.gov/xXXnH)) (<https://go.usa.gov/xXXnH>)

**AGENCY
PRESENTATION**

SECRETARY OF STATE

PRESENTER

Jared Hoskins, Principal Budget Analyst: This is an 18 month project to update IT programs in the Secretary of State's Office. The program is over a decade old. The current program is not compatible with the majority of other programs. They want to update to a more modern and useful program. It would allow electronic submissions. Along with the update they would update the phone system, redesign the website, and hire a new IT manager for 4 months.

([AUDIO](https://go.usa.gov/xXXnh)) (<https://go.usa.gov/xXXnh>)

QUESTION:

REP. ANDERSON: How were these numbers obtained?

CHAIRMAN KEOUGH: How about we ask the Secretary of State answer that.

SEC. STATE, Lawrence Denny: We did an RFI and got our answer from that.

SEN. MORTIMER: Just a question, do we have an actual bid or proposal?

SEC. STATE: That is yet to come, we are not required to participate in the purchasing process, we feel as though the numbers we got from the RFI are good numbers.

REP. ANDERSON: I was going to ask about cyber security.

SEC. STATE: After the Lieutenant Governor gets all the cyber security done, I think there will be coordination between all the State agencies, but this was not a topic for this project.

SEN. BAIR: The \$2.2 Million is that going to be the sum total or will you need additional dollars?

SEC. STATE: We think that this will complete this portion. But the technology keeps growing but for this project, that is the total.

SEN. MARTIN: I understand this is a supplemental for immediate appropriations, why now, why not wait until we do the normal process?

SEC. STATE: We feel as those this is critical to us and getting this project going, and we only have one person knowing the old system.

SEN. AGENBROAD: It appears the old system lasted for a decade or so, what says the term of the new system?

SEC. STATE: Technology is surpassing us, but once we will be upgraded it should be a continual process.

([AUDIO](https://go.usa.gov/xXXnh)) (<https://go.usa.gov/xXXnh>)

**UNANIMOUS
CONSENT**

On Request by Rep. Youngblood, granted by unanimous consent, the FY 2017 budget for the Secretary of State was reopened.

CARRIED:

Original Motion

Moved by Rep. Youngblood, seconded by Sen. Souza, to approve for introduction \$2,182,800 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of \$39,400.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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.

REP. YOUNGBLOOD: I believe this is critical to the Secretary of State to move their technology to the 21st century.

([AUDIO](https://go.usa.gov/xXXnh)) (<https://go.usa.gov/xXXnh>)

**AGENCY
PRESENTATION:**

STATE BOARD OF EDUCATION

PRESENTER:

Janet Jessup, Budget Analyst: This request is for \$3,000 to enable the Council for the Deaf and Hard of Hearing to reimburse for the Deaf Awareness events for events that happened in 2016. This supplemental has no effect on the General Fund.

([AUDIO](https://go.usa.gov/xXXQY)) (<https://go.usa.gov/xXXQY>)

**UNANIMOUS
CONSENT**

On Request by Sen. Ward-Engelking, granted by unanimous consent, the FY 2017 budget for the Division of Vocational Rehabilitation was reopened.

CARRIED: Original Motion
Moved by Sen. Ward, seconded by Rep. Malek, to approve for introduction \$0 General Funds, \$3,000 Dedicated Funds, \$0 Federal Funds for a total of \$3,000 .
AYES: 18

NAYS: 0

ABSENT/EX: 2

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.

([AUDIO](https://go.usa.gov/xXXQY)) (<https://go.usa.gov/xXXQY>)

**AGENCY
PRESENTATION**

SELF-GOVERNING AGENCIES

PRESENTER: **Robyn Lockett, Principal Analyst:** Idaho State Historical Society supplemental request for FY 2017. The Museum closed in August 2014 for a renovation and expansion project and is currently underway. It will reopen in March 2018. They need \$1 million in cash to sign for contract obligations; if the funds are not used they will be reverted to the General Fund.
([AUDIO](https://go.usa.gov/xXXQ9)) (<https://go.usa.gov/xXXQ9>)

QUESTION: SEN. NYE: To disclose a possible Rule 39, we are Historical Society members and donors.
SEN MORTIMER: Re-clarify that this \$1 million, if not used it will be reverted to the General Fund.
LOCKETT: Yes, that is correct.
REP ANDERSON: Raised prior to June 30, 2018, would be reverted, toward \$1 million, if its a receipt of a donation to the agency, in excess of what is necessary to fund the Museum exhibits. But if those two criteria are not met, then the money would not be refunded to the State, am I correct?
LOCKETT: Yes, that is correct.
REP ANDERSON: What was there a plan B? Or is this a Plan B?
LOCKETT: Director Janet Gallimore, is here and can speak to that.
DIRECTOR GALLIMORE: The capital campaign was 14 months; We feel confident we will raise the funds, but it is the timing of the contract. This is a timing issue, we don't need more money. We had all along worked with DFM and managing the project appropriately. One of the things that gets complicated, about this project, is the planing for the fund-raising, having the building going on, 4 years ago we had not anticipated, we are just using good business practices.
REP ANDERSON: Now will you still need to raise the funds to pay the State back?
DIRECTOR: We do have confidence in these grants and I know we have two large Federal Grants and Congressman Simpson personally met with Chairman Adams of NEH. But we can not count grants until they are awarded. We do plan on succeeding in our campaign funds.
REP ANDERSON: Assuming you get the Federal Grants, can it be used to pay the State back or does it have to go toward the project?
DIRECTOR: We would not touch this money until it is absolutely necessary to

touch.

REP MILLER: The \$1 million and raising \$1 million would cost \$1.25 million, please explain.

DIRECTOR: We could do a change order and then raise more money, but then that means you have double mobilization and loss of efficiency. If you start and then start again later, you lose that value engineering and have to mobilize twice. It will just be expensive due to lose of efficiency and double mobilization.

REP MILLER: How much money is raised to date?

DIRECTOR: Currently we have cash in the amount of \$5.26 million;

REP MILLER: What are the design changes and how much was the changes?

DIRECTOR: The total budget was \$8 million, and \$4 million State matched the \$4 million we raised.;

([AUDIO](https://go.usa.gov/xXXQ9)) (<https://go.usa.gov/xXXQ9>)

**UNANIMOUS
CONSENT**

On Request by Rep. Malek, granted by unanimous consent, the FY 2017 budget for the Idaho State Historical Society was reopened.

CARRIED:

Original Motion

Moved by Rep. Malek, seconded by Sen. Nye, to approve for introduction \$100,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$100,000.

AYES: 15

NAYS: 4

ABSENT/EX: 1

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.

SEN MARTIN: Once we do the appropriation and once the funds are raised how do we know the funds will be returned?

KEOUGH; Should the motion pass, the intent language would essentially do that.

SEN BAIR: Why are we changing from capital outlay, in the construction phase to operating?

LOCKETT: Governor made this recommendation in operating and I inadvertently put capital on your worksheet. It was intended to be operating expenditures and always has been an operating expenditures. Also, because it is a contract it should be in operating.

([AUDIO](https://go.usa.gov/xXXQ9)) (<https://go.usa.gov/xXXQ9>)

**INTENT
LANGUAGE**

It is the intent of the Legislature that the funds authorized in Section 1 of this act be used to complete the state contract to develop and install museum exhibits in the newly renovated and expanded state historical museum. Receipts of any donation to the agency in excess of what is necessary to fund the museum exhibits shall be deposited into the General Fund. Any federal grants received to support the development of the museum exhibits in fiscal year 2017 or fiscal year 2018 shall also be spent or drawn down before using the funds authorized in Section 1 of this act. If the agency determines that a portion of the General Fund appropriation is available to be reverted prior to June 30, 2018, it shall notify the Office of the State controller, and the State Controller is hereby authorized to revert such amounts back to the General Fund.

([AUDIO](https://go.usa.gov/xXXQ9)) (<https://go.usa.gov/xXXQ9>)

FOLLOW-UP:

Robyn Lockett, Principal Analyst: Yesterday I presented information on the State work force and about the pay changes for the salary changes. In summary it lists the state agency and shows any pay changes from March 1, 2016 – Dec 16, 2016. FY 2016 3.6% was the median increase; about 78 state employees got changes; FY 2017 had a 3.6% median increase. and all but 13% of the work force got a pay change.

([AUDIO](https://go.usa.gov/xXXUT)) (<https://go.usa.gov/xXXUT>)

ADJOURNED

There being no further business to come before the Committee, Chairman Keough adjourned the meeting at 9:48 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary