

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 22, 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: None
CONVENED: Chairman Keough convened the meeting at 8:00 A.M.
AGENCY PRESENTATION: **PUBLIC HEALTH DISTRICTS**
LSO STAFF PRESENTATION: **JARED TATRO**

CARRIED: ORIGINAL MOTION
Moved by Rep. King, seconded Rep Malek, starting with the fiscal year 2018 Base: add \$91,100 for benefit costs; add \$9,600 for medical inflation; add \$3,700 for changes in the statewide cost allocation; and add \$189,300 for the state's share of the 3% change in employee compensation. Then add \$4,500 for cyber security insurance. I move \$9,342,800 from the General Fund for the seven Idaho Public Health Districts for fiscal year 2018.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

AGENCY DIVISION OF VETERAN SERVICES

PRESENTATION:

LSO STAFF JARED TATRO:

PRESENTATION:

CARRIED: ORIGINAL MOTION

Moved by Sen. Agenbroad, seconded Rep Youngblood, starting with the JFAC Adjusted: add \$545,600, for the agency requested replacement items which are to be replaced at the discretion of the agency administrator. Then add 1.00 FTP and \$59,800 for line item 1; add 1.50 FTP and \$111,000 for line item 2; add 10.50 FTP and \$539,000 for line item 3; add \$484,800 for line item 4; add \$127,500 for line item 5; add \$80,000 for line item 6, but as ongoing; add \$80,000 for line item 7; add \$1,910,000, for line item 8; add \$8,305,500 for line item 9; then add \$100 for cyber security insurance. I move \$1,117,700 from the General Fund, \$18,453,700 from dedicated funds, \$25,038,400 from federal funds, for a total of \$44,609,800 and 346.00 full-time equivalent positions for the Division of Veterans Services for FY 2018.

AYES: 19

NAYS: 1

ABSENT/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 Keough.

AGENCY OFFICE OF DRUG POLICY

PRESENTATION:

LSO STAFF JARED TATRO:

PRESENTATION:

CARRIED: ORIGINAL MOTION

Moved by Rep. Miller, seconded Sen. Souza, starting with the JFAC Adjusted Base: Add \$5,200 for benefit costs; add \$300 for statewide cost allocation; and add \$12,800 for the 3% change in employee compensation. I move \$321,900 from the General Fund, \$24,500 from dedicated funds, and \$4,337,300 from federal funds for a total of \$4,683,700 and 6.00 full-time equivalent positions for the Office of Drug Policy for fiscal year 2018.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

DIVISION OF HUMAN RESOURCES

**LSO STAFF
PRESENTATION:**

ROBYN LOCKETT

CARRIED:

ORIGINAL MOTION

Moved by Rep. Anderson, seconded Sen. Martin, beginning with a Base Budget of \$1,772,300 from dedicated funds, I move a JFAC adjusted budget that includes benefit costs, statewide cost allocation, the CEC, and the cybersecurity insurance. I also move to include a total of three line items, including an increase of \$4,400 and 3.00 FTP for line item number 1. This line item includes a shift of \$235,900 from operating expenditures to personnel costs in the dedicated fund. I also move \$395,000 for line item number 2, and \$65,000 for line item number 3, for a total of \$2,263,800 from dedicated funds and 15.00 FTP for the fiscal year 2018 appropriation to the Division of Human Resources.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

CONSENT:

On request by Rep. Anderson, granted by unanimous consent, to include two sections of intent language (shown below) in the Division's fiscal year 2018 appropriation bill. The Gentleman on the second floor and the CEC Committee have recommended the classified employee salary schedule be shifted upwards by 3% from fiscal year 2017 to fiscal year 2018. They also recommended that the state maintain the job classifications that currently have a pay line exception to address specific employee recruitment or retention issues. finally, the intent language includes direction on the implementation of the 3% CEC funding to ensure that agency heads and institution presidents have flexibility and discretion in distribution of that increase. This intent language will solidify our intent related to increasing state employee compensation:

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. In accordance with the direction given by the Legislature, and consistent with the recommendation of the Governor, the Division of Human Resources shall shift the salary structure upwards by 3% beginning in fiscal year 2018 and shall continue the job classifications that are currently on pay line exception to address specific employee recruitment or retention issues. It is also the intent of the Legislature to appropriate an ongoing three percent (3%) increase in funding for state employee merit pay increases.

IMPLEMENTATION OF THE THREE PERCENT CHANGE IN EMPLOYEE COMPENSATION BY THE DIVISION OF HUMAN RESOURCES. It is the intent of the Legislature that the Division of Human Resources shall develop a merit increase matrix based upon an employee's proximity to the state midpoint market average, and the employee's relative performance, in accordance with Section 67-5309B(4), Idaho Code. Such matrix shall be adapted by each agency head and institution president to meet their specific needs, as approved by the Division of Human Resources, and increases shall be distributed to employees based on merit at the discretion of agency heads and institution presidents, subject to confirmation of sufficient funding pursuant to Section 67-5304, Idaho Code.

**AGENCY
PRESENTATION:**

PUBLIC EMPLOYEE RETIREMENT SYSTEM IDAHO

**LSO STAFF
PRESENTATION:**

ROBYN LOCKETT

CARRIED:

ORIGINAL MOTION

Moved by Rep. Anderson, seconded Sen. Agenbroad, beginning with a Base Budget of \$7,370,000, from dedicated funds, include \$56,800 for increased benefit costs, \$300,700 for replacement items, \$18,100 for statewide cost allocation, \$120,900 for CEC, and \$5,400 for cybersecurity insurance. Also, add 1.00 FTP and \$76,000 in dedicated funds for line item number 1 for a training specialist. The motion also includes a reduction of \$45,300 in operating expenditures in the PERSI Administrative Fund and an increase of \$45,300 in personnel costs in the PERSI Special Fund. This action nets to \$0 to fund a portion of line item number 2. With that, I move a grand total of \$7,947,900 from dedicated funds and 67.00 full-time equivalent positions for the fiscal year 2018 appropriation to PERSI.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

CONSENT: On request by Rep. Anderson, granted by unanimous consent, the following intent language was accepted:
LEGISLATIVE INTENT: Notwithstanding Section §59–1311(4)(d), Idaho Code, moneys appropriated in Section _ 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.

AGENCY PRESENTATION: **COMMISSION OF THE ARTS**

LSO STAFF PRESENTATION: **ROBYN LOCKETT**

CARRIED: ORIGINAL MOTION
Moved by Rep. Horman, seconded Sen. Ward-Engleking, beginning with a Base Budget of \$1,934,000, include \$8,600 for increased benefit costs, \$1,000 for statewide cost allocation, \$18,300 for the CEC, \$100 for the cybersecurity insurance, and add \$25,000 from the General Fund for grant funds that will pass through to arts organizations in our communities across Idaho in line item number one. With that, I move \$810,500 from the General Fund, \$106,300 from dedicated funds and \$1,070,200 in federal funds for a total fiscal year 2018 appropriation of \$1,987,000 and 10 full-time equivalent positions to the Commission on the Arts.

FAILED: SUBSTITUTE MOTION
Moved by Rep. Wintrow, seconded by Rep. King, beginning with a base budget of \$1,934,000, include \$8,600 for increased benefit costs, \$1,000 for statewide cost allocation, \$18,300 for the CEC, \$100 for the cybersecurity insurance, and add \$50,000 from the General Fund for grant funds that will pass through to arts organizations in our communities across Idaho in line item number one. With that I move \$835,500 from the General Fund, \$106,300 from dedicated funds, and \$1,070,200 in Federal Funds for a total fiscal year 2018 appropriation of \$2,012,000, and 10 full-time equivalent positions to the Commission on the Arts.

AYES: 8

NAYS: 12

ABSENT/EX: 0

CARRIED: VOTE ON ORIGINAL MOTION

AYES: 19

NAYS: 1

ABSENT/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 Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 8:34 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary