

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 01, 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

LSO STAFF PRESENT: Cathy Holland-Smith, Paul Headlee, Jared Hoskins, Rob Sepich

CONVENED: **Chairman Bell** called the meeting to order at 8:01 am.

Special Hearing: Military Division: Emergency Road Repair — Disaster Emergency Fund

PRESENTER: **Brad Richy, Brigadier General, Director of Office of Emergency Management**

Gen. Richy reviewed the effects of the heavy snowfall around Idaho, and the damage it caused to areas in Idaho mostly in the Magic Valley region. He stated that on January 21, 2017, the Washington and Payette counties began to request state assistance with the effects of the winter weather. In total, 15 counties declared the need for state assistance. The Military Division, on behalf of the Governor, declared the need for assistance from the federal government as well. Gen. Richy reviewed the extent of the damage in the Washington and Payette counties stating statistics of the number of collapsed buildings, the amount of snow removed, and community involvement in the snow removal effort. He reviewed the flooding and winter weather damage in counties across the State. Gen. Richy provided a total estimate of approximately \$17 million in damages across all the counties affected, however, that amount may increase after the flooding has receded. He anticipates another presidential declaration to help Idaho with the flooding.

In response to committee questions, **Gen. Richy** stated a Presidential declaration, if approved by the president, will bring in FEMA where they will evaluate and accept requests for public assistance projects dependent on their standards. Some of the funds for the projects will be shared among the state and local counties and governments. FEMA does accept projects for individual assistance but Gen. Richy does not feel optimistic FEMA will provide individual assistance.

Sen. Lee expressed her gratitude for **Gen. Richy's** office coming into her district's counties and working alongside the people in the communities to help address the winter storm damage and its effects.

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FY 2017 Supplemental Appropriation: Military Division: Idaho Office of Emergency Management: Emergency Road Repair — Disaster Emergency Fund

PRESENTER: Rob Sepich, Budget and Policy Analyst

Cathy Holland-Smith, Division Manager, Budget and Policy Analysis Division reviewed the Joint Finance-Appropriations Committee (JFAC) history and the committee's action to recognize excess revenue from FY 2017 in order to seek funds to pay for the \$52 million being transferred out of the General Fund to the Military Division to provide emergency relief to the areas in Idaho affected by severe winter weather and flooding. Of that \$52 million, \$2 million will be transferred from the General Fund to the Disaster Emergency Fund in the Military Division. The remaining \$50 million will be transferred from the General Fund to the Emergency Relief Fund in the Military Division. She also introduced for review draft legislation handling this issue.

In response to committee questions, **Mr. Sepich** explained the two funds, the Disaster Emergency Fund and the Emergency Relief Fund, are separate funds to prevent co-mingling of funds, and prevent issues with FEMA not matching federal funds in an account that already receives state funds. The Disaster Emergency Fund helps pay for fires in the summer and floods in the winter.

In response to committee questions, **Ms. Holland-Smith** explained the two funds are set up in structure to provide grants for the relief effort. The \$52 million will be placed in that already existing grant structure where that money will support temporary staff to help the already existing staff with the processing of grants. Ms. Holland-Smith stated that some state roads will not qualify for FEMA assistance since those roads already receive federal funds, therefore with this \$52 million state owned roads as well as local roads can receive funds to repair damages. These funds, however, will only go to projects dealing with public ownership and not private ownership. If the funds are not all spent, then it will be up to the legislature whether or not those unspent funds will be sent back to the General Fund or stay in the those emergency funds.

In response to committee questions, **Senator Keough** assured **Senator Bair** that the JFAC Co-chairs have met and spoken with members of the House and Senate leadership as well as herself meeting with the Chairman of the Senate Transportation, to discuss this issue in order that proper vetting was done for this effort. **Rep. Youngblood** stated similar comments where efforts have been made to meet with House members about this issue. Sen. Keough also explained Section 7 in the draft legislation, which is to gather input from the listed entities that have expertise on roads.

Ms. Holland-Smith reviewed the ten sections in the draft legislation to appropriate funds to address the winter storm damage in the affected counties.

In response to committee questions, **Ms. Holland-Smith** stated the draft legislation does not need a sunset clause because it will be an appropriation bill which expires at the end of the fiscal year. She also clarified Section 2 of the draft legislation saying that state and local government entities, when applying for relief money, have to provide a 10% match of the total of what they need. This is different compared to where only local government entities were required to provide a 10% match.

**UNANIMOUS
CONSENT:**

On request by **Mortimer** to hold further action on the FY 2017 supplemental appropriation to the Military Division for emergency road repair for one legislative day, an objection was made by **Youngblood**.

In response to committee questions, **Senator Keough** explained the intent of the review panel, as described in section 7 of the draft legislation, would be to have experts who work with roads and select projects, rather than need for any legislators.

MOTION:

Original Motion

Recognize Additional FY 2017 General Fund Revenue

Language

Moved by **Nye**, seconded by **Youngblood**, to recognize an additional \$39,171,800 from the General Fund in FY 2017, and add it on a separate line in the General Fund Budget Update. This means the new target revenue projection for FY 2017 will total \$3,393,716,800, or 6.6% increase. This is the excess revenue over the January DFM and EOROC forecast for setting the FY 2017 appropriations.

CARRIED:

Ayes: 20

Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow

Nays: 0

Ab/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 Bell**.

**UNANIMOUS
CONSENT:**

On request by **Youngblood**, granted by unanimous consent, the following language in Section 1, Findings of the Legislature was accepted:

SECTION 1. FINDINGS OF THE LEGISLATURE. Whereas the Legislature has found that throughout Idaho, counties have made and will continue to make disaster declarations due to extreme weather-related damage to structures, roads, and bridges; have borne excessive costs associated with snow removal and flooding; and in many instances have depleted financial reserves to repair and provide safe and secure roadways for its citizens. The Legislature has also determined that state resources are necessary to help meet the urgent need to make permanent repairs to state, county, and local roads to avoid further damage and erosion.

**UNANIMOUS
CONSENT:**

On request by **Youngblood**, granted by unanimous consent, the following legislative intent language in Section 2, Legislative Intent on Gubernatorial Declaration of Disaster was accepted:

SECTION 2. LEGISLATIVE INTENT. It is the intent of the Legislature that funds provided for in Section 3 of this act shall be for emergency assistance for counties that have received a gubernatorial declaration of disaster and are eligible for state support.

MOTION:

Original Motion

Fund Transfer

Moved by **Keough**, seconded by **Martin**, to appropriate and transfer \$2 million from the General Fund to the Disaster Emergency Fund.

CARRIED:

Ayes: 20

Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow

Nays: 0

Ab/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 Bell**.

**UNANIMOUS
CONSENT:**

On request by **Martin**, granted by unanimous consent, the following legislative intent language in Sections 4 through 7, Legislative Intent on Guidance for Emergency Road and Bridge Repairs, Eligibility, Match Requirements, and Method of Selection was accepted:

SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that funds provided for in Section 8 of this act, and guidance provided for in Sections 5 through 7 shall be for emergency road and bridge repairs that may or may not be eligible for funding as described in Section 2 of this act.

SECTION 5. ELIGIBILITY. Eligible work shall include permanent repair or restoration of roads, bridges, surfaces, bases, shoulders, ditches, drainage structures such as culverts, low water crossings, decking, guardrails, girders, pavement, abutments, piers, slope protection, approaches, lighting, sidewalks, and signs, and shall meet the standards as defined in the FEMA Public Assistance Program and Policy Guide, with the inclusion of state ownership.

SECTION 6. MATCH REQUIREMENTS. All state and local governmental agencies will be required to provide a 10% match, of which in-kind contributions will be eligible to meet the match requirements.

SECTION 7. METHOD OF SELECTION. The Adjutant General of the Idaho National Guard shall appoint a recovery review panel comprised of a representative each from the Idaho Transportation Department, the Local Highway Technical Assistance Council (LHTAC), the Idaho Association of Counties, the Idaho Association of Cities, the Association of Highway Districts, and the Governor's Office. The Deputy Chief of the Idaho Office of Emergency Management in the Military Division shall also be a member and the chairman of the review panel. The Deputy Chief has the authority to hire staff as necessary to implement the provisions of this act. The review panel shall use the Idaho Long Term Recovery Plan and the standards of the FEMA Public Assistance Program and Policy Guide, specifically Category C, as a basis of the grant application process regardless of FEMA eligibility for reimbursement of expenses.

MOTION:

Original Motion
Fund Transfer

Moved by **Martin**, seconded by **Youngblood**, to appropriate and transfer \$50 million from the General Fund to the Emergency Relief Fund, and provide continuous appropriation authority.

CARRIED:

Ayes: 20

Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow

Nays: 0

Ab/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 Bell**.

MOTION: **Original Motion**
Fund Transfer

Moved by **Youngblood**, seconded by **Martin**, to appropriate and transfer \$7,448,000 from the Consumer Protection Fund in the Office of the Attorney General to the General Fund.

CARRIED: **Ayes: 20**
Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow
Nays: 0
Ab/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 Bell**.

UNANIMOUS CONSENT: On request by **Keough**, granted by unanimous consent, the following emergency clause in Section 10 was accepted:

SECTION 10. 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.

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Judicial Branch: Court Operations FY 2018 Appropriation

PRESENTER: **Jared Hoskins, Principal Budget and Policy Analyst**

Mr. Hoskins reviewed the division's FY 2018 budget and the JFAC adjusted budget for this division. **Senator Lee** disclosed she has a possible conflict of interest under applicable law. **Senator Nye** disclosed he has a possible conflict of interest under applicable law.

MOTION: **Original Motion**
Court Operations
Appropriation

Moved by **Youngblood**, seconded by **Wintrow**, to introduce a lump sum appropriation of \$47,452,400 from the General Fund, \$21,246,200 in dedicated funds, and \$1,717,700 in federal funds, for a grand total of \$70,416,300.

CARRIED: **Ayes: 20**
Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow
Nays: 0
Ab/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 Bell**.

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

RETIREMENT CONTRIBUTIONS. It is the intent of the Legislature that, of the amount appropriated in Section 1 of this act from the General Fund for the state's share of retirement contribution remittances to the Judges' Retirement Fund for justices' and judges' retirement benefits pursuant to Section 1-2004(2), Idaho Code, those amounts that are uncommitted shall be transferred monthly into operating expenditures and then paid by the Supreme Court into the Judges' Retirement Fund. Savings accrue when a position otherwise subject to payroll deductions is filled by a justice or judge who is exempt from employer and employee contributions because of twenty (20) or more years of service.

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Judicial Branch: Guardian Ad Litem Program FY 2018 Appropriation

PRESENTER: Jared Hoskins, Principal Budget and Policy Analyst

Mr. Hoskins reviewed the division's FY 2018 budget and the JFAC adjusted budget for this division.

MOTION: Original Motion
Guardian Ad Litem Program
Appropriation

Moved by **King**, seconded by **Horman**, to introduce a lump sum appropriation of \$1,109,200 from the General Fund.

CARRIED: **Ayes: 20**
Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow
Nays: 0
Ab/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 Bell**.

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Judicial Branch: Judicial Council FY 2018 Appropriation

PRESENTER: Jared Hoskins, Principal Budget and Policy Analyst

Mr. Hoskins reviewed this division's FY 2018 budget and the JFAC adjusted budget for this division.

MOTION: Original Motion
Judicial Council
Appropriation

Moved by **Wintrow**, seconded by **Youngblood**, to introduce a lump sum appropriation of \$130,800 from the General Fund.

CARRIED: **Ayes: 20**
Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow
Nays: 0
Ab/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 Bell**.

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Attorney General FY 2018 Appropriation

PRESENTER: **Jared Hoskins, Principal Budget and Policy Analyst**

Mr. Hoskins reviewed the agency's FY 2018 budget and Governor's recommendation as well as the JFAC adjusted budget for this agency. **Senator Nye** disclosed he has a possible conflict of interest under applicable law.

MOTION: **Original Motion**
Attorney General
Appropriation

Moved by **Agenbroad**, seconded by **Martin**, to introduce \$23,135,800 from the General Fund, \$404,300 in dedicated funds, and \$1,174,300 in federal funds, for a grand total of \$24,714,400 and a cap of 208.60 full-time equivalent positions. This motion also includes lump sum authority.

CARRIED: **Ayes: 20**

Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow

Nays: 0

Ab/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 Bell**.

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Self-Governing Agencies: Public Defense Commission FY 2018 Appropriation

PRESENTER: **Jared Hoskins, Principal Budget and Policy Analyst**

Mr. Hoskins reviewed the agency's FY 2018 budget and the JFAC adjusted budget for this agency.

MOTION: **Original Motion**
Public Defense Commission
Appropriation

Moved by **Anderson**, seconded by **Agenbroad**, to introduce a total of \$5,827,700 from the General Fund and cap full-time equivalent positions (FTP) at 6.00.

CARRIED: **Ayes: 19**

Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Burtenshaw, Anderson, Dixon, King, Wintrow

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**.

To listen to this presentation please [click here](#)

Self-Governing Agencies: Commission on Hispanic Affairs FY 2018 Appropriation

PRESENTER: Rob Sepich, Budget and Policy Analyst

Mr. Sepich reviewed the Commission's FY 2018 budget request and the JFAC adjusted budget for this agency.

**MOTION: Original Motion
Commission on Hispanic Affairs
Appropriation**

Moved by **Wintrow**, seconded by **Ward-Engelking**, to introduce \$161,400 from the General Fund, \$107,200 from dedicated funds, and \$43,000 from federal funds for a total of \$311,600 for FY 2018 with full-time positions capped at 3.00

CARRIED: Ayes: 18

Keough, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Burtenshaw, Anderson, Dixon, King, Wintrow

Nays: 1

Martin

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**.

To listen to this presentation please [click here](#)

Self-Governing Agencies: Idaho State Lottery FY 2018 Appropriation

PRESENTER: Rob Sepich, Budget and Policy Analyst

Mr. Sepich reviewed the agency's FY 2018 budget request and the JFAC adjusted budget for this agency.

In response to committee questions, **Mr. Sepich** explained the agency's line item request for funds for a fraud detective is to create a pipeline for replacing the current Enforcement Director pending her retirement. Also, this position already has an approved full-time position (FTP), however, it still needs the funding to cover the personnel costs. With the Marketing Project Manager line item request, that is similar to the fraud detective line item where the agency is trying to decrease outside marketing contracts and bring them in house. That position too, has an approved FTP, but does not have the funds to cover the personnel costs.

**MOTION: Original Motion
Idaho State Lottery
Appropriation**

Moved by **King**, seconded by **Youngblood**, to introduce a total of \$6,189,300 from dedicated funds and cap full-time equivalent positions at 45.00 for the State Lottery for Fiscal Year 2018.

**SUBSTITUTE MOTION: Substitute Motion
Idaho State Lottery
Appropriation**

Moved by **Martin**, seconded by **Mortimer**, to introduce a total of \$6,046,000 from dedicated funds and cap full-time equivalent positions at 45.00 for the State Lottery for Fiscal Year 2018.

FAILED:

Vote on Substitute Motion

Ayes: 9

Keough, Martin, Bair, Mortimer, Souza, Lee, Horman, Dixon, Wintrow

Nays: 10

Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Anderson, King

Ab/Ex: 1

Malek

CARRIED:

Vote on Original Motion

Ayes: 13

Keough, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Burtenshaw, Anderson, Dixon, King

Nays: 6

Martin, Bair, Mortimer, Souza, Lee, Wintrow

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**.

**UNANIMOUS
CONSENT:**

On request by **King**, granted by unanimous consent, the following legislative intent language was accepted:

LEGISLATIVE INTENT: It is legislative intent that amounts necessary to pay prizes, retailer commissions, advertising and promotional costs, and gaming supplier vendor fees based on sales shall be continuously appropriated to the State Lottery under the provisions of Section 67-7428, Idaho Code.

To listen to this presentation please [click here](#)

Industrial Commission FY 2018 Appropriation

PRESENTER:

Rob Sepich, Budget and Policy Analyst

Mr. Sepich reviewed the agency's FY 2018 budget.

MOTION:

Original Motion

Industrial Commission

Appropriation

Moved by **Anderson**, seconded by **King**, to introduce \$16,042,500 from dedicated funds and \$800,000 from federal funds for a total of \$16,842,500 and cap full-time equivalent positions at 138.25.

CARRIED:

Ayes: 19

Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Burtenshaw, Anderson, Dixon, King, Wintrow

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**.

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ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:48 am.

Representative Bell
Chair

Cody Jessup
Secretary