

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 18, 2018

TIME: 8:00 A.M.

PLACE: Room C310

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

ABSENT/ EXCUSED: Senator Martin

LSO STAFF PRESENT: Christine Otto, Budget & Policy Analyst, Jill Randolph, Budget & Policy Analyst, Rob Sepich, Budget & Policy Analyst, Keith Bybee, Deputy Division Manager

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

UNANIMOUS CONSENT: On request by **Senator Crabtree**, granted by unanimous consent, the FY 2018 budget for the Idaho Transportation Department, was reopened.

CARRIED: Original Motion
Idaho Transportation Department
Strategic Initiatives Program Fund
Supplemental
Moved by **Crabtree**, seconded by **Dixon**, to move for fiscal year 2018, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, the appropriation and transfer of \$27,669,500 from the General Fund to the Strategic Initiatives Program Fund with \$16,601,700 to the Strategic Initiatives Program Fund —State (60%) and \$11,067,800 to the Strategic Initiatives Program Fund — Local (40%).
Ayes: 19
Keough, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Nye, Ward-Engelking, Bell, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, King, Wintrow
Nays: 0
Ab/Ex: 1
Martin
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**.

CARRIED: Original Motion
Idaho Transportation Department
Strategic Initiatives Program Fund

Supplemental

Moved by **Crabtree**, seconded by **Dixon**, to move for fiscal year 2018, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, an additional \$16,601,700 in onetime capital outlay from the Strategic Initiatives Program Fund — State (60%) and an additional \$11,067,800 in onetime trustee and benefit payments from the Strategic Initiatives Program Fund — Local (40%), for a total of \$27,669,500.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Martin

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**.

CARRIED:

Original Motion

Idaho Transportation Department

Contract Construction and Right-of-Way Acquisition

TECM Fund

Supplemental

Moved by **Dixon**, seconded by **Crabtree**, to move for fiscal year 2018, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, a reduction of \$2,900,000 in the State Highway Fund in onetime capital outlay, an additional \$4,235,900 in the Transportation Expansion and Congestion Mitigation Fund in onetime capital outlay, and an additional \$16,880,800 in the Transportation Expansion and Congestion Mitigation Fund in ongoing capital outlay, for a total net increase of \$18,216,700.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Martin

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**.

CARRIED:

Original Motion

Idaho Transportation Department

IRP Software

Supplemental

Moved by **Dixon**, seconded by **Crabtree**, to move for fiscal year 2018, for the Idaho Transportation Department, in the Motor Vehicles Program, an additional \$1,000,000 in onetime operating expenditures from the State Highway Fund.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Martin

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 order by **Chairman Bell**.

**UNANIMOUS
CONSENT:**

On request by **Senator Ward-Engelking**, granted by unanimous consent, the FY 2018 budget for the Commission on Hispanic Affairs, was reopened.

CARRIED:

Original Motion

Self-Governing Agencies

Personnel Costs Fund Shift

Supplemental

Moved by **Ward-Engelking**, seconded by **King**, to move for fiscal year 2018, for the Commission on Hispanic Affairs, an additional \$26,000 ongoing in personnel costs from the General Fund, and a transfer of 0.30 FTP from the Federal Grant Fund to the General Fund.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Senator Martin

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 Representative **Youngblood**, granted by unanimous consent, the FY 2018 budget for the Department of Correction, was reopened.

CARRIED

Original Motion

State Prisons, Community Corrections

SAWC, PWCC, Community Work Centers

Facility Expansions

Supplemental

Moved by **Youngblood**, seconded by **Agenbroad**, to move for fiscal year 2018, for the Department of Correction, in the St. Anthony Work Camp Program, an additional \$39,000 in onetime operating expenditures and \$10,000 in onetime capital outlay from the General Fund along with \$36,000 in ongoing operating expenditures from the Inmate Labor Fund; in the Pocatello Women's Correctional Center Program, an additional \$29,700 in ongoing operating expenditures and \$33,100 in onetime operating expenditures from the General Fund; and in the Community Work Centers Program, an additional \$126,500 in onetime operating expenditures and \$106,600 in onetime capital outlay from the General Fund along with \$102,600 in ongoing operating expenditures from the Inmate Labor Fund. The total motion is for \$344,900 from the General Fund and \$138,600 from the Inmate Labor Fund, for a grand total of \$483,500.

Nays: 0

Ab/Ex: 1 — Senator Martin

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**.

CARRIED

Original Motion

Department of Correction

Medical Services

Supplemental

Moved by **Agenbroad**, seconded by **Youngblood**, to move for fiscal year 2018, for the Department of Correction, in the Medical Services Program, an additional \$2,979,000 in ongoing operating expenditures from the General Fund.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Martin

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**.

**AGENCY
PRESENTATION:**

Department of Environmental Quality

PRESENTER:

John Tippetts, Director

Presented an overview on the six program maintenance line items for FY 2018; 1) IPDES Program, 2) Air Quality Permitting Staff Engineer, 3) Underground Storage Tank Fees 4) Environmental Remediation Match, 5) Cash Transfer Water Pollution Control Fund (WPCF) to Environmental Remediation fund and 6) Statewide Agricultural Best Management Practice (BMP)

Presented an overview for the FY 2019 Replacement Items, which includes computer equipment, field equipment and three vehicles.

Presenter: **Rob Sepich, Budget and Policy Analyst**

Presented an overview on the FY 2017 actual expenditures and the analysis of fund balances.

Presented two base adjustments for FY 2018; the two parts will decrease federal appropriation in the Waste Management and Remediation Program. The first base adjustment reduces excess federal fund operating expenditures by \$7,500,000 and the second base adjustment requests the transfer of an additional \$500,000 in federal operating expenditures from the Waste Management and Remediation Program to the Air Quality Program for a new Cache Valley Targeted Airshed federal grant. The \$2.5 million grant will be expended over a five-year period.

Presented an overview of the FY 2019 Program Maintenance; 1) Idaho Pollutant Discharge Elimination requests \$656,200 from the General Fund to continue development for the Idaho Pollution Discharge Elimination System (IPDES), 2) Volkswagen Settlement requests \$5,500,000 in operating expenditures from dedicated receipts as the initial distribution of a multi-year \$17.3 million settlement from Volkswagen Auto Group (VWAG) to fund nitrogen oxide mitigation projects across the state and 3) Environmental Remediation Match request to reduce 1.00 FTP and \$100,000 in the Waste Remediation Program from federal funds and to increase the Environmental Remediation (Basin) Fund by 1.00 FTP and to transfer \$100,000 from operating expenditures to personnel costs within the the Environmental Remediation (Basin) Fund.

Mr. Sepich reported on the annual cash transfer of \$1,500,000; this transfer is from the Water Pollution Control fund to the Environmental Remediation (Basin) fund.

Mr. Sepich discussed the Budget Law Exemption and its intent.

**AGENCY
PRESENTATION:**

Soil and Water Conservation Commission

PRESENTER:

Teri Murrison, Administrator and Rob Sepich, Budget and Policy Analyst

Mr. Sepich went through FY 2017 actual expenditures and analysis of fund balances. **Ms. Murrison** addressed the FY 2018 JFAC action. The budget by decision unit was presented with the following: 1) Water Quality Program for Ag, the agency requests \$1,079,000 from the General Fund to reestablish the Water Quality Program for Agriculture (WQPA), this was not recommended by the Governor, 2) Field Office Assistance agency requests 4.00 FTP and \$180,000 in onetime federal funds to provide the FY 2019 portion of conservation planning assistance to the federal Natural Resource Conservation Service (NRCS). The agency expects that the personnel funding from the NRCS will only be enough to fill 3.00 FTP, the Governor did not recommend all of the 4.00 FTP, 3) Sagebrush Restoration Grant agency requests 1.00 FTP and \$82,800 in onetime National Fish and Wildlife Foundation (NFWF) grants to hire a temporary sagebrush landscape restoration specialist. This request continues to be paid for through NFWF grants. This is recommended by the Governor as an ongoing, limited service position that will be removed once the National Fish and Wildlife Foundation grant ceases. The recommendation includes changes for benefits and compensation and 4) IT/Telecommunications the agency requests \$3,700 for two IT-related items. The Governor recommended the \$4,100 increase.

**AGENCY
PRESENTATION:**

Idaho State Tax Commission

PRESENTER: Ken Roberts, Chairman

Chairman Roberts introduced Commissioner's **Tom Katsilometes, Elliot Werk,** and **Janet Trujillo,** the following staff was introduced; **Mike Chakarun, Mark Poppler, Doreen Warren** and **Glenda Smith.** Chairman Roberts gave an overview of the State Tax Commission.

PRESENTER: Keith Bybee, Deputy Division Manager

Mr. Bybee presented the FY 2017 actual expenditures and the analysis of fund balances. Mr. Bybee gave an overview on how the Multi-state Tax Commission works and how the funds are disbursed.

The FY 2019 Program Maintenance requests are as follows: 1) Automated Systems Coordinator this request includes 1.00 FTP and \$69,300 in personnel costs for an automated systems coordinator. The position's funding will be split 85% General Fund, 10% Administrative Services for Transportation Fund, and 5% from the Multi-state Tax Compact Fund, 2) Tax Compliance Positions this request includes 3.00 FTP and \$166,500 in personnel costs from the General Fund to reduce accounts receivable. These positions are meant to address the growing accounts receivable balances for all tax types, 3) Taxpayer Resources Manager requests includes 1.00 FTP and \$75,500 in personnel costs for a taxpayer resource manager. The position's funding will be split 90% General Fund and 10% Administrative Services for Transportation Fund, 4) Adjust administrative fund expenditures for the cost of collecting the E911 tax have not been meeting the estimated \$80,000 appropriation and this adjustment brings those costs in line with actual expenditures. A onetime appropriation of \$62,000 is requested for General tax programming and reporting for the Department of Commerce and adding the Idaho Falls Auditorium District to the list of state and local agencies for which the Tax Commission collects taxes. The net impact is a \$46,000 increase in FY 2019 but a reduction of \$16,000 in FY 2020.

AGENCY PRESENTATION: Department of Insurance

PRESENTER: Dean Cameron, Director

Director Cameron began by introducing his staff: **Tom Donovan,** Deputy Director; **Knute Sandahl,** Idaho State Fire Marshall; **Renee Iverson,** Fiscal Officer; and **Ellen Wells,** Human Resources Director.

He discussed the main purpose of the Department of Insurance is to effectively and fairly administer the Idaho insurance code.

Keith Bybee, Budget and Policy Analysis analyst, reviewed the actual expenditures of FY 2017 actual expenditures, the budget for FY 2018, and the budget requests and Governor's recommendations for FY 2019.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 11:00 a.m.

Representative Bell
Chair

Donna Warnock
Secretary