

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 01, 2018

TIME: 8:00 A.M.

PLACE: Room C310

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

LSO STAFF PRESENT: Robyn Lockett and Jill Randolph

ABSENT/EXCUSED: Lee

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

AGENCY PRESENTATION: **Department of Administration**

PRESENTER: **Director Geddes** introduced staff that was present and gave an in-depth overview of his department. He stated his department had no audit findings. He spoke on the \$1,000,000 that was asked received in FY 2018 to purchase a building that is adjacent to the Capitol Mall, the building went up for auction in December 2017 and the director not bid because the price went above their spending authority. He continued with a brief overview of the HP campus stating it is very large with a lot of space. There are over 5,400 parking spaces, eight large buildings most with basements and a lot of opportunity to develop for future needs of the state.

Robyn Lockett, gave a brief overview of the comparative summary for FY 2019 noting the Governor is recommending moving the department's existing office of the Chief Information Officer into the Office of the Governor, which is organized as a constitutional office.

Director Geddes discussed the replacement of two vehicles for the Division of Public Works from the Permanent Building Fund. He continue discussing the FY 2019 budget, as follows:

Risk Management Information System - The new RMIS would provide the following needed benefits and services: 1) The ability to adjust premium allocations, 2) Agencies will have access to their data, be able to use reports to analyze their losses for loss control, and 3) The ability to support enterprise risk management at the agency level. The department is requesting \$275,000, the total includes a onetime installation fee of \$200,000 and ongoing network hosting and service fees of \$75,000 annually.

Project manager FTP and PC – The Division of Public Works requests 1.00 FTP and \$79,100 from the Permanent Building Fund for a project manager due to the increased workload of public works projects.

IT Systems Analyst FTP and PC - The department requests 1.00 FTP and \$84,100 from the Administration and Accounting Services Fund for a senior IT systems analyst.

Information Technology Services - The Governor recommends appropriation

from the Administration and Accounting Services Fund for the department to contract with the newly created Office of Information Technology Services (OITS) for information technology services, and also to provide accounting and human resource services to OITS.

**AGENCY
PRESENTATION:**

Bond Payment Program

PRESENTER:

Robyn Lockett, Principal Analyst, LSO

Robyn Lockett reviewed the FY 2017 actual expenditures and the FY 2018 base adjustments stating the department requests a base reduction of \$426,000 from the Permanent Building Fund because the Boise State University College of Technology bond was paid off in FY 2018.

**AGENCY
PRESENTATION:**

Permanent Building Fund

PRESENTER:

Jan Frew, Administrator, Division of Public Works, stated the Permanent Building fund is defined in Idaho Code as a fund dedicated for the purpose of building needed structures, renovations, repairs and remodeling of existing structures at state institutions and state governments. The administration of the Permanent Building Fund is performed by the Division of Public Works. There are nine project managers and nine field representatives that review the day to day activities.

Robyn Lockett reviewed the FY 2017 actual expenditures with a \$26,729,700 original appropriation and received carry over authority of an additional \$51,230,300 and no adjustments were made. Ms. Lockett went through the revenue estimates which are income tax filing fee, cigarette tax, beer tax, sales tax, lottery dividends, capitol mall parking receipts, budget stabilization fund and other interest.

Ms. Frew reviewed the following FY 2018 line items:

- Idaho Department of Correction: Hot Water and HVAC Upgrades, this is the third phase.
- Idaho State University: Gale Life Science Building Remodel, to modernize labs and teaching spaces.
- University of Idaho: WWAMI Building Remodel, construct exam rooms
- Military: Youth Challenge Roof Repair, this repair will take place summer of 2018.
- Psychiatric Hospital Transformation, building a new 16 bed adolescent psychiatric hospital and remodeling a wing at the Blackfoot hospital.
- Boise State University Center for Materials Science, construct a new building.
- Lewis Clark State College Career – Technical Education Building, will build state of the art facility.
- University of Idaho: Center for Agricultural, Food, and Environment, research facility will be built.

Ms. Frew reviewed the FY 2019 budget for replacement items. The Permanent Building Fund Advisory Council requests the following from the Permanent Building Fund: \$28,907,800 for statewide building alteration and repair projects, \$1,300,000 for Americans with Disabilities Act (ADA) projects, \$200,000 for asbestos projects, and \$250,000 to spend Capitol Mall parking receipts. Agency Request \$30,657,800. The Governor recommends an additional \$25,000,000 appropriation and transfer from the General Fund to the Permanent Building Fund for building alteration and repair projects statewide. This decision unit provides an appropriation to spend the dedicated funds.

Ms. Frew reviewed the following FY 2019 agency requests:

Idaho Department of Correction Waste Water Lagoon Upgrade - The Permanent Building Fund Advisory Council requests \$1,220,000 from the Permanent Building Fund to upgrade the water resource recovery facility at the North Idaho Correctional Institution near Cottonwood, Idaho. The facility is being upgraded to comply with revised Department of Environmental Quality (DEQ) and Environmental Protection Agency (EPA) standards.

College of Southern Idaho Canyon Building Remodel - The council requests \$830,000 from the Permanent Building Fund for the remodel and modernization of approximately 25,000 square feet of existing classrooms and offices originally constructed in 1976. The space houses the school's Information Technology Education Program. The council states that remodeling will make more efficient use of the existing area and create an instructional environment consistent with modern standards.

Division of Military's MWR Facility - The council requests \$250,000 from the Permanent Building Fund to provide a new slab-on-grade building, electric and gas utilities, basic interior finishes, and a roughed-in restroom for the Morale, Welfare, and Recreation (MWR) Facility. This will maximize the available floor space for use as a community activities center to support military members training in the Idaho National Guard range complex. The building will be located near 33400 Orchard Access Road in Boise, Idaho.

New Public Safety Communications Site - The council requests \$700,000 from the Permanent Building Fund for a new public safety communications site located at the Lewiston Grade, Port of Entry. This project will enhance safeguarding and maintaining communications equipment for the Idaho Military Division, Idaho State Police, Idaho Department of Health and Welfare, and the Idaho Transportation Department.

Idaho Department of Correction Community Reentry Center - The Governor recommends a \$9,114,200 appropriation and transfer from the General Fund to the Permanent Building Fund for a community reentry center. This decision unit provides an appropriation to spend the dedicated funds.

General Fund for Capital Projects - The Governor recommends an additional \$25,000,000 appropriation and transfer from the General Fund to the Permanent Building Fund for building alteration and repair projects statewide. The Governor also recommends a \$10,000,000 transfer from the General Fund for a Health Sciences Building on the Nampa campus of the College of Western Idaho. This building will support continued growth in the health sciences programs including nursing, dental assisting, surgical technology, physical therapy, and certified nursing assisting. The Governor recommends transferring the money from the General Fund into the Permanent Building Fund, but delays the recommendation to spend out of the Permanent Building Fund until funds from other project partners have been received. The Governor recommends a \$9,114,200

appropriation and transfer from the General Fund to the Permanent Building Fund for an Idaho Department of Correction Community Reentry Center.

In **Ms. Frew's** closing comments she stated the latest executive report indicates their division has 261 active projects with a value over \$257,000,000.

**AGENCY
PRESENTATION:**

Capitol Commission

PRESENTER:

Andy Erstad, Chairman, stated he is requesting authority to spend from the Capitol endowments.

Robyn Lockett gave an overview of the Capitol Commission. The Capitol Commission has a three fund structure, 1) permanent endowment, 2) maintenance reserve fund, and 3) an operating fund. All those are collected from the endowments lands from the state and deposited into the Permanent Endowment Fund.

Chairman Erstad reviewed the three requests for FY 2019, 1) Commission Operating fund -Receives moneys from: 1) transfers from the Capitol Permanent Endowment Fund based on the Capitol Commission's approval, 2) all interest earned on the Capitol Commission Operating Fund, and 3) all other proceeds either public or private, as approved by the Legislature. All moneys shall be appropriated exclusively for the purposes of supporting the operation, activities, and projects of the Capitol Commission, retained for future appropriation, or transferred to the Capitol Permanent Endowment Fund by legislative appropriation (Section 67-1611, Idaho Code). Funds are used to pay the general operating expenses of the Capitol Commission, including administrative support that is provided by the Department of Administration. All expenditures from this fund are subject to appropriation by the Legislature, 2) Capitol Maintenance Reserve Fund - Ongoing funding and maintenance for the State Capitol Building and its grounds is paid for from Capitol endowment lands and investments that are deposited into a permanent fund called the Capitol Permanent Endowment Income Fund (permanent endowment). This fund receives income from endowment lands within the state. All moneys in this fund shall be used exclusively by the Capitol Commission to address repairs, maintenance, and construction needs approved by the commission to benefit the Capitol and its grounds; provided that moneys from the fund shall also be used to pay for administrative costs incurred managing the assets of the capitol permanent endowment including, but not limited to, real property and monetary assets. All expenditures from this fund are subject to appropriation by the Legislature (Section 67-161A, Idaho Code), and 3) Capitol Endowment Income Fund (permanent endowment) - Accrues moneys derived from 7,200 acres of land, over 90% of which is forested, from proceeds and interest from the sale of land, sale of timber, mineral royalties, and land rentals, all of which are collected and deposited to this fund by the Department of Lands (Sections 67-161a and 67-1611, Idaho Code). The Capitol Endowment Income Fund is managed by the Endowment Fund Investment Board (EFIB).

**AGENCY
PRESENTATION:**

Idaho Public Television

PRESENTER:

Ron Pisaneschi, General Manager, gave an overview of the grants they have received and the new programs in development.

Jill Randolph reviewed the 2017 actual expenditures addressing the non-cognizable increase of \$25,400 is for the PBS grant Teacher Community Project and the adjustment is the net object transfer of \$29,700 to the General Fund and there was a receipt to appropriation for \$4,400 with a reversion of \$327,600.

Mr. Pisaneschi reviewed the one audit finding stating it was an error on one of the notes, which is 4 ½ pages long, the error had to do with PERSI on the financial statement and it was corrected before the audit was published.

Jill Randolph reviewed the FY 2018 line items stating there was one request for 1 FTP in the amount of \$97,300 for an Educational Outreach position.

Mr. Pisaneschi reviewed the following replacement items:

IdahoPTV requests \$653,800 from the General Fund, \$155,000 from the Miscellaneous Revenue Fund, and \$266,300 from the Federal Grant Fund for a total request of \$1,075,100 for capital outlay to replace the following items, in order of priority:

\$20,000 General Fund - KAID building Cat6e wiring upgrade. According to the agency, in order to take advantage of current technology, the leased facility wiring, last updated in 1993, must be upgraded.

\$80,000 General Fund - enterprise network infrastructure/system. This request would upgrade much of the enterprise network equipment, which includes routers, switches, servers, storage, etc., which are at or past their useful life. Factory support is no longer available in most instances, putting the agency at risk of critical system failures.

\$400,000 General Fund - ethernet microwave system - 2 of 3. This is the second in a series of three annual requests to replace the current ethernet backbone microwave system which IdahoPTV shares with the Bureau of Homeland Security; the total cost to replace the current ethernet backbone microwave is \$1,200,000. This purchase will reduce IdahoPTV data haul charges that could be incurred if it does not replace the current microwave radios it shares with the state.

\$15,500 General Fund - radio frequency (RF) transcoders for translators. This request would replace the five oldest transcoders in the fleet at a cost of \$3,100 each. These units receive the primary station over-the-air (OTS) signal and convert it to the local translator channel. \$60,000 General Fund - linear tape-open (LTO) library additional frame. This additional LTO (magnetic tape data storage) frame allows for online access at the existing disaster recovery (DR) site library, which is a continuation of the archive replacement. As the media at the DR site library continues to grow at a substantial rate, the need to have online access to the data also grows. Without this item, trips to Meridian to exchange LTP cartridges must occur in order to access the data, which is not an efficient use of agency resources.

\$38,300 General Fund - vehicle replacement, PB 15. This request would replace a Ford F-350 heavy-duty truck, used primarily by field engineering in northern Idaho, with a medium duty (F-250) truck plus a bumper/winch. Current odometer as of September 2017: 119,788.

\$38,300 General Fund - vehicle replacement, PB 2. This request would replace a Ford F-350 heavy-duty truck, used primarily by field engineering in eastern Idaho, with a medium duty (F-250) truck plus a bumper/winch. Current odometer as of September 2017: 100,756.

\$1,700 General Fund - building signage. Replace two IdahoPTV illuminated

signs on the leased building in Boise. Ground signs were replaced in FY 2017. \$266,300 Federal Grant Fund - FCC auction repack KCDT. This is the remainder of the \$525,000 expected funds from the FCC for the signal repack; \$258,700 was approved as a noncognizable item in FY 2018.

\$55,000 Micellaneous Revenue Fund - video camera packages with lenses.

Replaces cameras and technology that are ten years old to ensure the continued ability of IdahoPTV to produce quality local productions.

\$100,000 Micellaneous Revenue Fund - edit system computers. This edit system works in concert with the video camera package request above and is needed to maintain high quality local productions.

**AGENCY
PRESENTATION:**

Commission on Hispanic Affairs

PRESENTER:

Margie Gonzales, Executive Director, stated the Commission on Hispanic Affairs agency was established in 1987 and they serve as link between the Hispanic community and state agencies to improve work/life qualities.

Jill Randolph reviewed the 2017 actual expenditures noting there were no adjustments and \$100 was reverted back. Ms. Randolph continued review of the analysis of fund balances.

Executive Director Gonzales reviewed the FY 2018 expenditure, there was one line item for travel & outreach for \$25,000.

Jill Randolph reviewed the FY 2019 budget. The agency has three requests for FY 2019, 1) Statewide Outreach Efforts - The commission requests \$25,000 ongoing from the General Fund for statewide outreach efforts. The funds would enable the commission to fulfill its statutory responsibilities to "meet and exercise its powers at any place within the state", 2) Overhead Costs - The commission requests \$10,000 ongoing from the General Fund to cover overhead operating expenditures for services provided by the Department of Administration, and 3) Fund Shift and Reduction - an object transfer of \$14,000 in the Federal Grant Fund, and to reduce the Federal Grant Fund appropriation by \$8,100.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the Committee at 9:53 a.m.

Representative Bell
Chair

Donna Warnock
Secretary