

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 15, 2018

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 Bell** called the meeting to order at 8:01 a.m.

AGENCY PRESENTATION: Senate Local Government & Taxation

PRESENTER: **Senator Dan Johnson**, Chairman of the Senate Local Government and Taxation, \stated there are many more tax bills coming through dealing with credits, exemptions and deductions. He continued the biggest item to share with the committee is the tax conformity bill because it will have a large impact to the revenues.

AGENCY PRESENTATION: Statewide Budget Decisions — JFAC Adjusted

PRESENTER: **Paul Headlee**, Division Manager, LSO gave a brief overview the committee will take to set the revenues for the FY 2018 – 2019 budgets.

CARRIED: Original Motion
Increase Revenue to 5.9% above FY 2017 Actual Collections

Moved by **Youngblood**, seconded by **Martin**, to move for FY 2018 that the Joint Finance-Appropriations Committee adopt the General Fund revenue projection of \$3,650,875,300 for the purpose of setting and modifying state agency budgets.

Ayes: 20
Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

Nay: 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 ordered by **Chairman Bell**.

DISCUSSION: **Rep. Youngblood** stated that the revenue coming in is above the estimates and with the extra needs of fire expression, he believes it is appropriate to recognize the additional increase.

CARRIED:

Original Motion
Governor's Recommendation and EORAC

Moved by **Martin**, seconded by **Youngblood**, for FY 2019, that the Joint Finance-Appropriations Committee adopt and use the Governor's and Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of \$3,823,128,000, for the purpose of setting state agency budgets.

Ayes: 20

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

Nay: 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 ordered by **Chairman Bell**.

CARRIED:

Original Motion

Moved by **Keough**, seconded by **Youngblood**, for benefits, adopt the Governor's FY 2019 funding recommendation, which is a \$1,450 decrease for health insurance per eligible full-time FTP and includes a two-month employee and employer premium holiday, changes in variable benefits, and fund shifts by agency. This includes a decrease of \$13,429,400 from the General Fund, a decrease of \$9,444,300 from dedicated funds, and a decrease of \$4,278,800 from federal funds, for a total decrease of \$27,152,500.

Ayes: 20

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

Nay: 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 ordered by **Chairman Bell**.

DISCUSSION:

Senator Keough stated that with the Governor's recommendation, it recognizes the possibility of a callback, refund or credit. She continued that by accepting this motion it does not preclude future legislatures, administration or governor's from continuing the work on looking at a self-budgeting plan and Health Saving Accounts (HSA)

CARRIED:

Original Motion
Inflationary Adjustments
Replacement Items
Statewide Cost Allocation (SWCAP)
Annualizations

On request by **Senator Bair**, for unanimous consent to accept the proposed JFAC adjustments budget for FY 2019, item #2 Inflationary Adjustments, #3 Replacement Items, #4 Statewide Cost Allocation (SWCAP), and #5 Annualizations be approved. **Chairman Bell**, seeing no objection, it is so ordered.

CARRIED:

Original Motion
Change in Employee Compensation (CEC)

Moved by **Miller**, seconded by **Mortimer** for FY 2019, include the Governor's and the CEC Committee's recommendation for a 3% pay increase for permanent employees of state agencies, institutions, and the Idaho Bureau of Education Services for the Deaf and the Blind to provide a merit-based increase with flexibility allowed for agency heads and institution presidents to distribute the increase. Also, include funding to move the compensation schedule upwards by 3% at the minimum, policy, and maximum pay rates in all pay grades and funding for the ongoing CEC fund shifts that are recommended by the Governor. The exception to the change is that the minimum wage would remain at \$7.25 per hour in pay grade D. This includes \$19,588,700 from the general fund, \$14,271,400 from dedicated funds, and \$6,336,700 from federal funds for a total of \$40,196,800.

Ayes: 20

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

Nay: 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 ordered by **Chairman Bell**.

CARRIED:

Original Motion
3% Base salary increase for classified staff & administrators in public schools

Moved by **Horman**, seconded by **Mortimer**, for a 3% base salary increase for classified staff & administrators in public schools and include the Governor's FY 2019 recommendation for a 3% pay increase for classified employees and administrators in the amount of \$7,021,100 from the general fund.

Ayes: 20

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

Nay: 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 ordered by **Chairman Bell**.

CARRIED: Original Motion
Nondiscretionary Adjustments

Moved by **Mortimer**, seconded by **Horman** to include the Governor’s FY 2019 nondiscretionary adjustment recommendations for Public Schools, enrollment workload adjustment (EWA) for College and Universities and Community Colleges, and case load, utilization, and federal match rate adjustments in Health & Welfare and Medicaid for an increase of \$111,682,900 from the General Fund, a decrease of \$910,000 from dedicated funds, and an increase of \$94,128,500 from federal funds for a total of \$204,901,400.

Ayes: 20

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

Nay: 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 ordered by **Chairman Bell**.

CARRIED: Original Motion
Endowment Adjustments

Moved by **Mortimer**, seconded by **Horman** to include in the Governor’s FY 2019 recommendation for changes in spending in the Endowment Funds for Public Schools, College and Universities, and the Department of Health and Welfare resulting in a decrease of \$3,651,500 from the General Fund and an increase of \$4,005,900 from dedicated funds for a total of \$354,400.

Ayes: 20

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

Nay: 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 ordered by **Chairman Bell**.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned at 9:17 a.m.

Representative Bell
Chair

Donna Warnock
Secretary