

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 26, 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: Senator Keough convened the meeting at 8:00 A.M.

AGENCY PRESENTATION: **JUDICIAL BRANCH: COURT OPERATIONS**

LSO STAFF PRESENTATION: **JARED HOSKINS**

CARRIED: ORIGINAL MOTION
Moved by Rep. Burtenshaw, for the Supreme Court, in the Court Operations Division, beginning with the FY 2019 Base, a reduction of \$446,700 for benefit costs, an increase of \$7,600 for statewide cost allocation, an increase of \$39,600 for annualizations, and an increase of \$497,200 for change in employee compensation. Also included are the following line items: line item 1, which includes \$3,358,000 onetime from the Technology Infrastructure Stabilization Fund for court technology phase 5 of 5; line item 3, which includes 1.00 FTP and \$125,700 for a Jerome County Magistrate; line item 4, which includes \$231,300 for a substance use disorder services (SUDS) provider rate increase; line item 5, which includes 1.00 FTP and \$59,000 for a custodian; line item 8, which includes \$153,500 for judicial mentoring; line item 9, which includes \$68,800 onetime for an ADA consultant; and line item 11, which includes the ongoing fund shift of 1.75 FTP and \$169,200 from the General Fund to the Federal Grant Fund for reversal of the FY 2018 Court Improvement Program line item. The totals for this motion for FY 2019 are \$45,009,100 from the General Fund, \$24,798,400 from dedicated funds, and \$1,887,900 from federal funds for a grand total of \$71,695,400. This motion also includes lump sum authority, seconded by Rep. Youngblood.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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. Burtenshaw, granted by unanimous consent, that the legislative intent language, shown below, regarding retirement contributions be accepted as part of the Supreme Court's FY 2019 appropriation.

SECTION __. 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.

AGENCY PRESENTATION: **JUDICIAL BRANCH: GUARDIAN AD LITEM PROGRAM**
PRESENTATION: **JARED HOSKINS**
CARRIED: ORIGINAL MOTION

Moved by Rep. Horman, for the Supreme Court, in the Guardian Ad Litem Program, a total FY 2019 lump sum appropriation of \$1,109,200 from the General Fund, seconded, by by Rep. Youngblood.

AYES: 19

NAYS: 0

ABSENT/EX: 1

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: **JUDICIAL BRANCH: JUDICIAL COUNCIL**
PRESENTATION: **JARED HOSKINS**
CARRIED: ORIGINAL MOTION

Moved by Rep. Youngblood, for the Supreme Court, in the Judicial Council Division, a total FY 2019 lump sum appropriation of \$130,800 from the General Fund, seconded by Rep. Burtenshaw.

AYES: 19

NAYS: 0

ABSENT/EX: 1

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:**

SELF-GOVERNING AGENCIES: PUBLIC DEFENSE COMMISSION

PRESENTATION:

JARED HOSKINS

CONSENT:

On request by Sen. Agenbroad, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Public Defense Commission.

On request by Sen. Agenbroad, granted by unanimous consent, that the legislative intent language, as shown below, regarding allocation of trustee and benefit payments and encumbrances apply to the Public Defense Commission's FY 2018 appropriation and be incorporated in the FY 2019 appropriation bill.

SECTION __. ALLOCATION OF TRUSTEE AND BENEFIT PAYMENTS. Of the amount appropriated as trustee and benefit payments in Section 1, Chapter 205, Laws of 2017, no more than \$4,452,600 shall be expended for formula grants pursuant to Sections 19-862A and 19-851(8), Idaho Code; no more than \$150,000 shall be expended to incentivize the establishment of joint public defender offices pursuant to Section 19-862A(3), Idaho Code; and no more than \$423,100 shall be expended for extraordinary litigation costs pursuant to Section 19-850(2)(e), Idaho Code. Any remaining unexpended amounts not so used shall revert to the General Fund.

SECTION __. ENCUMBRANCES. Notwithstanding any other provision of law to the contrary, the Public Defense Commission shall not transfer or encumber amounts appropriated as trustee and benefit payments in Section 1, Chapter 205, Laws of 2017.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Agenbroad, for the Public Defense Commission, beginning with the FY 2019 Base, a reduction of \$8,100 for benefit costs, a reduction of \$29,800 for statewide cost allocation, and an increase of \$14,000 for change in employee compensation. Also included is line item 4, which provides \$1,000 for IT and telecommunications. The totals for this motion for FY 2019 are 6.00 FTP and \$5,804,800 from the General Fund, seconded by Rep. Youngblood.

AYES: 19

NAYS: 0

ABSENT/EX: 1

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 Sen. Agenbroad, granted by unanimous consent, the legislative intent language, as shown below, regarding allocation of trustee and benefit payments and encumbrances be accepted as part of the Public Defense Commission’s FY 2019 appropriation bill.

SECTION __. ALLOCATION OF TRUSTEE AND BENEFIT PAYMENTS. Of the amount appropriated as trustee and benefit payments in Section 1 of this act, no more than \$4,452,600 shall be expended for formula grants pursuant to Sections 19-862A and 19- 851(8), Idaho Code; no more than \$150,000 shall be expended to incentivize the establishment of joint public defender offices pursuant to Section 19-862A(3), Idaho Code; and no more than \$423,100 shall be expended for extraordinary litigation costs pursuant to Section 19-850(2)(e), Idaho Code. Any remaining unexpended amounts not so used shall revert to the General Fund. SECTION __. ENCUMBRANCES. Notwithstanding any other provision of law to the contrary, the Public Defense Commission shall not transfer or encumber amounts appropriated as trustee and benefit payments in Section 1 of this act.

**AGENCY
PRESENTATION:
PRESENTATION:
CARRIED:**

ATTORNEY GENERAL

JARED HOSKINS

ORIGINAL MOTION

Moved by Sen. Martin, for the Attorney General, beginning with the FY 2019 Base, a reduction of \$285,100 for benefit costs, an increase of \$291,700 for replacement items, an increase of \$4,400 for statewide cost allocation, and an increase of \$555,600 for change in employee compensation. Also included are the following line items: line item 1, which includes 1.00 FTP and \$106,000 from the Idaho Millennium Income Fund, of which \$6,200 is onetime, for a deputy attorney general to staff the arbitration of the Master Settlement Agreement (MAS); and line item 3, which includes 1.00 FTP and \$266,900, of which \$67,800 is onetime, for a forensic computer examiner and an affiliate investigator in the Internet Crimes Against Children Program. The totals for this motion for FY 2019 are 210.60 FTP, \$23,633,800 from the General Fund, \$509,400 from dedicated funds, and \$1,169,400 from federal funds for a grant total of \$25,312,600. This motion also includes lump sum authority, seconded by Rep. Youngblood.

AYES: 19

NAYS: 0

ABSENT/EX: 1

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:**

STATE BOARD OF EDUCATION; SUPERINTENDENT OF PUBLIC INSTRUCTION

PRESENTATION: ROBYN LOCKETT

CARRIED: ORIGINAL MOTION

Moved by Sen. Mortimer, for the Superintendent of Public Instruction, beginning with the FY 2018 estimated Expenditures, a base reduction of \$100,000 for the Idaho Reading Indicator Redesign Pilot to remove the ongoing funding, bringing the FY 2019 Base to \$38,676,200. I also move a reduction of \$196,700 for benefit costs, the addition of \$141,300 for replacement items, an increase of \$1,000 for the Superintendent's salary annualization, and \$346,200 for the change in employee compensation. Also included is \$305,000 from the General Fund, \$10,285,400 from dedicated funds, and \$14,467,800 from federal funds for a grand total of \$39,273,000, seconded by Rep. Horman.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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 Sen. Mortimer, granted by unanimous consent, to include, as shown below, the following section of Legislative intent language in the FY 2019 appropriation bill for the Superintendent of Public Instruction:

SECTION __. DISTRIBUTIONS. Of the moneys appropriated in Section 1 of this act, none shall be distributed or expended for school district or charter school wireless technology infrastructure. Additionally, moneys appropriated in Section 1 of this act may be used to maintain the legacy Idaho Reading Indicator. However, no moneys shall be distributed or expended for a contract to redesign or replace the legacy Idaho Reading Indicator at this time.

**AGENCY
PRESENTATION:**

OFFICE OF THE GOVERNOR: DIVISION OF HUMAN RESOURCES

PRESENTATION: ROBYN LOCKETT

CARRIED: ORIGINAL MOTION

Moved by Rep. Anderson, for the Division of Human Resources, beginning with the FY 2019 Base, a reduction of \$20,800 for benefit costs, an increase of \$600 for statewide cost allocation, and an increase of \$36,100 for the change in employee compensation. Also included are the following line items: \$82,300 and 1.00 FTP for a Human Resources Specialist Position in line item #1, \$4,500 for IT and Telecommunications in line item #2, and \$62,500 for Job Classification Salary Surveys in line item #3. The grand totals for this motion for FY 2019 are 16.00 FTP and \$2,164,000 from dedicated funds, seconded by Sen. Martin.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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 FY 2019 appropriation bill. 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 three percent (3%) beginning in fiscal year 2019 and shall continue the job classifications that are currently on payline 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:
PRESENTATION:**

**LIEUTENANT GOVERNOR

MAGGIE SMITH**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Dixon, for the Lieutenant Governor, beginning with the FY 2019 Base a reduction of \$2,800 for benefit costs, an increase of \$400 for a salary annualization for the Lt. Governor, and an increase of \$2,300 for change in employee compensation. Also included is one line item: \$2,300 for IT/Telecommunications. The totals for this motion for FY 2109 are 3.00 FTP, and \$175,100 from the General Fund, seconded by Sen. Crabtree.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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:
PRESENTATION:
CARRIED:**

STATE TREASURER

MAGGIE SMITH

ORIGINAL MOTION

Moved by Rep. Youngblood, for the State Treasurer, beginning with the FY 2019 Base, a reduction of \$34,700 for benefit costs, an increase of \$2,400 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the State Treasurer, and an increase of \$59,900 for change in employee compensation. The totals for this motion for FY 2019 are 26.00 FTP, \$1,424,200 from the General Fund, and \$2,807,900 from dedicated funds, for a grand total of \$4,232,100, seconded by Sen. Agenbroad.

AYES: 18

NAYS: 0

ABSENT/EX: 2

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. Youngblood, granted by unanimous consent, accept the intent language, as shown below.

SECTION __. STATE TREASURER LOCAL GOVERNMENT INVESTMENT POOL (LGIP) FUND REAPPROPRIATION AUTHORITY.

There is hereby reappropriated to the State Treasurer any unexpended and unencumbered balances of moneys in the State Treasurer LGIP Fund as appropriated for fiscal year 2018, to be used for nonrecurring expenditures, for the period July 1, 2018, through June 30, 2019.

SECTION __. CONFERENCE-RELATED ACTIVITIES. It is the intent of the Legislature that no more than \$10,000 from the General Fund, as appropriated in Section 1 of this act, shall be spent on various conference-related activities including, but not limited to, sponsorships, in-kind donations, and information booths. No moneys appropriated in Section 1 of this act from dedicated funds shall be used for conference-related activities unless otherwise provided by Idaho Code; provided, however, that in no event shall more than a total of \$10,000 from any fund source or combination thereof be used for said conferencerelated activities.

SECTION __. PAYMENT OF BANK SERVICE FEES. Of the amount appropriated in Section 1 of this act, \$435,900 from the General Fund and \$192,400 from the Professional Services Fund, or so much thereof as is necessary, is to be used solely and only for the payment of bank service fees for the period July 1, 2018, through June 30, 2019.

SECTION __. MITIGATION OF BANK SERVICE FEES. The State Treasurer shall continue to make all efforts reasonably necessary to reduce bank service fees associated with the State Treasurer's bank accounts including, but not limited to, entering into competitive bidding for bank services. Said fees include, but are not limited to, those associated with processing warrants, merchant services, account maintenance, balance and compensation services, general account services, depository services, paper disbursement services, automated clearinghouse services, electronic data interchange payment services, wire and transfer services, file transmission, client analysis, image retrieval, account reconciliation, and other miscellaneous services. On or before September 1, 2018, the State Treasurer shall report to the Legislature regarding the specific efforts made to reduce bank service fees; the outcomes of those efforts; an estimate of the savings realized, or expected to be realized, as a result of those efforts; and a plan on how the State Treasurer will continue to make all efforts reasonably necessary to reduce bank service fees.

ADJOURNED:

There being no further business, Senator Keough adjourned at 8:45 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary