

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 27, 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

LSO STAFF PRESENT: Rob Sepich, Janet Jessup, Jared Tatro

CONVENED: **Co-chairman Keough** called the meeting to order at 8:00 a.m.

UNANIMOUS CONSENT: On request by **Senator Agenbroad**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Public Health Districts.

UNANIMOUS CONSENT: **Budget Correction**
Intent Language Regarding the Use of Millennium Funds
On request by **Senator Agenbroad**, granted by unanimous consent to add the following:

AMENDED INTENT LANGUAGE: ...for no-cost cessation services to Idahoans who want to quit tobacco use, with a primary emphasis on youth and pregnant women. Further, it is the intent of the Legislature that the appropriation and use of the Idaho Millennium Income Fund moneys are not to be considered state general aid, for purposes of Section 39–425, Idaho Code.

UNANIMOUS CONSENT: On request by **Representative Burtenshaw**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Department of Lands.

CARRIED: Original Motion
Moved by **Burtenshaw**, seconded by **Martin**, for the appropriation and transfer of \$20,000,000 from the General Fund to the Fire Suppression Deficiency Fund for fiscal year 2018.

Ayes: 18
Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Youngblood, Miller, Burtenshaw, Horman, Anderson, Dixon, King, Wintrow
Nays: 0
Ab/Ex: 2- Representative Bell and Representative Malek

DISCUSSION: **Representative Burtenshaw** stated this provides \$20,000,000 to the Fire Deficiency Fund for the fire suppression costs on lands protected by the state and the two timber protective associations for the calendar year 2017 fire season. The reimbursement is in excess of the estimated \$8.6 million deficiency currently in the fund. The three year average annual cost for fire suppression is \$31.45 million, with 52,783 acres burning in calendar year 2017.

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 **Co-chairman Keough**.

CARRIED:

Original Motion

Moved by **Burtenshaw**, seconded by **Bair**, for the Department of Lands, beginning with the FY 2019 Base, a reduction of \$434,700 for benefit costs, an increase of \$24,000 for inflationary adjustments, an increase of \$1,596,700 for replacement items, an increase of \$64,200 for statewide cost allocation, and an increase of \$625,000 for change in employee compensation. Also included are the following line items: 7.00 FTP and \$3,801,900 to expand the Good Neighbor Authority Forest Program. 1.00 FTP and \$125,100 for a range specialist under the Good Neighbor Authority Range Program in line item 2. Line item 3 includes 1.00 FTP and \$55,600 for a heavy equipment mechanic. Line item 4 adds 1.00 FTP and \$57,200 to hire an additional human resources specialist. Line item 5 adds \$330,000 for an upgrade to the Hazard System and Private Fire applications. Line item 6 includes \$55,500 to purchase networking equipment and additional Microsoft 365 licenses. Line item 7 provides \$25,000 to update software used by the Oil and Gas Conservation Commission to allow for electronic submission of records. Line item 8 adds \$68,400 to purchase various fire related pieces of equipment. Line item 9 includes \$25,500 to provide a 3% CEC and inflationary adjustment to the two Timber Protective Associations. Lastly, line item 10 adds \$429,700 to replace the Grayback Gulch Bridge in partnership with the US Forest Service. The totals for this motion for FY 2019 are 321.15 FTP, \$6,021,400 from the General Fund, \$46,435,400 from dedicated funds, and \$6,906,000 from federal funds for a grand total of \$59,362,800.

Ayes: 18

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

Nayes: 0

Ab/Ex: 2- Representative Bell and Representative 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 ordered by **Co-chairman Keough**.

**UNANIMOUS
CONSENT:**

On request by **Representative Burtenshaw**, granted by unanimous consent, to accept the intent language in Section 3 as shown...

**INTENT
LANGUAGE:**

Standard Intent Language Included in Idaho Department of Lands budget:
SECTION 3. EXEMPTIONS FROM OBJECT TRANSFER LIMITATIONS. For fiscal year 2019, the Department of Lands is hereby exempted from the provisions of Section 67-3511(1) and (3), Idaho Code, allowing unlimited transfers between object codes, for all moneys appropriated for the Forest and Range Fire Protection Program for the period July 1, 2018, through June 30, 2019. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

**UNANIMOUS
CONSENT:**

On request by **Representative Burtenshaw**, granted by unanimous consent, to accept the new intent language in Section 4, 5 & 6 as shown...

**INTENT
LANGUAGE:**

New Intent Language for FY 2019 Idaho Department of Lands budget:
SECTION 4. CASH TRANSFER FOR FIRE SUPPRESSION COSTS. There is hereby appropriated to the Department of Lands and the State Controller shall transfer \$20,000,000 from the General Fund to the Fire Suppression Deficiency Fund as soon as practicable for the period July 1, 2017, though June 30, 2018. Such moneys shall be used to reimburse costs incurred by the Range and Forest Fire Protection Program in the Department of Lands pursuant to Sections 38-131 and 38-131A, Idaho Code.
SECTION 5. LEGISLATIVE AUTHORIZATION FOR PRIOR PERIOD ADJUSTMENTS. Pursuant to Section 67-3604, Idaho Code, the Department of Lands is hereby authorized, and the Office of the State Controller shall make, the necessary prior period adjustments not to exceed \$70,300 from the General Fund for transactions incorrectly recorded in fiscal years 2016 and 2017.
SECTION 6. An emergency existing therefor, which emergency is hereby declared to exist, Sections 4 and 5 of this act shall be in full force and effect on and after passage and approval.

CARRIED:

Original Motion
Water Resources

Moved by **Bair**, seconded by **Burtenshaw**, for the Department of Water Resources, beginning with the FY 2019 Base, a reduction of \$228,400 for benefit costs, an increase of \$93,700 for inflationary adjustments, an increase of \$392,200 for replacement items, an increase of \$100,500 for statewide cost allocation, and an increase of \$330,300 for change in employee compensation. Also included are the following six line items: \$716,000 for aquifer measuring and monitoring that will be transferred to the Aquifer Planning and Management Fund. Line item 2 provides 1.00 FTP and \$117,100 to hire an analyst to measure and model water use. Line item 3 includes 1.00 FTP and \$72,400 to hire a grant and contract specialist due to increases in contracts at the Department. Line item 4 adds \$97,000 to purchase cybersecurity software and new phones. Line item 6 adds \$13,800 from the General Fund and \$88,000 from the Technology Infrastructure Stabilization Fund to purchase an integrated ground water database. Line item 9 includes \$2,400,000 from the General Fund to provide a portion of the costs for the Priest Lake Project. Lastly, line item 10 provides 1.00 FTP and \$98,800 to hire a planning position to aid the Water Resources Board in long term planning. The totals for this motion for FY 2019 are 163.00 FTP, \$19,502,100 from the General Fund, \$5,259,500 from dedicated funds, and \$1,700,200 from federal funds for a grand total of \$26,461,800.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, 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 ordered by **Chairman Bell**

DISCUSSION:

Senator Bair stated that with the Priest Lake project line item # 10 is needed, which is a planning position and the dam project will cost approximately \$2.4 million, which will come from the General Fund.

UNANIMOUS CONSENT: On request by **Senator Bair**, for unanimous consent to accept the standard intent language Sections 3 & 4 as shown...

INTENT LANGUAGE: Standard Intent Language for Idaho Department of Water Resources budget:
SECTION 3: CASH TRANSFER FOR AQUIFER MONITORING, MEASUREMENT, AND MONITORING. There is hereby appropriated to the Department of Water Resources and the State Controller shall transfer \$716,000 from the Revolving Development Fund to the Aquifer Planning and Management Fund on July 1, 2018, or as soon thereafter as practicable, for the period July 1, 2018, through June 30, 2019, to be used for aquifer monitoring, measurement, and modeling.
SECTION 4: CASH TRANSFER FOR AQUIFER MANAGEMENT. Of the amount appropriated to the Department of Water Resources in Section 1 of this act for the Planning and Technical Services Program from the General Fund for lump sum, the State Controller shall transfer \$5,000,000 to the Secondary Aquifer Planning, Management and Implementation Fund on July 1, 2018, or as soon thereafter as practicable, for the period July 1, 2018, through June 30, 2019, to be used for aquifer recharge and management. Transfer to Aquifer Planning Fund Transfer to Secondary Fund

UNANIMOUS CONSENT: On request by **Senator Bair**, for unanimous consent to accept the new intent language as shown...

INTENT LANGUAGE: New Intent Language for Idaho Department of Water Resources budget:
SECTION 5. CASH TRANSFER FOR PRIEST LAKE WATER MANAGEMENT PROJECT. There is hereby appropriated to the Department of Water Resources and the State Controller shall transfer \$2,400,000 from the General Fund to the Revolving Development Fund on July 1, 2018, or as soon thereafter as practicable, for the period July 1, 2018 through June 30, 2019, to be used for Priest Lake water storage capacity and navigation.
SECTION 6. USE OF FUNDS FOR PRIEST LAKE WATER MANAGEMENT PROJECT. Notwithstanding the provisions of Section 5, Chapter 328, Laws of 2005, or any other provision of law to the contrary, \$5,000,000 from the Revolving Development Fund, or so much thereof as is necessary, shall be used solely for the expansion of Priest Lake water storage and navigation.

CARRIED: Original Motion
Department of Parks and Recreation
Moved by **Miller**, seconded by **Bair**, for the Department of Parks and Recreation, beginning with the FY 2019 Base, a reduction of \$225,000 for benefit costs, an increase of \$3,941,700 for replacement items, a decrease of \$8,600 for statewide cost allocation, and an increase of \$221,800 for change in employee compensation. Also included are all 15 line items that were recommended by the Governor for a total of \$4,366,300 for FY 2019 enhancements. The totals for this motion for FY 2019 are 156.64 FTP, \$4,217,700 from the General Fund, \$31,742,300 from dedicated funds, and \$7,229,700 from federal funds for a grand total of \$43,189,700.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, 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 ordered by **Chairman Bell**.

DISCUSSION: **Representative Miller** stated the replacement items include \$865,000 from the General Fund to address safety oriented park items. Line item 3 adds \$230,000 in operating expenditures, line item 4 includes \$35,000 to address trail maintenance in northern Idaho, line item 5 to purchase a single track trail dozer for trail maintenance, line item 6 adds \$60,000 in federal funds to construct a boat equipment storage facility, line item 7 includes 1.00 FTP and \$100,600 to hire a construction foreman, line item 8 would add 1.00 FTP and \$85,500 for a design professional position, line items 9 through 15 would provide \$3,515,000 onetime to establish the Billingsly Creek unit of the Thousand Springs State Park which would include a feasibility study for a joint National Parks Service and Idaho Department of Park and Recreation (IDPR) visitors center.

UNANIMOUS CONSENT: On request by **Representative Miller**, for unanimous consent to adopt the standard intent language for the Department of Parks and Recreation as displayed...

INTENT LANGUAGE: Standard Intent Language Included in Idaho Department of Parks and Recreation (IDPR) budget:
SECTION 3. EXEMPTIONS FROM PROGRAM TRANSFER LIMITATIONS. Notwithstanding Section 67-3511(1) and (2), Idaho Code, trustee and benefit payments appropriated for grants in the Management Services Program may be transferred to capital outlay in the Capital Development Program or to capital outlay in the Park Operations Program to reflect grants awarded to the Department of Parks and Recreation for the period July 1, 2018 through June 30, 2019. Legislative appropriations shall not be transferred from one fund to another unless expressly approved by the Legislature.

SECTION 4. RE-APPROPRIATION. There is hereby reappropriated to the Department of Parks and Recreation any unexpended and unencumbered balances appropriated or reappropriated to the Department of Parks and Recreation for the Capital Development Program for fiscal year 2018 to be used for nonrecurring expenditures in that program for the period July 1, 2018 through June 30, 2019.

CARRIED: Original Motion
State Board of Education
Colleges and Universities
Moved by **Horman**, seconded by **Mortimer**, for the State Board of Education, College and Universities, beginning with the FY 2019 Base, a reduction of \$6,211,100 for benefit costs, \$1,332,400 for inflationary adjustments, \$3,182,200 for replacement items, an increase of \$243,000 for statewide cost allocation, and an increase of \$11,170,500 for change in employee compensation, \$2,502,400 for nondiscretionary adjustments, and \$347,400 for endowment adjustments. Also included are the following line items: add \$800,000 for the Idaho Regional Optical Network as requested in line item 2; add \$350,000 for a Degree Audit and Data System as requested in line item 3; add 6.00 FTP and \$680,600 for the pharmacology program at Idaho State University (LSU) as requested in line item 6; add 2.00 FTP and \$186,400 for access and completion at Lewis Clark State College (LCSC) as requested in line item 7; add 8.21 FTP and \$1,631,700 for occupancy costs as requested in line item 11; and add \$1,226,200 of offset anticipated shortfalls in benefit costs for the University of Idaho. The totals for this motion for FY 2019 are 4,680.80 FTP, \$295,763,200 from the General Fund and \$281,023,200 from dedicated funds, for a grand total of \$576,786,400.

This motion includes carryover authority for previously appropriated non-General Fund moneys; exceptions to budget laws allowing transfer of funds among object class codes and programs; and there is no FTP cap. Lastly, there is intent language to accompany this motion.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, 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 ordered by **Chairman Bell**.

DISCUSSION: **Representative Horman** stated an increase of \$2,362,600 for Boise State University, an increase of \$570,700 for Idaho State University, a decrease of \$355,200 for University of Idaho, and a decrease of \$75,700 for Lewis Clark State College for the enrollment workload adjustment. Line item 2 provides \$800,000 ongoing from the General Fund to sustain maintenance and operations for the Idaho Regional Optical Network (IRON). IRON provides high-speed interconnectivity of the research institutions throughout the state to access research networks in collaboration with the Idaho National Laboratory (INL). Line item 3 provides \$350,000 ongoing from the General Fund to build and maintain a degree audit and data analytics system to support student retention and degree achievement. Line item 6 creates a clinical psychopharmacology program at Idaho State University. Line item 7 support access and completion efforts at Lewis-Clark State College. Line item 11 provides occupancy costs to Boise State University, Idaho State University, and University of Idaho. Line item 12 provides \$1,226,200 onetime from the General Fund to the University of Idaho as a benefit costs offset.

UNANIMOUS CONSENT: On request by **Representative Horman**, for unanimous consent to adopt the intent language for the College and Universities, Appropriation as shown...

INTENT LANGUAGE: FY 2019. College and Universities, Appropriation Intent Language SECTION 3. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated in Section 1, Subsection V. of this act, the following amounts may be used as follows: (1) An amount not to exceed \$902,600 may be used by the Office of the State Board of Education for systemwide needs that benefit all of the four-year institutions including, but not limited to, projects to promote accountability and information transfer throughout the higher education system, and (2) An amount of approximately \$1,960,500 may be used for the mission and goals of the Higher Education Research Council as outlined in State Board of Education policy III.W., which includes awards for infrastructure, matching grants, and competitive grants through the Idaho Incubation Fund program.

CARRIED:

Original Motion
State Board of Education

Special Programs

Moved by **Horman**, seconded by **Mortimer**, for the State Board of Education, Special Programs Division, beginning with the FY 2019 Base, a reduction of \$57,000 for benefit costs and an increase of \$96,600 for change in employee compensation. Also included are the following line items: add 0.96 FTP and \$53,500 for additional procurement technical assistance staff with Small Business Development Centers as requested in line item 5; add 1.50 FTP and \$188,000 for manufacturing specialists within the TechHelp Program in line item 6; and \$3,500,000 to expand the Opportunity Scholarship in line item 7. The totals for this motion for FY 2019 are 45.59 FTP, \$19,242,200 from the General Fund, \$1,000,000 from dedicated funds, and \$3,124,600 from federal funds for a grand total of \$23,366,800.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, 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 ordered by **Chairman Bell**.

DISCUSSION:

Representative Horman stated this appropriation includes three line items. The first of these line items provides 0.96 FTP for two part-time positions to assist Idaho businesses with government contracting through the Procurement Technical Assistance Center. Specifically, positions would be located in northern and eastern Idaho to enhance government contracting assistance in those areas. The second line item provides 1.50 FTP to the TechHelp Program for two manufacturing specialists in eastern and northern Idaho. Funding would aide the expansion of existing manufacturing businesses in Idaho, especially those that are small and medium-sized. University of Idaho Extension has already committed 0.50 FTP to complement the part-time position included with this line item, and would specialize on statewide dairy production. The final line item would provide \$3,500,000 ongoing from the General Fund to expand the Opportunity Scholarship to serve an additional 1,042 students. The Governor's Higher Education Task Force recommended the appropriation of additional moneys.

In response to committee questions, **Janet Jessup** stated that her understanding, was that the 20% of the appropriation for the Opportunity Scholarship would go into the adult completer program and any left over would go to the traditional recipients of the scholarship. **Matt Freeman**, Executive Director of the State Board of Education, reviewed S1279 that authorizes that the board may use up to 20% of the funds in the Opportunity Grant Scholarship for adult learners; the board would need to go through administrative rule making to clarify eligible criteria.

**UNANIMOUS
CONSENT:**

On request by **Representative Horman**, for unanimous consent to adopt the intent language for the Division of Special Programs, Appropriation as shown...

INTENT LANGUAGE: SECTION 3. LEGISLATIVE INTENT. Moneys appropriated from the General Fund to the Scholarship and Grants Program for the period July 1, 2017 to June 30, 2018, that are unexpended and unencumbered on June 30, 2018 are hereby appropriated and shall be transferred by the State Controller to the Opportunity Scholarship Program Account created in Section 33-4303, Idaho Code.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 8:55 a.m.

Representative Bell
Chair

Donna Warnock
Secretary