

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 09, 2018

TIME	DESCRIPTION	PRESENTER
8:00 - 8:20	Welcome and Introductions Computer Setup	Co-Chairs Budget and Policy Analysis staff
8:20 - 9:30	Review of Governor's Budget Recommendation	Jani Revier, Administrator Division of Financial Management
9:30 - 9:45	<i>Break</i>	
9:45 - 10:50	Review Budget Hearing Schedule, Legislative Budget Book, and General Fund FY 2018 - FY 2019 Budget Scenarios	Paul Headlee, Division Manager LSO, Budget and Policy Analysis

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 09, 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 called the meeting to order at 8:00 A.M.

WELCOME AND PAGE INTRODUCTIONS: Chairman Keough welcomed all the Joint Finance Appropriations Committee (JFAC) members. The Chairman introduce the high school Pages who will serve the Committee for the first six weeks of the session: Senate Page Josie Bush, from Boise, Idaho who attends Centennial High School and will be attending BYU on a Soccer Scholarship in the Fall and hopes to pursue a career as a nutritionist.

AGENCY PRESENTATION: **REVIEW OF GOVERNOR'S 2018 GOVERNOR'S BUDGET RECOMMENDATIONS**

PRESENTER: **JANI REVIER, Administrator, Division of Financial Management:**
Introduced Governor's Budget Staff.: Introduced the members of the DFM staff that are here today. David Fulkerson, Deputy Administrator, State Financial Officer. Shelby Kerns, Budget Bureau Chief Our Financial Management Analysts are David Hahn, Sara Stover, Adam Jarvis, Matt Warnick, Gideon Tolman, Amber Christofferson, and Tony Eldeen. From our Economic Bureau we have Derek Santos, Chief Economist Greg Piepmeyer, Economist. ([TO LISTEN TO AUDIO: https://go.usa.gov/xnvJh](https://go.usa.gov/xnvJh))

When projecting economic growth and revenues to the state, housing starts are a leading indicator. They impact employment in the construction industry and generate sales tax through the purchase of building materials, appliances and furniture. Idaho housing starts hit an all-time high of about 23,000 units in fiscal year 2006. They then dropped deeply after the housing bubble imploded and hit bottom at about 4,000 units in fiscal year 2011. As the chart shows, housing starts have been growing since fiscal year 2012 and are forecast to grow steadily and gradually. While this is well below the previous peak, the current forecast of gradual growth is more sustainable.

Employment data in Idaho remains positive. Employment in Idaho has grown in almost every quarter since fiscal year 2010, and the forecast predicts the addition of about 15,000 jobs per year. The October unemployment rate was 2.9 percent. With some of the slack out of the labor market, wages and salaries should accelerate, helping fuel overall personal income growth.

Idaho nominal personal income which includes wages, salaries, proprietors' income and transfer payments has been growing since fiscal year 2010 and is forecasted to grow over the next few years. This growth is encouraging because personal income is a major determinant of the state's General Fund.

The largest single component of General Fund receipts is the individual income tax. Sales tax is the second largest component. Corporate Income tax is a distant third followed by product taxes and miscellaneous revenue. This is why personal income is such an important indicator of General Fund growth – it is mainly driven by individual income and purchases.

General Fund revenue hit a low of \$2.3 billion during the recession in fiscal year 2010 and has steadily increased from then. In fiscal year 2019 the General Fund is forecast to top the \$3.7 billion mark for the first time. It is also notable that General Fund growth has been slower than personal income growth. The General Fund has grown, in aggregate, about 25 percent since 2008 while personal income has grown about 40 percent.

Fiscal year 2017 ended on June 30. The fiscal year closed with the state collecting over \$3.4 billion in receipts which is 8.3% growth over fiscal year 2016 and almost \$94 million more than the forecast. The books closed with an ending balance for fiscal year 2017 of almost \$101 million. Transferring the \$27.5 million to the Strategic Initiatives Fund would require legislative action.

For the current year, the revised forecast is \$3.6 billion which is about \$108 million higher than the forecast DFM released last January, even while reflecting a reduction in revenue from SB 1206 that set aside one percent of sales tax collections, after revenue sharing, for transportation.

Normally conformity for tax year 2018 would be considered during the 2019 legislative session. However, given significant changes to the tax code, the Governor recommends conforming earlier to let taxpayers know what to expect and to give the Tax Commission time to rework its forms. Idaho uses the federal calculation of adjusted gross income or AGI to determine an individual's tax liability. This means taxable income for Idaho taxpayers will be different than past years and conforming to these provisions raises Idaho General Fund revenue by about \$125 million. The federal tax reform bill also expands the definition of qualified expenses from a 529 Education Savings account to include K-12 education. Conforming to this provision will reduce Idaho General Fund revenue by approximately \$6 million. Many corporate deductions are also eliminated but new provisions such as how pass thru expenses are taxed means that conforming will decrease Idaho General Fund revenue by about \$21 million. The net effect is an increase in revenue of right under \$100 million.

The Governor is proposing tax relief of almost \$200 million by dropping income tax rates in all brackets for individuals and businesses by 0.45 percentage point and creating an \$85 nonrefundable Idaho dependent credit. Currently the top individual tax bracket is taxed at 7.4%, under the Governor's proposal the top rate would be 6.95%, the second bracket currently taxed at 7.1% would be 6.65% and so on until you get to the bottom bracket currently taxed at 1.6% which would be 1.15%. The effective rate is cut from the current 6.65% to 6.3%. Since many small businesses file as individuals, the Governor wants to continue to keep the top rate for individual and corporate the same.

The Executive Budget for FY 2019 reflects Governor Otter's goal of ensuring the state is in a better position than when he took office. Education, including K through Career, remains the top budget priority.

To maintain current operations, including education, we have budgeted \$125 million from the General Fund. Of that, \$12 million is for replacement items such as cars, computers, desks, and chairs. General Fund inflation is limited to contract inflation such as rent increases that cannot be absorbed. In the recommendation, dedicated fund agencies were given the same scrutiny and held to the same

standard as General Fund agencies.

As the Governor noted in the State of the State, he is recommending a 3% Change in Employee Compensation to be based on merit with flexibility for directors to address agency needs. The CEC recommendation applies to Public School administrators and classified staff, but not teachers, as they will see an increase from the career ladder.

The appropriation for health insurance is based upon projected utilization and projected costs. In the current year, that state appropriation is \$13,100 per FTP. The recommendation returns to the General Fund the \$13.14 million transferred to the Group Insurance Fund in fiscal year 2016 to meet contracted reserve levels, and giving a two month employee/employer premium holiday to reduce the reserve balance. This results in \$14 million savings that should be considered a one-time reduction, since it is to spend down one-time reserves, and fiscal year 2020 will see the appropriation return to approximately the \$13,000 per FTP level. The Executive Budget for fiscal year 2019 reflects Governor Otter's priority of providing significant funding to implement recommendations from the Task Force for Improving Education. Almost \$42 million will fund the fourth year of the five-year funding plan for the career ladder for certificated instructional employees and pupil service staff. \$10 million for Technology will bring ongoing technology funding to \$36 million. \$4 million for Teacher Professional Development will bring the number of teacher professional development days to two and a half days beyond the fiscal year 2015 appropriation. \$5 million for College and Career Counseling will bring the ongoing total to \$12 million annually. More and better advising is critical to increasing Idaho's go-on rate. \$8 million for Advanced Opportunities will accommodate the increase in the number of students utilizing the Advanced Opportunities Program. \$6.5 million for the second phase of the literacy plan will provide funding for intervention for kindergarten through third grade students who score basic on the state's reading indicator. About a million and a half for Mastery-based Education funds a second phase to expand the number of schools participating in the Mastery Education Network.

In addition to the recommendations of the Governor's Task Force for Improving Education, Governor Otter includes other strategic investments in education funding. \$2 million for the STEM Computer Science Initiative and 2 FTP and associated funding will be use to expand Career Technical Education to seventh and eighth graders resulting in greater skill development and career preparation for post-secondary credits, industry certifications, and apprenticeship programs. \$300,000 for CTE Secondary Incentive Funding will bring programs such as business management and marketing, engineering and technology, family consumer sciences, health sciences, and skilled and technical sciences more in line with the agricultural and natural resources education programs. This allows 1 FTP and spending authority for Science Technology Academies Reinforcing Basic Aviation Space Exploration or STARBASE .

The higher education budget, reflects the recommendation of the Higher Education Task Force that funding be student-centric and focused on system-wide needs. \$5 million for the Opportunity Scholarship will increase the number of Opportunity Scholarship awards by approximately 1,500. The Governor also recommends allowing up to 20% of the funds appropriated to the Opportunity Scholarship to be used for the Adult Completion Scholarship. \$350,000 will implement a degree audit and data analytics system that will enable early identification of students who need additional support or guidance and help students track their progress toward degree completion. The Governor chose to target other available funding

toward addressing the continuity of operations, such as the enrollment workload adjustment for \$4 million and occupancy costs of \$1.6 million. The Governor is also recommending a \$10 million transfer to the Permanent Building Fund for the construction of the Health Sciences Building on the Nampa Campus of the College of Western Idaho.

To meet the state's demand for skilled labor, the Governor recommends funding for recommendations of the Workforce Development Task Force. Funding to continue to build CTE training capacity at six post-secondary institutions throughout the state will produce more graduates for high-demand jobs. Approximately \$1 million will be divided between the following programs: College of Southern Idaho's Paramedic Program, College of Western Idaho's Occupational Therapy Assistant Program, College of Eastern Idaho's Registered Nursing Program, North Idaho College's Dental Hygiene Program, Idaho State University's Energy Electrical Engineering Program, Lewis Clark State College's Graphic Communications Program and Diesel Technician and Collision Repair Programs. \$750,000 for Workforce Training Centers provides enhanced support for Idaho's six workforce training centers and the individuals they serve with short-term, industry-focused training. The Governor recommends continuing efforts to develop online Career Technical Education classes by funding the development of four online courses through the Idaho Digital Learning Academy for \$70,000. The Governor remains committed to addressing the shortage of physicians and medical residencies in Idaho. In order to keep momentum behind the efforts to bolster graduate medical education the Governor is recommending Funding for the expansion of the Washington, Wyoming, Alaska, Montana, and Idaho Medical Education Program at the University of Idaho. Funding for the third year of the two University of Utah School of Medicine seats added in fiscal year 2017 on behalf of Idaho students. To address the shortage of mental health professionals in Idaho, the Governor recommends building American Psychological Association-accredited psychology internship programs in partnership with the Western Interstate Commission for Higher Education. Funding for the Psychiatry Residency Program will create a minimum level of funding per resident of \$30,000. The Eastern Idaho Regional Medical Center internal medicine program has gained accreditation. The Governor recommends funding to establish the program with 10 internal medicine residents. By fiscal year 2020, the Bingham Internal Medicine Program will transition to a residency accredited program and, in so doing, will need to grow its class size to a minimum of five residents per class. The recommendation funds the existing program and adds one seat for a total of 12 internal medicine residents.

The Governor recommends important investments in health and human services to provide better outcomes for Idahoans. To reduce Idaho's uninsured population and lower insurance premiums, the Governor recommends the creation of the Idaho Health Care Plan. In this two-part plan, the Department of Health and Welfare will apply for an 1115 waiver to allow Medicaid to cover individuals with specifically diagnosed medical conditions who were originally covered on the individual insurance marketplace. In coordination, the Department of Insurance and Your Health Idaho will apply for a federal 1132 waiver to expand coverage through the exchange by providing federal premium tax credits to working individuals with incomes under 100% of the federal poverty limit, providing health insurance for approximately 35,000 Idahoans that were previously uninsured. The Idaho Health Care Plan will require \$17.4 million from the General Fund and \$11.4 million of Millennium Fund with the remainder being made up of federal funds. To fulfill his commitment that each region of the state have a community

crisis behavioral health center, the Governor recommends centers for regions two, three, and six. A supplemental and line item in fiscal year 2019 will fund 13 child welfare staff to help address the increased needs of the children and families served by the Department of Health and Welfare. The Expanded Access Program was created by Executive Order as a treatment option for Idaho children with treatment-resistant epilepsy to receive Epidiolex, a medication not yet FDA-approved or commercially available. The supplemental and funding in fiscal year 2019 will allow the continuation of the program. The Governor is concerned about the high rates of suicide in the state and, to help combat this problem, recommends a quarter of a million dollars for youth suicide prevention. The budget also includes 5.78% General Fund growth in Medicaid.

The Department of Correction is experiencing growth in its offender population and space is needed to accommodate it. Included in the recommendation is a fiscal year 2018 supplemental for a system-wide 99-bed expansion to house current year population growth. In FY 2019, the recommendation includes \$2.7 million and 7 FTP for a 95-bed expansion. Also included is funding for a contract to house offenders out of state. The Governor is also recommending a \$9 million transfer to the Permanent Building Fund for an additional Department of Correction Community Reentry Center. Replacement of the offender management system at the Idaho Department of Correction is necessary as the current system is written in an outdated language, and does not interface with newer systems such as electronic medical records and the inmate account management system. The Governor is recommending this \$15.8 million system as a supplemental in fiscal year 2018. To target rural areas throughout the state and improve officer coverage and response times, the Governor is recommending \$1.2 million for six Idaho State Police troopers and one sergeant. And to address the backlog of work in forensics at ISP, the Governor has included \$1.2 million for forensic instruments and scientists. The Governor also recommends funding to support resource management throughout the state. A recent evaluation of strategies to meet the long-term water management and recreation access solutions for Priest Lake and the Priest River system found that required work to the Department of Water Resources owned Priest Lake Outlet Dam, the 3-mile long channel known as the Thorofare, and the timber breakwater at the north end of Priest Lake would cost \$5 million. The Governor recommends a \$2.4 million General Fund transfer to the Department of Water Resources for the improvements to the dam and needed work on the breakwater. For the continued implementation of the Idaho Pollutant Discharge Elimination System at the Department of Environmental Quality for the state to assume primacy from the Environmental Protection Agency, the Governor has included \$665,600 and approximately 6 FTP. The Governor has designated the Department of Environmental Quality to act as beneficiary to receive the \$5.5 million Volkswagen settlement and distribute the funds to statewide projects intended to offset the air pollution emitted by the vehicles that violated the Clear Air Act due to negligence by Volkswagen. Almost \$4 million in spending authority is recommend for the Good Neighbor Authority Program. The recommendation includes spending authority for \$3.5 million of dedicated and federal fund to build a new Billingsley Creek unit of Thousand Springs State Park. The Governor also recommends over \$2 million of General Fund and dedicated fund spending authority to address necessary maintenance in state parks. The Executive Budget for fiscal year 2019 includes other strategic investments throughout state government. The Governor is supporting legislation being introduced by the Controller that redirects indirect cost recovery funding into

a dedicated fund to pay for a new accounting and payroll system. This will raise the necessary \$102 million in a five-year period. The funding proposal for Idaho's Business Information Infrastructure Modernization would transfer the funds collected in the Indirect Recovery Fund to a new Business Information Infrastructure Fund at the Controller's Office starting in fiscal year 2018 and continuing for five years. Since those funds are currently deposited into the General Fund, there would be an annual General Fund revenue reduction of approximately \$20 million until the legislation sunsets. This fully funds the estimated \$102 million cost of the new system. In addition to consolidation, \$5.5 million of General Fund is recommended for critical enhancements to provide support, increase security and storage capacity, and enhance the ability of the state to connect with citizens through online tools. \$46.7 million in dedicated and federal spending authority is recommended for the Idaho Transportation Department for highway construction. Almost \$35 million in federal fund spending authority will be used for a training facility at the Orchard Combat Training Center and barracks at Gowen Field. This also includes 42 FTP for facilities maintenance workers, training area management specialists, and security personnel, to support growth at the Orchard Combat Training Center. Finally, the Governor is recommending a \$25 million transfer to the Permanent Building Fund for repair and maintenance of existing facilities. There were almost \$97 million in requests to the Permanent Building Fund for alteration and repair projects at state owned buildings for fiscal year 2019. This transfer will help address the maintenance backlog.

The Governor remains committed to building back our rainy day accounts. After accounting for the recommended reductions in revenue, the statutory transfer for fiscal year 2018 will be about \$4.5 million. To keep the Public Education Stabilization Fund at the 2016 levels, a \$32 million transfer is recommended. Between fiscal years 2017 and 2018, \$25 million was transferred out of PESF to fully fund K-12 enrollment growth. In addition, there is a shortfall for the Advanced Opportunities program that will result in another transfer out of PESF of \$7 million in fiscal year 2018. If the Governor's recommendation is followed, by the end of his term, the combined savings accounts will total approximately \$425 million and be above fiscal year 2007 levels both in dollars and percentage of appropriation.

That ending balance becomes the beginning balance in fiscal year 2019. After accounting for the Controller's system, other executive legislation, tax conformity, and tax relief there is about \$3.8 billion in revenue. The Governor is proposing almost \$70 million in transfers that we have discussed. He is also proposing \$247 million in spending over the fiscal year 2018 levels, over half of that funding is just maintaining current operations such as public school growth. The recommendation leaves an ending balance of \$70 million. ([TO LISTEN TO AUDIO: https://go.usa.gov/xnvJh](https://go.usa.gov/xnvJh))

In response to committee questions, Ms. Revier reviewed the Higher Education Coordinator position and the changes the Governor is making to that position. Ms. Revier also reviewed the reserve funds and what we could possibly do with those funds. She also stated the Governor's position on the transportation transfer that did not happen. Lastly, Ms. Revier reviewed the PESF fund. ([TO LISTEN TO AUDIO: https://go.usa.gov/xnvJh](https://go.usa.gov/xnvJh))

AGENCY PRESENTATION: REVIEW OF BUDGET HEARING SCHEDULE, LEGISLATIVE BUDGET BOOK, AND GENERAL FUND FY 2018 — FY 2019 BUDGET SCENARIOS

PRESENTER **PAUL HEADLEE, Division Manager, LSO:** Review of Budget Hearing Schedule and Budget Book: Introduces the LSO Budget Staff; Reviews the 2018 Budget Hearing Schedule (Please see packet) Reviews how the budget book works and how to read the reports. ([TO LISTEN TO AUDIO: https://go.usa.gov/xnvSY](https://go.usa.gov/xnvSY))

CONVENED: There being no further business, Senator Keough adjourned the meeting at 9:53 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 10, 2018

TIME	DESCRIPTION	PRESENTER
SPECIAL HEARINGS		
8:00 - 8:30	State Employee Group Health Insurance Update	Jennifer Pike, Office of Group Insurance State Department of Administration
8:30 - 9:00	Graduate Medical Education, 10-Year Strategic Plan	Matt Freeman, Office of the State Board of Education Dr. Ted Epperly, Executive Director of Family Medical Residences in Idaho
9:00 - 9:30	Deficiency Warrants, Supplementals, and Rescissions: 1) Deficiency and Supplemental Comparison Reports, LBB p. 14 & 15 2) Order of Consideration 3) 2/3 Majority of JFAC to Reopen Budget	Jared Hoskins, Principal Analyst, LSO
9:30 - 9:45	<i>Break</i>	
9:45	BUDGET HEARINGS	
	Office of the Governor	
	Executive Office of the Governor, LBB p. 6-69 Division of Financial Management, LBB p. 6-65	Jani Revier, Administrator Division of Financial Management
	Legislative Branch	
	Legislative Services Office, LBB p. 6-119	Eric Milstead, Director Legislative Services

Senate Reconvenes: 11:15
House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 10, 2018

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, and Wintrow

Senators Co-chairman Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, and Nye

LSO STAFF PRESENT: Jared Hoskins, Principal Budget & Policy Analyst, Paul Headlee, Division Manager

ABSENT/ EXCUSED: None

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

AGENCY PRESENTATION: **State Department of Administration**

PRESENTER: **Jennifer Pike, Office of Group Insurance**

Part of management is the continual evaluation of current and future plan costs. Projections are done in May, ahead of the budget developmental timeline and November, ahead of the legislative session. Actuaries look at several variables, claims for the last 12–24 months and industry trend using the Milliman Health Cost Guidelines, reserve requirements are negotiated with the carrier, current funding levels, enrollment, benefit changes and health care reform related fees. In FY 2018 the legislature appropriated \$13,100 prr FTE, for FY 2019 the Governor has recommended appropriations of \$11,650 per FTE. The recommended appropriations will allow the state to return \$13.4 million to the General Fund, provide two months of premium holidays with excess reserve funds and maintain 10% contingency reserve. FY 2016 was a dramatic jump in medical premiums with FY 2017 & FY 2018 at a more moderate trend. Dental costs are more predictable.

AGENCY PRESENTATION: **Office of the State Board of Education**

PRESENTER: **Matt Freeman, Office of the State Board of Education and Dr. Ted Epperly, Executive Director of Family Medical Residences in Idaho**

Mr. Freeman stated that in FY 2016 **Governor Otter** charged the State Board of Education to work with the medical community and higher education institution to come up with a new 10 year plan for addressing the future demands for health care providers. In FY 2018 JFAC gave funding for the research on the 10 year plan. **Dr. Epperly** presented the Graduate Medical Education in Idaho: A Ten Year Strategic Plan. Dr. Epperly spoke on how this plan will grow the Graduate Medical Education (GME) program in Idaho from 9 to 21 programs. The plan will increase the residents and fellows in training from 141 currently to 356 and the number of graduates each year from Idaho's GME programs from 52 to 124. The Ten Year Plan details the programs, the timed rolled out and the budget for this plan. The plan addresses the sustainability of current and future GME programs and their sponsoring institutions which will incur 67% of the costs.

**AGENCY
PRESENTATION:**

Legislative Services Office

PRESENTER:

Jared Hoskins, Principal Analyst, LSO

Mr. Hoskins explained that Deficiency Warrants are expenditures that are authorized under Idaho Code, where appropriations are not made until after the expenditure amount is known. Supplemental appropriations are changes made to current year appropriations. Mr. Hoskins reminded the JFAC committee of JFAC Rule 13 which pertains to reopening of budgets; it needs unanimous consent or a 2/3 majority to reopen a budget and the budget does close at adjournment for that day. Mr. Hoskins explained supplemental budgets are not to be used as a second attempt for the appropriations process.

**AGENCY
PRESENTATION:**

Office of the Governor

PRESENTER:

Jani Revier, Administrator Division of Financial Management and Paul Headlee, Division Manager

Mr. Headlee presented the FY 2017 actual's and the FY 2018 JFAC action items. **Ms. Revier** presented the Executive Office of the Governor budget. The following are the 10 Budget by Decision Unit line items: 1) IT/Telecommunications: The Governor's Office requests \$8,600 ongoing from the General Fund for information technology-related items that include \$6,000 for Microsoft Office 365 annual subscription, \$700 for network IT support, and \$1,900 for Internet/security fees. 2) Governor-Elect Transition: The Governor requests \$15,000 onetime from the General Fund for the Governor-elect transition. 3) Create Office of Information Technology: The Governor recommends 29.00 FTP, \$1,372,600 from the General Fund, and \$2,583,600 from dedicated funds to consolidate the director of information security and the staff to the Division of Information Technology at the Department of Administration into a new Office of Information Technology within the Executive Office of the Governor. 4) Move Funding to Office of Info Tech: The Governor recommends decreasing 1.00 FTP (director of information security) and \$180,900 from the General Fund to be used in the proposed Office of Information Technology. This amount includes \$160,100 in personnel costs and \$20,800 in operating expenditures. 5) Info Technology Systems Analyst, Sr: The Governor recommends 1.00 FTP and \$86,600 from dedicated funds to hire an information technology systems analyst, senior position, to support telephone services. Of this amount, \$85,100 is ongoing for personnel costs and

\$1,500 is onetime for operating expenditures. 6) Domain Services Hardware Replacement: The Governor recommends \$175,300 from the General Fund for domain name services hardware replacement. Of this amount, \$165,500 is onetime and \$9,800 is ongoing. 7) Server and Storage Replacement: The Governor recommends \$628,500 from the General Fund for multi-agency server and storage replacement. Of this amount \$616,500 is onetime and \$12,000 is ongoing. 8) Video Conference Bridge Replacement: The Governor recommends \$506,000 for video conference bridge replacement. Of this amount, \$406,000 is onetime from the General Fund and \$100,000 is ongoing from dedicated funds. 9) Information Technology Functionality: The Governor recommends \$191,000 ongoing from the General Fund for information technology functionality upgrades to include technology discovery, phishing services, and penetration testing. 10) This recommendation includes 5.00 FTP, \$471,700 in personnel costs, \$396,900 in operating expenditures, and \$7,684,500 in trustee and benefit payments used as grants for training or retraining.

PRESENTER: **Jani Revier, Administrator Division of Financial Management and Paul Headlee, Division Manager.**

Mr. Headlee presented the FY 2017 Actual Expenditures and Analysis of Fund Balances. Ms. Revier presented the FY 2018 JFAC Action items. Mr. Headlee and Ms. Revier reviewed the Comparative Summary. Ms. Revier stated that the line item for IT/Telecommunications is the same that was presented in the Governors budget.

PRESENTER: **Eric Milstead, Director Legislative Services and Paul Headlee, Division Manager**

Mr. Milstead introduced some of his staff that was present, **Terri Kondeff**, Chief Operations Officer, **Glenn Harris**, IT Division, **April Renfro**, Audit Division Manager, **Mike Nugent**, Research and Legislation Division. Mr. Milstead stated the Legislative Services Office (LSO) provides nonpartisan legislative assistance to legislators and staff. **Mr. Headlee** presented FY 2017 Actual Expenditures and the analysis of Fund Balances for the Legislative Services Office. Mr. Milstead went through the FY 2018 JFAC action items. Mr. Milstead addressed the replacement items and the new request of Info Center Staffing and Operations. The Info Center Staffing and Operations request is for \$44,500 from the General Fund for the personnel costs and operating expenditures of the Legislative Information Center and Copy Center during the legislative session.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 10:27 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 11, 2018

TIME DESCRIPTION	PRESENTER
8:00 SPECIAL HEARING The Public Education Stabilization Fund and §33-1018C, Idaho Code	Robyn Lockett, Principal Analyst LSO
DEFICIENCY WARRANTS / SUPPLEMENTAL APPROPRIATIONS	
DEPARTMENT OF AGRICULTURE p. 2, #1 Pest Control Deficiency Warrants, LBB p. 5-7 p. 18. #34 Additional Organic Inspectors, LBB p. 5-7	Rob Sepich, Analyst LSO
SOIL AND WATER CONSERVATION COMMISSION p. 18, #35 Sagebrush Restoration Grant, LBB p. 5-15	
DEPARTMENT OF HEALTH AND WELFARE Division of Medicaid p. 6, #5 Backfill FY 2017 Held Payments, LBB p. 2-40 p. 7, #7 KW Lawsuit Compliance, LBB p. 2-40 Mental Health Services p. 9, #11 Jeff D Settlement Implementation, LBB 2-53	Jared Tatro, Principal Analyst LSO
DEPARTMENT OF CORRECTION Management Services p. 12, #18 Attorney and Audit Fees for Balla, LBB p. 3-9 p. 13, #21 Attorney Fees for Bartlett, LBB p. 3-10	Jared Hoskins, Principal Analyst LSO
INDUSTRIAL COMMISSION p. 19, #36 Forensic Interviews, LBB p. 5-33 p. 19. #37 Retirement Vacation Payout, LBB p. 5-33	Maggie Smith, Analyst LSO
SELF-GOVERNING AGENCIES Medical Boards p. 21, #41 DHW Contract Supplemental, LBB p. 5-89	
SELF-GOVERNING AGENCIES Regulatory Boards p. 21, #42 Case Hearing and Litigation Costs, LBB p. 5-105	Christine Otto, Analyst LSO

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 11, 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 called the meeting to order at 8:01 A.M.

AGENCY PRESENTATION: **SPECIAL HEARING: PUBLIC EDUCATION STABILIZATION FUND**

PRESENTER **Robyn Lockett, Principal Analyst:** The Public Education Stabilization Fund, also known as PESF, this is one of about six stabilization funds in the state. You also know these accounts as “Rainy Day Funds” or savings accounts. Last session you passed a bill, and the Governor approved a bill that impacted PESF. Senate Bill 1041 added a Section, Section §33–1018C, this new section of code requires this Committee to consider a transfer into PESF in the same amount as the current year withdrawal from PESF. This section of code does not require this Committee to take any action, but simply says that you can consider a transfer into the Fund as a supplemental appropriation in the current fiscal year. Further reviewed the history of the Public Education Stabilization Fund. (Please see presentation for further information) (Audio)

In response to committee questions, **MS. LOCKETT** stated there was no action necessary for this fund at this time and that there is no steady stream of income to this fund. **MS. LOCKETT** also reviews the PESF Fund and anything over \$140 million or 8.334% gets transferred to the Equalization Fund and the last time a transfer was made was FY 2017 of \$2.3 million.

DEFICIENCY WARRANTS / SUPPLEMENTALS

AGENCY PRESENTATION: **DEPARTMENT OF AGRICULTURE: PEST CONTROL**

PRESENTER: **ROB SEPICH:** Funding is requested to reimburse actual expenditures incurred in FY 2017 for exotic or invasive species monitoring and control including potato cyst nematode, Japanese Beetle, and other exotic pests. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests, can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and countries. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. Grasshopper and Mormon Cricket control continue to be covered by a federal grant that is expected to cover an additional two years at current use. By comparison, FY 2017 costs included \$22,300 for exotic pest monitoring and \$187,400 for Japanese Beetle treatment. FY 2016 costs totaled \$342,600.

UNANIMOUS CONSENT On request of Senator Bair, granted by unanimous consent, the FY 2017 budget for Department of Agriculture, was reopened.

CARRIED: Original Motion
Moved by Sen. Bair, for fiscal year 2018, for the Department of Agriculture in the Plant Industries Program, an additional \$111,700 in onetime operating expenditures and \$98,100 in capital outlay, for a total of \$209,800 from the General Fund, seconded by Rep. Burtenshaw.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Senator Keough.

AGENCY PRESENTATION:

AGRICULTURAL INSPECTIONS

PRESENTERS

ROB SEPICH: The department requested 2.00 FTP and \$209,900 from the Agricultural Fees — Organic Food Products Fund to hire two additional organic inspectors. Since 2014, the organic program has seen a 40% increase in the number of certified organic producers, especially small, artisan commodities. The average turnaround time for certification in 2016 was 4.2 months, which is difficult for producers who have annual certification requirements for current year crop sales. Program revenue continues to increase due to fees being tied to the previous year's gross organic sales for each farm. There are currently three full-time inspectors and two contract inspectors in the FY 2018 Base; however, existing staff are unable to keep up with the increased demand from industry. Since 2015, four employees have left the program in a combination of burnout and positions taken in other programs outside of the department. This request would add one inspector to the Boise area and one to the Pocatello area. There are currently no other public or private entities in the state that can legally grant an organic certification. If this request were to not be funded, the department would likely scale back services and producers would be forced to purchase certification services through private for-profit certifiers located out of state.

The staff anticipates being able to complete all inspections; however, final reviews and technical inquiries such as label approvals and material reviews may be delayed.

In response to committee questions, **MR. SEPICH** stated that the funds are dedicated for the organic producers and based on previous years' yields and it is not a general inspection fund.

CARRIED:

Moved by Rep. Miller, for fiscal year 2018, for the Department of Agriculture in the Agricultural Inspections Program, an additional 2.00 FTP, \$139,400 for personnel costs, \$10,300 for operating expenditures, and \$60,200 onetime for a total of \$209,900, seconded by Sen Bair.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

In response to committee questions, **MR. SEPICH** stated he is working with the Department of Lands to reconcile the various agencies and will get back to the committee by the end of the week with a report on funds for fire suppression.

**AGENCY
PRESENTATION:**

SOIL & WATER CONSERVATION COMMISSION

**LSO STAFF
PRESENTER:**

ROB SEPICH: The agency requested a onetime FY 2018 supplemental appropriation of 1.00 FTP and \$25,000 in personnel costs for grants from the National Fish and Wildlife Foundation (NFWF) to hire a temporary sagebrush landscape restoration specialist. This funding would finish FY 2018 projects, while a requested line item would expand this effort for FY 2019. The Governor did not recommend 1.00 FTP for FY 2018 as this FTP would be available through a separate noncognizable grant that was approved for 4.00 FTP yet only the resources to fill 3.00 FTP. This specialist would collaborate with the Idaho Sage Grouse Action Team, university staff, the Office of Species Conservation, and local stakeholders to raise awareness of the National Resources Conservation Service (NRCS) Agricultural Conservation Easement, the Agricultural Land Easement, and the Wetland Restoration Easement programs. The agency states this request would help conserve important habitat for the sage grouse with the intent to preclude the need for a federal endangered species listing of the species.

CONSENT:

On request by Rep. Miller, granted by unanimous consent, the FY 2018 budget for the Soil and Water Conservation Commission, was reopened.

CARRIED: Original Motion
Moved by Rep. Miller, for fiscal year 2018, for the Soil and Water Conservation Commission, an additional \$25,000 for personnel costs, seconded by Sen. Crabtree
AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

QUESTIONS SEN. BAIR: Committee, I hope you will let me indulge here for just a moment, I would like to request that this particular supplemental just be delayed, just for a day or two. There were some of us that worked on this for quite awhile yesterday and it is probably because I am not that smart. I was not able to get my arms around it, and I just would need another day or two to just work through the numbers. It would be very helpful if the department would get a hold of the analyst and spend some time reviewing this and I believe he understands our concerns and questions. Maybe they can work to get that taken care of.

SEN. KEOUGH: Just to make sure that we understand the request for the delay for right now, this is on the first supplemental, which has to do with back filling of fiscal year 2017 held payments. Is that correct Senator?

SEN. BAIR: Thank you for the clarification, yes, that is correct, thank you.

SEN. KEOUGH: That is a Request for Delay and I do not see any objection to that Request for Delay for a few days. So, I think we are good. I appreciate those who are working on this and appreciate more information from the Department

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE: KW LAWSUIT COMPLIANCE**

LSO STAFF PRESENTER: **JARED TATRO:** The department requests \$311,500 in onetime operating expenditures to comply with requirements of the KW v Armstrong lawsuit settlement. The request is two-fold: first, the request includes \$213,500 to cover the cost of hiring an independent consultant to develop a new budget methodology. The department has selected Human Services Research Institute (HSRI) to develop, test and assist in implementation of the new methodology. The settlement agreement was reached in December 2016. Second, the request includes \$98,000 to implement training to provide due process for adult Medicaid participants with developmental disabilities who contest the department's decision at hearing. The training is to ensure participants in the adult developmental disability

CONSENT: On request of Rep. Wintrow, granted by unanimous consent, the fiscal year 2018 budget for the Department of Health and Welfare, was reopened.

CARRIED: Original Motion

Moved by Rep. Wintrow, to the Department of Health and Welfare for the Medicaid Administration and Medical Management Program an additional \$155,800 from the Cooperative Welfare (General) Fund in onetime operating expenditures and an additional \$155,700 from the Cooperative Welfare (Federal) Fund in onetime operating expenditures, for a total motion of \$311,500, for fiscal year 2018, seconded by Rep. King

AYES: 20

NAY: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

MENTAL HEALTH: JEFF D SETTLEMENT

**LSO STAFF
PRESENTER:**

JARED TATRO: The Department requests \$644,600 in ongoing operating expenditures to meet the requirements of the Jeff D. settlement agreement. This supplemental appropriation would be in addition to the \$500,000 that was appropriated in the 2018 original appropriation, and for the exact same purpose. The department estimated the cost for the FY 2018 request too low, and this request is to make the amount whole. The Jeff D. settlement agreement requires the department to implement a variety of services and provide for an effective mental health system of care for adolescents. To meet the terms of the agreement, the department plans to procure new software for data analysis and to contract with various entities: Praed/Chapin Hall for the Child and Adolescent Needs and Strengths (CANS) training; Idaho State University for the development of the practice manual; Portland State University for the wraparound training; Boise State University for workforce development and comprehensive prevalence analysis; A family run organization for family involvement and coordination; and marketing and media consultation.

MOTION: Original Motion

Moved by Sen. Lee to the Department of Health and Welfare for the Children's Mental Health Program an additional \$322,300 in ongoing operating expenditures from the Cooperative Welfare (General) Fund and an additional \$322,300 in ongoing operating expenditures from the Cooperative Welfare (Federal) Fund for a program total of \$644,600, for fiscal year 2018, seconded by Rep. Malek.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

DEPARTMENT OF CORRECTIONS: MANAGEMENT SERVICES

**LSO STAFF
PRESENTER:**

JARED HOSKINS: This supplemental request is for \$242,100 in onetime operating expenditures from the General Fund to pay various court-ordered fees associated with the Walter D. Balla et al. v. Idaho State Board of Correction (Balla) court case. Pursuant to a Stipulated Motion to Modify Injunctive Relief, dated May 15, 2012, the department is required to pay the National Commission on Correctional Healthcare (NCCHC) to conduct a final compliance audit to determine whether the department has complied with the applicable modified compliance plans in the Balla lawsuit. There was a final follow-up audit in September of 2017, which cost \$36,400. Also, the department is required to pay the plaintiffs' attorney fees associated with the ongoing monitoring of the lawsuit. The department was billed \$205,700 for the plaintiffs' attorney fees that accrued from April 1, 2016 through January 1, 2017.

By the time the Governor made his FY 2019 budget recommendation, the department had since become aware of an additional \$248,900 in plaintiffs' attorney fees related to additional billings from February of 2017 through August 2017; and fees associated with the Plaintiffs' successful contempt motion.

CONSENT:

On request by Rep. Youngblood, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Department of Correction.

CARRIED:

Original Motion

Moved by Rep. Youngblood, , for fiscal year 2018, for the Department of Correction, in the Management Services Program, an additional \$491,000 in onetime operating expenditures from the General Fund, seconded by Sen. Agenbroad.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

**DEPARTMENT OF CORRECTION: MANAGEMENT SERVICES:
ATTORNEY FEE FOR BARTLETT**

**LSO STAFF
PRESENTER:**

JARED HOSKINS: The department requests \$38,500 in onetime operating expenditures from the General Fund to pay the plaintiffs' attorneys fees in the Bill Bartlett et al v. Henry Atencio et al. (Bartlett) court case. On May 3, 2017, the plaintiffs filed a complaint alleging in relevant part that, by failing to accommodate the plaintiffs religious dietary needs related to kosher meals, the department violated their rights under the Free Exercise Clause of the First Amendment, as incorporated against the state of Idaho under the Fourteenth Amendment. On August 11, 2017, the parties stipulated to an Order of Partial Dismissal with Retained Jurisdiction, which provided that the relevant claims for relief would be dismissed pursuant to a settlement agreement. The stipulation further provided that the issue of costs and attorney fees related to the relevant claims for relief would be resolved by separate agreement or by the court. On September 18, 2017, the department offered to settle the issue of costs and attorney fees related to the relevant claims for relief. On October 3, 2017, the plaintiffs filed an Acceptance of Offer of Judgement, and on October 4, 2017, the court entered a judgement requiring the department to pay \$93,000 for costs and attorney fees. Of this amount, \$54,500 will be paid by Risk Management within the Department of Administration, leaving \$38,500 to be paid by the department.

CARRIED:

Moved by Sen. Agenbroad, for the fiscal year 2018, for the Department of Correction, in the Management Services Program, an additional \$38,500 in onetime operating expenditures from the General Fund, seconded by Rep. Youngblood.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

INDUSTRIAL COMMISSION: CRIME VICTIMS COMPENSATION

**LSO STAFF
PERSONATOR:**

MAGGIE SMITH: This supplemental request is for \$400,00 in ongoing trustee and benefit payments from the Federal Grant Fund to pay for increased costs of forensic interviews for crime victims. Forensic interviews are a standard procedure for child victims of sexual abuse. The interviews are conducted in addition to a medical examination. A forensic interview is a question and answer session between a child and a certified individual for the purpose of gathering information about an abusive event. Previously, Medicaid covered both the interview and the examination. However, as of September 2015, Medicaid no longer covers the cost of forensic interviews because they are no longer deemed medical procedures, but instead are considered an evidence gathering process for law enforcement. Section 72-1019, Idaho Code, requires that the Crime Victims Compensation Program pay for these activities if they are not paid by another source. In April 2017, Children at Risk Evaluation

Services (CARES), the largest provider of forensic interview services in the state, changed its billing process to comply with Medicaid's policy and bill for the interview and examination separately. Since CARES implemented this billing change at the beginning of FY 2018, the Crime Victims Compensation Program is expecting to see an increase in costs for forensic interviews this fiscal year and is requesting a supplemental appropriation to meet these costs. CARES estimated it would see 1,125 children for sexual abuse examinations and interviews in 2017. It is estimated that nearly 70% of its patients either have no insurance or utilize Medicaid, resulting in the Crime Victims Compensation Program being statutorily responsible for their forensic interview costs. If private insurance does not bear the costs of the remaining 30%, the obligation will be shifted to the Crime Victims Comp. Program as the payer of last resort. The interviews are \$244 per evaluation, meaning the annual amount that may be billed to the Crime Victims Compensation Program is estimated to range from \$192,200 to \$274,500. Additionally, part of the forensic interview process that was previously billed as a medical cost is now billed as an interview cost and thus not covered by Medicaid. The annual cost of this part of the procedure is estimated to range from \$154,400 to \$220,500. In total, estimates show there may be an annual impact ranging from \$346,500 (for Medicaid or uninsured patients only) to \$495,000 (for 100% of the interview costs). Therefore, the commission requests a FY 2018 supplemental appropriation of \$400,000, from its federal grant for ongoing trustee and benefit payments.

In response to committee questions, **MS. SMITH** stated this appropriation would be an ongoing increase of \$400,00 to make a total of \$1.2 million for the fund and will get back with the committee about whether it was a state or federal Medicaid decision to stop funding.

**UNANIMOUS
REQUEST**

On request of Senator Mortimer, granted by unanimous consent, to hold the Crime Victims Supplemental until we get the answer to the question of whether this is a Federal Medicaid decision or a State Medicaid decision until Monday, January 15.

**AGENCY
PRESENTATION:**

INDUSTRIAL COMMISSION: RETIREMENT VACATION PAYOUT

**LSO STAFF
PRESENTER:**

SMITH: The Industrial Commission requests approval of a onetime object transfer of \$16,900 from operating expenditures to personnel costs from the Industrial Administration Fund to pay accrued, unused vacation benefits for a commissioner who has announced his intention to retire in FY 2018. The vacation payout cost will be \$14,000 in salary and \$2,900 in variable benefits for a total cost of \$16,900. If approved, this transfer will be reversed before calculating the FY 2019 Base.

CONSENT

On request by Rep. Wintrow, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Industrial Commission, was reopened.

CARRIED:

Original Motion

Moved by Rep. Wintrow, for fiscal year 2018, for the Industrial Commission, in the Adjudication Program, an additional \$16,900 in personnel costs, and a reduction of \$16,900 in operating expenditures, from the Industrial Administration Fund, to be restored in fiscal year 2019, seconded by Senator Ward-Engelking.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

SELF-GOVERNING AGENCIES: MEDICAL BOARDS

**LSO STAFF
PRESENTER:**

SMITH: The Board of Pharmacy requests \$37,300 in onetime operating expenditures from the State Regulatory Fund to complete the requirements of its Prescription Drug Overdose Prevention contract with the Department of Health and Welfare (DHW) for the FY 2018 contract period. DHW has a federal grant from which it contracts \$120,000 per year to the Board of Pharmacy to implement the Prescription Drug Overdose Prevention Program. Under this contract, the agency performs outreach to pharmacies throughout the state to facilitate adoption of two tools, Prescription Monitoring Program (PMP) Gateway and NarxCare, which provides streamlined access to PMP data to prescribers and dispensers of pharmaceuticals. According to the agency, these tools enhance the Board of Pharmacy's existing Prescription Monitoring Program, and improve decision-making for providers around controlled substance use.

DHW's \$120,000 contract with the Board of Pharmacy for this program began during FY 2017 and spans into FY 2018. The Board of Pharmacy received a supplemental appropriation of \$60,000 FY 2017 in order to begin implementation of the program under the contract, while planning to complete the year one contract objectives with an additional \$60,000 appropriation at the beginning of FY 2018, for a total of \$120,000. In accordance with this plan, the agency received a onetime appropriation of \$180,000 for FY 2018: \$60,000 of which would be for completing the year one contract with DHW from FY 2017, and \$120,000 of which would be for year two of the contract in FY 2018. However, the \$60,000 supplemental appropriation was not expanded in FY 2017 and was reverted due to the length of time it took for participating health systems to execute a contract with Appriss Health, the third-party vendor that implements the software for pharmacies that participate in the Prescription Drug Overdose Prevention Program. At the beginning of FY 2018, the vendor contract with Appriss Health was executed and the agency spent \$97,300 for software implementation from its FY 2018 budget. Since last year's \$60,000 supplemental appropriation was reverted at the end of FY 2017, and only \$60,000 was included in the FY 2018 appropriation to cover costs from year one of the contract, the agency is requesting a supplemental appropriation of

\$37,300 to make up the difference for the \$97,300 that was actually expended. The FY 2018 contract between DHW and the Board of Pharmacy spans from September 1, 2017 — August 31, 2018 and will fully expend the \$120,000 appropriated for year two of the program. Since the full \$120,000 has been committed for year two costs, none can be reallocated to cover the \$37,300 expended for year one of the contract that exceeded the FY 2018 appropriation.

CONSENT: On request by Rep. Wintrow, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Board of Pharmacy in the Division of Medical Boards, was reopened.

CARRIED: Original Motion
Moved by Rep. Wintrow, for fiscal year 2018, for the Board of Pharmacy, in the Division of Medical Boards, an additional \$37,300 in onetime operating expenditures from the State Regulatory Fund, seconded by Sen. Souza.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

SELF-GOVERNING AGENCIES: REGULATORY BOARDS

**LSO STAFF
PRESENTATION:**

CHRISTINE OTTO: The Governor recommends a onetime appropriation of \$30,000 in operating expenditures from the State Regulatory Fund for case hearing and litigation costs for the Board of Professional Engineers and Land Surveyors. The board had a contested case appealed to the Idaho Supreme Court and a contested disciplinary hearing last October that was more expensive than anticipated.

CONSENT: On request of Sen. Mortimer, granted by unanimous consent, the fiscal year 2018 budget for the Regulatory Boards, Board of Professional Engineers and Land Surveyors, was reopened.

CARRIED: Original Motion
Moved by Sen. Mortimer, for fiscal year 2018, for the Regulatory Boards, in the Board of Professional Engineers and Land Surveyor's Program, an additional \$30,000 in onetime operating expenditures from the State Regulatory Fund, seconded by Rep. King.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

DEPARTMENT OF AGRICULTURE: PEST CONTROL

**LSO STAFF
PRESENTER:**

ROB SEPICH: We had an error and so we have two different motions, one to reverse and one to correct it. We had improperly appropriated to operating and capital outlay rather than personnel and operating.

Funding is requested to reimburse actual expenditures incurred in FY 2017 for exotic or invasive species monitoring and control including potato cyst nematode, Japanese Beetle, and other exotic pests. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and counties. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22 Idaho Code. Grasshopper and Mormon Cricket control continue to be covered by a federal grant that is expected to cover an additional two years at current use. By comparison, FY 2017 costs included \$22,300 for exotic pest monitoring and \$187,400 for Japanese Beetle treatment. FY 2016 costs totaled \$342,600.

CARRIED:

Original Motion

Moved by Sen. Bair, for fiscal year 2018, for the Department of Agriculture in the Plant Industries Program, a reduction \$111,700 in onetime operating expenditures and a reduction of \$98,100 in onetime capital outlay, for a total reduction of \$209,800 from the General Fund, seconded Rep. Burtenshaw

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CARRIED:

Original Motion

Moved by Sen. Bair, for fiscal year 2018, for the Department of Agriculture in the Plant Industries Program, \$111,700 in onetime personnel costs and \$98,100 in one-time operating expenditures for a total of \$209,800 from the General Fund, seconded by Rep. Burtenshaw.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

ADJOURNED: There being no further business, Chairman Keough adjourned the meeting at 9:19 A.M

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 12, 2018

TIME	DESCRIPTION	PRESENTER
8:00	General Fund Daily Update 1) LBB Front End Report: General Fund Revenue Estimates 2) General Fund Daily Update (green sheet)	Keith Bybee, Deputy Division Manager, LSO
	Department of Finance, LBB p. 5-25	Gavin Gee, Director Department of Finance
	Office of the Governor Office of Drug Policy, LBB p. 6-57	Nicole Fitzgerald, Administrator Office of Drug Policy
	Self-Governing Agencies Division of Veterans Services, LBB p. 5-115	David Brasuell, Administrator Division of Veterans Services
	Office of the Governor Division of Human Resources, LBB p. 6-75	Susan Buxton, Administrator Division of Human Resources

Senate Reconvenes: 11:15

House Reconvenes: 8:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 12, 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: Paul Headlee, Division Manager, Keith Bybee, Deputy Division Manager, Jared Tatro, Principal Budget & Policy Analyst, Robyn Lockett, Principal Budget & Policy Analyst, Shane Winslow, Data Systems Coordinator.

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

AGENCY PRESENTATION: **Legislative Services Office (LSO)**

PRESENTER: **Mr. Keith Bybee, LSO**, presented the General Fund Daily Update which shows the Governor's recommendations and the Legislative action. The FY 2018 original appropriation and the FY 2019 Governor's recommendation shows a 6.6% increase in the budget.

AGENCY PRESENTATION: **Department of Finance**

PRESENTER: **Mr. Gavin Gee, Director Department of Finance.** Mr. Gee explained that this is a dedicated fund and fee supported by statute. Funds in excess of 125% get deposited into the General Fund. The Governor's recommendation is for 1.00 FTP and \$150,600 in personnel costs, \$4,000 in operating expenditures for travel and training, and \$2,000 in onetime capital outlay for office furniture and computer from the State Regulatory Fund for a deputy director position. This position will be at pay grade R at \$55.00/hour or \$114,400 annually.

PPRESENTER: **Office of Drug Policy**

PRESENTER: **Nicole Fitzgerald, Administrator Office of Drug Policy and Jared Tatro, LSO** The Office of Drug Policy requests \$90,100 onetime from the General Fund for personnel costs to retain a grants and contract officer. This position is currently funded from the federal grant funds, but those money are set to conclude on June 30, 2018 and the office is therefore requesting a fund shift from federal funds to General Fund and an FTP is not needed. The office indicated they will apply for and anticipate being awarded another federal grant, however, that award will not be posted until about February and an award notice will not be known until about August of 2018. Federal funds would be available to the personnel costs of this position. If approved, the current contract officer would continue to manage various federal grants, including those that are awarded to the Department of Health and Welfare, but then sub-contracted or sub-granted by the department to the Office of Drug Policy. The second request from the

Office of Drug Policy is a request of \$3,300 from the General Fund for costs related to the Department of Administration's IT recommendations, which includes \$1,500 onetime for phone replacement, \$1,100 for the ongoing costs related to the Microsoft 365 subscription, \$200 ongoing for network IT support, and \$500 ongoing for cybersecurity fees for a net ongoing request of \$1,800.

**AGENCY
PRESENTATION:**

Division of Veterans Services

PRESENTER:

David Brasuell, Administrator Division of Veterans Services and Jared Tatro, LSO. The Division of Veterans Services has the following requests: 1) \$221,100 of ongoing personnel costs to provide market-related salary increases at the Lewiston Veterans Home 2) \$120,800 from dedicated and federal funds to purchase new capital outlay items 3) \$150,000 to award several onetime grants from the Veterans Recognition Income Fund as allowed for in Chapter 7, Title 65, Idaho Code, and 4) \$20,000 in ongoing federal fund operating expenditures to meet the needs of new nursing home regulations as required by the federal Centers for Medicare and Medicaid Services (CMMS). The Governor recommended all four requests.

**AGENCY
PRESENTATION:**

Division of Human Resources

PRESENTER:

Susan Buxton, Administrator Division of Human Resources and Robyn Lockett, LSO. The Division of Human Resources (DHR) has the following requests: 1) 1.00 FTP, \$77,300 in personnel costs, and \$2,000 in capital outlay from the Division of Human Resources Fund for a senior human resources specialist position, of which \$53,900 is for salary and \$23,400 is for benefits, 2) \$4,500 ongoing from Division of Human Resources Fund for the estimated increase in operating expenditures for IT and telecommunication support services provided by the Department of Administration. Specifically, the request includes \$3,000 for a Microsoft 365 subscription upgrade, \$1,100 for Internet, security, and state network fees and \$400 for a 3% inflationary increase related to general IT network support services, 3) \$62,500 from the Division of Human Resources Fund for local annual salary surveys. Salary surveys are required by Section 67-5309C, Idaho Code. The Governor recommended on all three requests.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the Committee at 10:33 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 15, 2018

TIME	DESCRIPTION	PRESENTER
8:00	SPECIAL HEARINGS DEPARTMENT OF HEALTH AND WELFARE Idaho Health Care Plan	Russ Barron, Director Lori Wolff, Deputy Director Dean Cameron, Director Department of Insurance
8:40	Children's Health Insurance Plan (CHIP)	Russ Barron, Director
9:00	SUPPLEMENTAL APPROPRIATIONS DEPARTMENT OF AGRICULTURE p. 2, #1 Deficiency Warrant - Correction, LBB 5-7	Rob Sepich, Analyst LSO
	DEPARTMENT OF HEALTH AND WELFARE Psychiatric Hospitalization p. 9, #12 Community Hospitalization Shortfall, LBB 2-60 p. 10, #13 Accounting Error Correction, LBB 2-60 p. 10, #14 Additional Costs for Medical Care, LBB 2-60	Jared Tatro Principal Analyst, LSO
	Public Health Services p. 11, #1 Ryan White Grant, LBB 2-69	
	INDUSTRIAL COMMISSION p. 19, #36 Forensic Interviews, LBB 5-33	Maggie Smith, Analyst LSO
9:30	<i>Break</i>	
9:40	Governor's Revised Budget Recommendation	Jani Revier, Administrator Division of Financial Management
	Governor's Revised Budget Recommendation - LBB Pages	Paul Headlee Division Manager, LSO

Senate Reconvenes: 11:15
House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 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 Keough convened the meeting at 8:01 A.M.

AGENCY PRESENTATION: **SPECIAL HEARINGS: DEPARTMENT OF HEALTH AND WELFARE: IDAHO HEALTH CARE PLAN**

LSO STAFF PRESENTATION: **RUSS BARRON, DIRECTOR:** Reviews the Idaho Health Care Plan and reviews the 1115 Waiver for Medicaid and 1332 Waiver for Dept. of Insurance. ([PRESENTATION](https://go.usa.gov/xn7HX)) (<https://go.usa.gov/xn7HX>)

DEAN CAMERON, DIRECTOR OF INSURANCE: This is a proposal and will make a difference in people's lives. Together with the Governor's office we need your help to offer health care/insurance for Idaho. There are two groups of people, those who are approved for health care subsidies and the other that do not have insurance. The Executive Order 2018-2 is a completely different plan from the Idaho Health Care Plan, same goal but different plan. ([PRESENTATION](https://go.usa.gov/xn7HX)) (<https://go.usa.gov/xn7HX>)

LORI WOLFF, DEPUTY DIRECTOR OF DEPT. OF HEALTH AND WELFARE: Reviews the current Medicaid coverage. Highlights the two waivers: 1332 are State waivers through the Dept of Insurance. This will waive the tax APTC; This would decrease the GAP population not eliminate but decrease. The second waiver 1115, is a Medicaid waver through the Dept of Health and Welfare. This will define medically complex conditions. This waiver is to lower the cost of the premiums. ([PRESENTATION](https://go.usa.gov/xn7HX)) (<https://go.usa.gov/xn7HX>)

RUSS BARRON, DIRECTOR OF DEPT. OF HEALTH AND WELFARE: Reviews what has been accomplished through out Idaho and what feed back was received from the citizens. We have completed draft applications. Next steps are to file the applications; We need legislative approval before we can implement the plan. We would like to implement by July 1. ([AUDIO](https://go.usa.gov/xn7HW)) ([PRESENTATION](https://go.usa.gov/xn7HW)) (<https://go.usa.gov/xn7HX>)

In response to committee questions, **DIRECTOR BARRON** reviewed the differences between Waiver 1332 and Waiver 1115 and addressed how behavioral health will be benefited with the new waivers. Also in response to committee questions, **DEPUTY DIRECTOR WOLFF** gave an overview of how the public hearings went and highlighted the most asked questions. Answers to other committee questions, **DIRECTOR CAMERON** reviews the different approaches they want to possibly implement with the new Health Care Plan. Both **DIRECTOR BARRON** and **DIRECTOR CAMERON** discussed the GAP population and what options they will have under the new plan with the waivers. ([AUDIO](https://go.usa.gov/xn6aH)) (<https://go.usa.gov/xn6aH>)

AGENCY PRESENTATION: **CHILDREN HEALTH INSURANCE PLAN (C.H.I.P.)**

PRESENTER: **RUSS BARRON, DIRECTOR OF HEALTH AND WELFARE:** Reviews the background of C.H.I.P. This is been in affect since 1998. Will CHIP be reauthorized by the Federal Government by March 31. We believe it will be reauthorized; But if it does not, what we would do? \$24 million to cover all those children. ([AUDIO](https://go.usa.gov/xn6as)) (<https://go.usa.gov/xn6as>)

AGENCY PRESENTATION: **DEPARTMENT OF AGRICULTURE: DEFICIENCY WARRANTS**

PRESENTER: **ROB SEPICH:** Funding is requested to reimburse actual expenditures incurred in FY 2017 for exotic or invasive species monitoring and control including potato cyst nematode, Japanese Beetle, and other exotic pests. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests, can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and countries. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. Grasshopper and Mormon Cricket control continue to be covered by a federal grant that is expected to cover an additional two years at current use. By comparison, FY 2017 costs included \$22,300 for exotic pest monitoring and \$187,400 for Japanese Beetle treatment. FY 2016 costs totaled \$342,600. ([AUDIO](https://go.usa.gov/xn6aG)) (<https://go.usa.gov/xn6aG>) ([PRESENTATION](https://go.usa.gov/xn6aA)) (<https://go.usa.gov/xn6aA>)

CONSENT: On request by Sen. Bair, granted by unanimous consent, the fiscal year 2018 budget for the Department of Agriculture, was reopened.

CARRIED: ORIGINAL MOTION
Moved by Sen. Bair, for fiscal year 2018 appropriation, for the Department of Agriculture in the Plant Industries Program, a reduction of \$111,700 in personnel costs and a reduction of \$98,100 in operating expenditures, for a total reduction of \$209,800, from the General Fund, seconded by Sen. Mortimer.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

([AUDIO](https://go.usa.gov/xn6aG)) (<https://go.usa.gov/xn6aG>) ([PRESENTATION](https://go.usa.gov/xn6aA)) (<https://go.usa.gov/xn6aA>)

CARRIED:

ORIGINAL MOTION

Moved by Sen. Bair, the appropriation and transfer of \$209,700 from the General Fund to the Pest Control Deficiency Warrant Fund for Fiscal Year 2018, seconded by Rep. Burtenshaw.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

([AUDIO](https://go.usa.gov/xn6aG)) (<https://go.usa.gov/xn6aG>) ([PRESENTATION](https://go.usa.gov/xn6aA)) (<https://go.usa.gov/xn6aA>)

AGENCY

PRESENTATION:

DEPARTMENT OF HEALTH AND WELFARE: PSYCHIATRIC HOSPITALIZATION

JARED TATRO: The department requests \$1,000,000 in onetime supplemental appropriation in trustee and benefit payments from the General Fund to address a projected shortfall in the Community Hospitalization Program. This request will be the fourth increase in the program, either onetime or ongoing, in the last three years. In FY 2016 the Legislature added \$279,000 ongoing; in FY 2017, the Legislature added \$500,000 onetime as a supplemental; and for FY 2018, the Legislature appropriated an additional \$295,700 ongoing to account for continued costs associated with community hospitalization. This request is for onetime funding and the department is confident that this amount will suffice for FY 2018. However for FY 2019 the needed amount is still unknown. It is expected that savings in the system will start occurring during FY 2018 with the opening of the Homes with Adult Residential Treatment (HART) model, and the opening of the Boise crisis center. The department is also requesting a budget law exemption for FY 2019 to allow for transfers between programs, in excess of 10%, if other department funds are available.

([AUDIO](https://go.usa.gov/xn6aV)) (<https://go.usa.gov/xn6aV>) ([PRESENTATION](https://go.usa.gov/xn6aw)) (<https://go.usa.gov/xn6aw>)

CONSENT:

On request of Sen. Lee, granted by unanimous consent, the fiscal year 2018 budget for the Department of Health and Welfare, was reopened.

([AUDIO](https://go.usa.gov/xn6aV)) (<https://go.usa.gov/xn6aV>)

CARRIED:

ORIGINAL MOTION

Moved by Sen. Lee, the Department of Health and Welfare for the Community Hospitalization Program an additional \$1,500,000 in onetime trustee and benefit payments from the Cooperative Welfare (General) Fund, and for the Adult Mental Health Program a onetime reduction of \$500,000 in trustee and benefit payments from the Cooperative Welfare (General) Fund for fiscal year 2018.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

([AUDIO](https://go.usa.gov/xn6aV)) (<https://go.usa.gov/xn6aV>) ([PRESENTATION](https://go.usa.gov/xn6aw)) (<https://go.usa.gov/xn6aw>)

AGENCY

DEPARTMENT OF HEALTH AND WELFARE: PSYCHIATRIC

PRESENTATION:

HOSPITALIZATION

LSO STAFF

JARED TATRO: The department requests a fund shift of \$1,889,300 from

PRESENTATION:

dedicated and federal funds to the General Fund to account for issues in billing and calculating the Medicaid match at the appropriated time. In addition, the hospital is anticipating a reduction in dedicated receipts as Medicare and other third party payers are increasing the number of denials. Several years ago, the financial staff at State Hospital South changed their accounting methodology to a cash based system from an accrual based system. This resulted in errors of how the federal Medicaid match was applied. The correct amount of federal funds were drawn down by the central office, but the reporting and estimated needs for the hospital were greatly overstated. Without knowledge of the federal fund and dedicated fund overstatement, the Legislature funded various line items, supplementals, inflationary adjustments, replacement items, and other fund shifts during this time that would have likely been department states that it will have to layoff staff and shut down one admitting unit (30 beds) from March to June of 2018 to achieve the needed savings in personnel costs and operating expenditures. Further, the loss of receipt revenue from that unit being closed will require that an additional half unit (15 beds) be shut down during the same time period. As a result, these 45 beds will be transferred to the already overloaded community hospitalization program and could increase that budget by an additional \$4 million. ([AUDIO](https://go.usa.gov/xn6xY)) (<https://go.usa.gov/xn6xY>) ([PRESENTATION](https://go.usa.gov/xn6xj)) (<https://go.usa.gov/xn6xj>)

DAVE TAYLOR, DEPUTY DIRECTOR: Reviews more details on the audit and how this happened and how the agency will not allow this to happen again. ([AUDIO](https://go.usa.gov/xn6xY)) (<https://go.usa.gov/xn6xY>)

CARRIED:

ORIGINAL MOTION

Moved by Sen. Souza, to the Department of Health and Welfare for State Hospital South from the Cooperative Welfare (General) Fund an additional \$1,605,900 in personnel costs and an additional \$283,400 in operating expenditures; from the Cooperative Welfare (Dedicated) Fund a reduction of \$382,500 in personnel costs and a reduction of \$67,500 in operating expenditures; and from the Cooperative Welfare(Federal) Fund a reduction of \$1,223,400 in personnel costs and a reduction of \$215,900 in operating expenditures, for a program-wide total of \$0, with all adjustments being made ongoing, for fiscal year 2018, seconded by Rep. Malek.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

([AUDIO](https://go.usa.gov/xn6xY)) (<https://go.usa.gov/xn6xY>)

**AGENCY
PRESENTATION:**

**DEPARTMENT OF HEALTH AND WELFARE: PSYCHIATRIC
HOSPITALIZATION**

**LSO STAFF
PRESENTATION:**

JARED TATRO: The department requests \$161,800 from the General Fund with \$61,800 in ongoing personnel costs to increase the salaries of its nursing positions and \$100,000 in onetime operating expenditures for State Hospital North (SHN) to address the immediate needs of providing medical care. The request includes an FY 2018 supplemental appropriation request of \$116,600 and an FY 2019 annualization for \$45,200 in personnel costs. SHN, similar to other medical institutions, is experiencing challenges in recruiting, hiring, and retaining qualified nursing and other medical care positions. In the past five years, physician costs, whether state-employed or contracted, have increased on average 16% year-over-year with a range of 9% to 26%. When FY 2017 is compared to FY 2013, the increase is 81%, increasing from \$518,200 to \$938,200. The onetime operating expenditures are to continue paying for contracted help until the pay raises can be implemented and staffing stabilized. The onetime money will be split equally to contract with a tele-psychiatrist and a nurse practitioner. The hospital has been able to contract with a psychiatrist at an annual amount of \$325,000; this contract is with a former SHN psychiatrist. ([AUDIO](https://go.usa.gov/xn6cS)) (<https://go.usa.gov/xn6cS>) ([PRESENTATION](https://go.usa.gov/xn6xC)) (<https://go.usa.gov/xn6xC>)

In response to committee questions, JARED TATRO states this as an issue that will most likely not be resolved.

([AUDIO](https://go.usa.gov/xn6cS)) (<https://go.usa.gov/xn6cS>)

CARRIED:

ORIGINAL MOTION

Moved by Rep. Wintrow, to the Department of Health and Welfare for State Hospital North an additional \$16,600 in ongoing personnel costs from the Cooperative Welfare (General) Fund; and a transfer of \$100,000 from the Adult Mental Health Program to State Hospital North from the Cooperative Welfare (General) Fund, which is composed of an additional \$100,000 in onetime operating expenditures for State Hospital North and a reduction of \$100,000 in onetime trustee and benefit payments from the Adult Mental Health Program, for fiscal year 2018, seconded Sen. Lee.

AYES: 20

NAYS: 0

ABSENT/EX:

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.

([AUDIO](https://go.usa.gov/xn6cS)) (<https://go.usa.gov/xn6cS>) ([PRESENTATION](https://go.usa.gov/xn6xC)) (<https://go.usa.gov/xn6xC>)

In response to committee questions, ADMIN EDMUNDS reviews the differences of issues between State Hospital North and State Hospital South. ([AUDIO](https://go.usa.gov/xn6cS)) (<https://go.usa.gov/xn6cS>)

**AGENCY
PRESENTATION:**

PUBLIC HEALTH SERVICES: RYAN WHITE GRANT

**LSO STAFF
PRESENTATION:**

JARED TATRO: The department requests \$1 million in ongoing operating expenditures in federal funds for the Ryan White Part B Supplemental Grant. The Part B Program was enacted in the Ryan White HIV/AIDS Treatment Extension Act of 2009 (Public Law 111–87). The purpose of the grant is to improve the quality, availability, and organization of HIV health care and support services. The Part B Program assists states and territories in developing and/or enhancing access to a comprehensive continuum of high quality HIV care and treatment for low-income people living with HIV. Each state and territory operates a Part B Program. The Part B Program Supplemental Grant is awarded to states and territory demonstrated need. This grant will be used to provide the administrative costs for the AIDS Drug Assistance Program (ADAP) pharmacy benefits management services; initiate rebate processing and HIV mobile testing in two northern Idaho health districts for rural and remote communities. In addition, all Part B recipients and sub-recipients must vigorously pursue enrollment in available health coverage options for eligible clients. Idaho was awarded \$509,300 for the Part B Supplemental Grant in August of 2016 and \$1,809,200 in May of 2017. The most recent grant provides onetime funding for the period September 30, 2017 through September 29, 2018. The department is requesting the funds as ongoing because it believes there is a high likelihood that additional funds will be awarded for the following federal fiscal year.

([AUDIO](https://go.usa.gov/xn6ct)) (<https://go.usa.gov/xn6ct>) ([PRESENTATION](https://go.usa.gov/xn6cu)) (<https://go.usa.gov/xn6cu>)

In response to committee questions, **SARA STOVER** stated the Governor did receive the request from the Department of Health and Welfare to approve this noncognizable fund. Because of the timing and how we scrutinize those requests, we decided it was in the best interest for everybody to let the Legislature the opportunity to review this instead of approving.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Ward-Enkelking, to the Department of Health and Welfare for the Physical Health Services Program an object transfer of \$1,000,000 from trustee and benefit payments to operating expenditures from the Cooperative Welfare (Federal) Fund for a net impact of \$0, for fiscal year 2018, seconded by Sen. Souza.

([PRESENTATION](https://go.usa.gov/xn6cu)) (<https://go.usa.gov/xn6cu>)

In response to committee questions, **JARED TATRO** stated arguably, this may not be an emergency. However, as the Division of Financial Management stated they do have sufficient appropriations, in the month of October. However, in the Division of Public Health, they will spend 95–100% of their operating expenditures in any and every given year, at least they have in the last three years. Trustee and benefit payments, however, do have a variance. The Department of Health and Welfare is statutorily limited through intent language that they are the only agency in the State that is not allowed to transfer from Trustee and Benefit Payments up to operating expenditures.

([AUDIO](https://go.usa.gov/xn6ct)) (<https://go.usa.gov/xn6ct>)

**RESTATEMENT
OF ORIGINAL
MOTION:**

ORIGINAL MOTION

Moved by Sen. Ward-Enkelking, to the Department of Health and Welfare for the Physical Health Services Program an object transfer of \$1,000,000, ongoing, from trustee and benefit payments to operating expenditures from the Cooperative Welfare (Federal) Fund for a net impact of \$0, for fiscal year 2018, seconded by Sen. Souza.

([AUDIO](https://go.usa.gov/xn6ct)) (<https://go.usa.gov/xn6ct>)

In response to committee questions, **JARED TATRO** stated Health and Welfare is not allowed to transfer, or do an object transfer from trustee and benefit payments to operating expenditures. However, they are allowed to transfer from operating to trustee and benefit payments. So if this specific grant goes away, it could go back or be discussed at that time.

([AUDIO](https://go.usa.gov/xn6ct)) (<https://go.usa.gov/xn6ct>)

**SUBSTITUTE
MOTION:**

SUBSTITUTE MOTION

Moved by Sen Bair, to the Department of Health and Welfare for the Physical Health Services Program an object transfer of \$1,000,000 one-time from trustee and benefit payments to operating expenditures from the Cooperative Welfare (Federal) Fund for a net impact of \$0, for fiscal year 2018, seconded by Sen Mortimer. ([AUDIO](https://go.usa.gov/xn6ct)) (<https://go.usa.gov/xn6ct>)

In response to committee questions, **JARED TATRO** states if the substitute motion is approved, yes, the committee could very well discuss these funds as ongoing, looking at the FY 2019 budget, or this specific grant is set to expire September 29, 2018 so within this fiscal year. Also if the committee chooses to address it as a line item, and provide it as one-time, then unless there are additional funds provided from the Federal Government for this grant it would not be a supplemental. ([AUDIO](https://go.usa.gov/xn6ct)) (<https://go.usa.gov/xn6ct>)

CARRIED: SUBSTITUTE MOTION

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

([AUDIO](https://go.usa.gov/xn6ct)) (<https://go.usa.gov/xn6ct>)

AGENCY PRESENTATION: **INDUSTRIAL COMMISSION: FORENSIC INTERVIEWS**

LSO STAFF PRESENTATION: **MAGGIE SMITH:** Reviews the issues from last week and details it is a state Medicaid decision not a federal Medicaid decision. ([AUDIO](https://go.usa.gov/xn63a)) (<https://go.usa.gov/xn63a>) ([PRESENTATION](https://go.usa.gov/xn632)) (<https://go.usa.gov/xn632>)

In response to committee questions, **ADMIN. MATT WIMMER** states in 2015, when this first popped up and the reason why it came to our attention was because of changes in coding. Not from any shift in Medicaid policy. It was new codes that were being used to bill these services. That is what prompted a look at this. Also it would not impact Medicaid dollars.

UNANIMOUS CONSENT: On request of Rep. Wintrow, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Industrial Commission
([AUDIO](https://go.usa.gov/xn63a)) (<https://go.usa.gov/xn63a>)

CARRIED: ORIGINAL MOTION
Moved by Rep. Wintrow, for the fiscal year 2018, for the Industrial Commission, in the Crime Victims Compensation Program, an additional \$400,000 in ongoing trustee and a benefit payments from the Federal Grant Fund, seconded by Sen. Lee.
([AUDIO](https://go.usa.gov/xn63a)) (<https://go.usa.gov/xn63a>) ([PRESENTATION](https://go.usa.gov/xn632)) (<https://go.usa.gov/xn632>)

In response to committee questions, MAGGIE SMITH stated the \$400,000 would be ongoing so it would increase the ongoing appropriation to \$1.2 million each year. The reason this is a supplemental request is because the billing changes, how the services are coded, occurred at the beginning of this fiscal year. The agency anticipates they will receive a larger amount of claims and will need to pay for these services in the current fiscal year. The additional \$400,000 would be to increase the appropriation this year to meet those costs, but it will also increase the ongoing appropriation. ([AUDIO](https://go.usa.gov/xn63a)) (<https://go.usa.gov/xn63a>)

**RESTATE
MOTION:**

ORIGINAL MOTION

Moved by Rep. Wintrow, for the fiscal year 2018, for the Industrial Commission, in the Crime Victims Compensation Program, an additional \$400,000 in ongoing trustee and a benefit payments from the Federal Grant Fund, seconded by Sen. Lee.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

([AUDIO](https://go.usa.gov/xn63a)) (<https://go.usa.gov/xn63a>)

**AGENCY
PRESENTATION:**

GOVERNOR'S REVISED BUDGET RECOMMENDATION

**LSO STAFF
PRESENTATION:**

JANI REVIER, ADMINISTRATOR: Reviews the revised executive budget from the Governor. Idaho Transportation Department, Department of Health and Welfare, Division of Building Safety, Lava Hot Springs and Department of Corrections were among the new revisions. Revised revenue projection increased to \$3,630,875,300 which is a 5.3% growth. ([AUDIO](https://go.usa.gov/xn6qe)) (<https://go.usa.gov/xn6qe>)

QUESTIONS:

In response to the committee questions, JANIE REVIER, states the new forecast takes into account of the Federal Tax changes and that is an additional \$15 million coming into play. Last year the committee chose to recognize the revenue above the forecast, but she thinks this year it would be dangerous to try to recognize the revenue above the forecast because it really could all be due to timing and we could have a short fall in April. ([AUDIO](https://go.usa.gov/xn6qe)) (<https://go.usa.gov/xn6qe>)

**AGENCY
PRESENTATION:**

GOVERNOR'S REVISED BUDGE RECOMMENDATION

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE: Reviews the two new revised pages (6 and 7) of the budget book. ([AUDIO](https://go.usa.gov/xn6qs)) (<https://go.usa.gov/xn6qs>)

CONVENED:

There being no further business, Chairman Keough adjourned the meeting at 10:21 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 16, 2018

TIME	DESCRIPTION	PRESENTER
8:00	OFFICE OF THE GOVERNOR Commission on the Arts, LBB 6-49	Michael Faison, Director
	SELF-GOVERNING AGENCIES Commission for Libraries, LBB 5-77	Ann Joslin, State Librarian
	JUDICIAL BRANCH Court Operations, LBB 3-59	Sara Thomas, Administrative Director
	Guardian Ad Litem Program, LBB 3-69	Sara Thomas, Administrative Director
	Judicial Council, LBB 3-73	David Cantrill, Executive Director Idaho Judicial Council

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 16, 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: None

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

AGENCY PRESENTATION: **Office of the Governor, Commission on the Arts**

PRESENTER: **Michael Faison, Director and Jill Randolph, Analyst**
The Commission on the Arts is requesting \$3,800 ongoing from the General Fund for operating expenditures to cover recommended technology upgrades. \$2,700 will be used for 14 annual subscriptions to Microsoft Office 365, and \$1,100 for the incremental growth in the cost of cyber security for state network systems. Second request is for \$25,000 ongoing from the General Fund for trustee and benefit payments to provide additional constituent services by enhancing direct grants and capacity building activities through the public program in the arts grant program. The public program in the arts grant consists of \$160,700 from the General Fund and \$117,300 from the Federal Grant Fund.

AGENCY PRESENTATION: **Self-Governing Agencies, Commission for Libraries**

PRESENTER: **Ann Joslin, State Librarian and Jill Randolph, Analyst**
Idaho Commission for Libraries (ICfL) is requesting \$19,200 from the General Fund to replace four desktop computers, ten laptops and two network printers. The commission is also requesting a fund shift of 6.00 FTP and \$357,500 from the Federal Grant Fund to the General Fund to support the Talking Book Service, \$45,000 ongoing from the General Fund to increase the broad band reimbursement (E-rate) funding for Idaho public libraries through the Education Opportunity Resource (EOR) Act, Section 33–5601, Idaho Code and a request of \$9,500 ongoing from the General Fund for 43 Microsoft Office 365 software annual subscriptions. The commission does not have an ongoing appropriation for this purpose. The Governor recommended the IT/Telecommunications but did not recommend the Talking Book Service and the Education Opportunity Resource Act.

AGENCY PRESENTATION: **Judicial Branch, Court Operations**

PRESENTER: **Sara Thomas, Administrative Director and Jared Hoskins, Analyst**

Court Technology: Phase 5 of 5, the Supreme Court requests \$3,684,500 in onetime capital outlay from the General Fund for the fifth and final phase of its five-year court technology implementation plan.

The Judicial CEC, should be commensurate with other state employees.

The Magistrate Division is requesting 1 FTP and \$125,700 from the General Fund to hire one new magistrate judge to be chambered in Jerome County. This line item would fund a new judge for nine months. The request would need to be annualized as a maintenance adjustment in FY 2020.

The Supreme Court is requesting \$114,300 in ongoing operating expenditures from the General Fund to enhance language access in each of the seven judicial districts. A request for 1.00 FTP and \$58,500 in ongoing personnel costs from the General Fund to hire an additional custodian for the Supreme Court Building.

The Supreme Court requests \$231,300 ongoing from trustee and benefit payments to provide a 5% rate increase to substance use disorder (SUD) services provider a \$100,000 request ongoing. The Supreme Courts requests \$153,500 ongoing from the General Fund for judicial mentoring. \$51,000 in operating expenditures from the Supreme Court Program for mentor judges for travel costs and training, and \$102,500 is in personnel costs the Senior Judges Program for per diems and training of mentor judges. This request is a continuation of previous requests related to the Judicial Excellence and Education Program (JEEP). Also a request for \$68,800 onetime operating expenditures from the General Fund to hire a contracted Americans with Disabilities Act (ADA) consultant.

The Supreme Court requests \$82,500 in ongoing personnel costs from the General Fund for vacation leave payouts. Pursuant to Section 67–5334(3), Idaho Code, separated employees may receive a lump sum payment for up to 200–336 hours of their accrued, but unused, vacation leave, depending on their hours of credited state service.

**AGENCY
PRESENTATION:**

Judicial Branch — Guardian Ad Litem Program

PRESENTER:

Sara Thomas, Administrative Director and Jared Hoskins, Analyst

Jared Hoskins, Budget and Policy Analyst stated this agency is completely funded by the General Fund. Mr. Hoskins reviewed the actual expenditures for FY 2017 and the budget for FY 2018. In FY 2018 there is one line item from the General Fund for , Volunteer Recruitment & Training in the amount of \$467,500.

**AGENCY
PRESENTATION:**

Judicial Branch — Judicial Council

PRESENTER:

David Cantrall, Executive Director Idaho Judicial Council and Jared Hoskins, Analyst

Mr. Cantrall stated that he asks for the same amount of money every year and usually gives some of that money back. This year could be different because the calendar year and fiscal year have been monumental for the court system. Mr. Cantrall continued that this is a record number of new judges.

Jared Hoskins, Budget and Policy Analyst, reviewed the actual expenditures for FY 2017 stating that there was a total appropriation of \$130,800, a small object transfer of \$1,500 and a reversion of \$28,800.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 17, 2018

TIME	DESCRIPTION	PRESENTER
8:00	OFFICE OF THE GOVERNOR STEM Action Center, LBB 6-103	Dr. Angela Hemingway, Executive Director
	STATE BOARD OF EDUCATION Small Business Development Centers, LBB 1-111	Katie Sewell, State Director
	TechHelp, LBB 1-111	Steve Hatten, Executive Director
	Career-Technical Education, LBB 1-93	Dwight Johnson, Administrator
	<i>Break</i>	
	DEPARTMENT OF COMMERCE, LBB 5-19	Bobbi-Jo Meuleman, Director
	DEPARTMENT OF LABOR, LBB 5-43 Workforce Development Council, LBB 5-49	Melinda Smyser, Director Wendi Secrist, Executive Director

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 17, 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: **OFFICE OF THE GOVERNOR: STEM ACTION CENTER**

LSO STAFF PRESENTATION: **DR. ANGELA HEMINGWAY, EXECUTIVE DIRECTOR:** Introduced the STEM staff. Reviewed the year and the success of the program and explains where funds have gone and proved to be efficient.

JANET JESSUP: Reviewed the agency's FY 2018 budget and line items.

HEMINGWAY: Reviews the line items for the agency and the grants.

JESSUP: Reviewed the FY 2019 budget and the Governor's recommendation for the budget without questions from the Committee reviews the four line items recommended by the Governor.

HEMINGWAY: Reviewed line item 1: FTP Financial Officer.

JESSUP: Reviewed the second line item of one FTP for Senior Research Analyst. ([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>) ([PRESENTATION](https://go.usa.gov/xn6BC)) (<https://go.usa.gov/xn6BC>)

In response to committee questions, DAVE FULKERSON, DFM, stated that DFM provides financial accounting services to nine different agencies, the volume has grown expediently the last few years. The last several years the STEM Foundation had grown and the workload had increased. DFM did not have enough bandwidth in their shop to handle the on-growing need along with all the other responsibilities DFM had.

In response to other committee questions, DR. HEMINGWAY, stated the biggest lifts are in the legislation is that they are designated to provide a STEM best practices resource database for public education, higher education, informal STEM partners and other STEM related entities. Another heavy lift was to implementing pilot programs and evaluate those programs for scaling, so they look at every opportunity and determine the quality of that program. ([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>)

JESSUP: Clarified Sen. Martin's question on the financial officer, noting that the requested FTP wouldn't be replacing four part-time FTPs from DFM. Reviewed the line item 3 for the Computer Science Initiative.

HEMINGWAY: We are getting national recognition and this is an amazing program. Reviews the third line item and the impact it has on the state.

JESSUP: Reviewed line item four IT/Telecommunications.

([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>) ([PRESENTATION](https://go.usa.gov/xn6BC)) (<https://go.usa.gov/xn6BC>)

In response to committee questions, **JANET JESSUP**, stated some of the contributions are included on page 7 of the packets. One of the metric included in the Legislative Budget Book is Industry contributions, donations and in-kind. Information can be provided as a follow up to the committee, regarding a full list of contributions and from whom those contributions are coming from.

([AUDIO](https://go.usa.gov/xn6Zh)) (<https://go.usa.gov/xn6Zh>)

AGENCY STATE BOARD OF EDUCATION: SMALL BUSINESS DEVELOPMENT PRESENTATION:CENTERS

LSO STAFF KATIE SEWELL, STATE DIRECTOR: Introduced the staff and reviews the agency. The Idaho Small Business Development Centers (SBDC) provide counseling, training, research, and technical support service to small businesses and entrepreneurs. The center is headquartered at Boise State University with field offices at colleges and universities around the state.

JANET JESSUP: Reviewed the FY2017 expenditures and reviewed the FY 2018 budget. ([AUDIO](https://go.usa.gov/xn69s)) (<https://go.usa.gov/xn69s>) ([PRESENTATION](https://go.usa.gov/xn69H)) (<https://go.usa.gov/xn69H>)

In response to committee questions, **JANET JESSUP** reviewed the object transfer and those moneys are for the purposes of making sure they are including increases for the maintenance increases for CEC and health insurance and they are calculated within the budget as being PC. However, it goes out to the individual officers, throughout the state, as OE from the accounting system from the administration offices at BSU.

JESSUP: Reviewed the FY 2019 and one line item, FTP for two part-time positions, that was not recommended by the governor. ([AUDIO](https://go.usa.gov/xn69s)) (<https://go.usa.gov/xn69s>)

In response to committee questions, **DAVID HAHN, DFM**, reviewed why the Governor did not support two part-time positions and states the Governor supports the SBDC as evidence of the fact that back in FY 2016, the Governor recommended and this body provided four business consultants to the Small Business Development Center. This year with available funding, the Governor had to prioritize, just as this body has to do. The Governor really wanted to focus on certain other areas of the budget, and what you will see throughout, especially with the higher education area, and this does fall within BSU, is the emphasis of the task force recommendations. ([AUDIO](https://go.usa.gov/xn69s)) (<https://go.usa.gov/xn69s>)

AGENCY STATE BOARD OF EDUCATION: TECHHELP PRESENTATION:

LSO STAFF **STEVE HATTEN, EXECUTIVE DIRECTOR:** TechHelp provides manufacturing consulting services to small and medium sized companies. TechHelp is a partnership of Idaho's three state universities and is an affiliate of the National Institute of Standards and Technology Manufacturing Extension Partnership. It is also Idaho's Economic Development Administration University Center, targeting economically distressed areas of Idaho.

JANET JESSUP: Reviewed the FY 2017 and FY 2018 expenditures. There is one line item for the FY 2019 and asked for 2.50 FTP for three part-time positions. ([AUDIO](https://go.usa.gov/xn6Xa)) (<https://go.usa.gov/xn6Xa>) ([PRESENTATION](https://go.usa.gov/xn6XC)) (<https://go.usa.gov/xn6XC>)

In response to committee questions, **DAVID HAHN, DFM**, states the answer stands as with SBDC. The available funds and priorities of funds and targeting certain areas, as opposed to doing a little bit for everybody. We wanted to focus on those available funds and recommendations on those task force recommendation. ([AUDIO](https://go.usa.gov/xn6Xa)) (<https://go.usa.gov/xn6Xa>)

AGENCY **STATE BOARD OF EDUCATION: CAREER-TECHNICAL EDUCATION**
PRESENTATION:

PRESENTER: **DWIGHT JOHNSON, ADMINISTRATOR:** Reviewed the agency, including five programs: State Leadership and Technical Assistance, General programs, Post-Secondary Programs, Dedicated Programs and related programs.

JANET JESSUP: Reviewed the FY 2017 expenditures. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX)) (<https://go.usa.gov/xnFgX>)

In response to committee questions, **JANET JESSUP** and **KATHLEEN WATKINS, CTE FINANCIAL OFFICER**, reviewed the reversions and state there was a reverted appropriation of \$833,100. The majority of these appropriations were from dedicated funds, where the appropriation was an appropriation to spend monies that came into those funds. If money didn't go into those funds, then money didn't come out of those funds. The majority of those funds that were reverted, the 0349-60 and 0349-61, the spending authority was reverted in those so the agency could rely on statute appropriation that was done last year in the Legislature. The 0401-00 fund, that is a fund that the agency give to Human Resources, when we moved those positions over last year and moved that program. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed the B-12 forms and reviewed the FY 2018 appropriations.

JOHNSON: Reviewed the 10 line items and yield for further information needed.

JESSUP: Reviews the FY 2019 Budget and a supplemental request.

JOHNSON: CTE have met with medical personnel throughout the state and felt as though these funds would benefit to the nursing program.

JESSUP: Reviews the replacement items and reviews the line items that the Governor recommended.

JOHNSON: One of the major recommendations will better connect K-12 to college; In response we are suggesting a Middle School CTE programs;

([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX)) (<https://go.usa.gov/xnFgX>)

In response to committee questions, **DWIGHT JOHNSON, ADMIN**, stated that CTE was proposing legislation to start CTE programs 7th grade. The agency do not expect to launch this program until 2020, but we could come back with specific requests for expanded funding for implementation.

([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed the second line item.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **DAVID HAHN, DFM** stated the Governor wanted to expand the other five areas shown in the description and adopt a phase approach. Last year the legislature appropriated \$300,000. The recommendation from the Governor would take the program to \$600,000. The phase approach would allow the agency to address other critical priority needs, yet still make progress in a fully developed program. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed line item three
JOHNSON: Explained how the agency came to that line item three amount.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **DWIGHT JOHNSON** stated that expanding that pipeline allows institutions to create more supply of skilled workers to meet that demand and the agency has not done a specific cost analysis on this program as far as return on investment as far as wages, but could work with the Department of Labor for that. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed line item four Workforce Training Centers.
JOHNSON: Explained what the work force training centers do and their benefit the state.

JESSUP: Reviewed line item five, Centers for New Directions, was not recommended by the Governor.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **JANET JESSUP** stated that according to documents submitted as part of the request, one of the possible scenarios that could play out was not the closing of locations but limitations as to what services were offered and hours centers would be open. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

JESSUP: Reviewed line item six, agricultural startup funding and line item seven, program alignment.

JOHNSON: Reviewed line item seven.
JESSUP: Reviewed line item eight, online CTE course development.
JOHNSON: Reviewed line item eight.

JESSUP: Reviews line item nine, and ten, 11 and 14.
([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>) ([PRESENTATION](https://go.usa.gov/xnFgX))
(<https://go.usa.gov/xnFgX>)

In response to committee questions, **DAVID HAHN, DFM**, stated the Governor, consistent with other post-secondary budgets, did not recommend general fund replacement items from institutions. The reason for that, again, the Governor was targeting certain areas for funding and there were a lot of other big items that were prioritized. ([AUDIO](https://go.usa.gov/xnFgb)) (<https://go.usa.gov/xnFgb>)

AGENCY DEPARTMENT OF COMMERCE
PRESENTATION:

PRESENTER: **BOBBI-JO MEULEMAN, DIRECTOR:** Reviews the agency and introduces her staff.

KEITH BYBEE: Reviews the FY 2017 expenditures.
([AUDIO](https://go.usa.gov/xnFAG)) ([PRESENTATION](https://go.usa.gov/xnFAG))
(<https://go.usa.gov/xnFA7>)

In response to committee questions, **KEITH BYBEE** reviewed the details of the reversion, there is a large over appropriation in the Idaho Opportunity Fund, which helps recruit businesses to Idaho. They are authorized \$3 million annually.
([AUDIO](https://go.usa.gov/xnFAG)) (<https://go.usa.gov/xnFAG>)

BYBEE: Reviews the B-12 forms and more to the reversion that took place.
([PRESENTATION](https://go.usa.gov/xnFA7)) (<https://go.usa.gov/xnFA7>)

In response to committee questions, **BOBBI-JO MEULEMAN, DIRECTOR,** states how we dedicate out the funds that are collected from the 2% tax inside those are 45% of those stay within the state agency for state wide marketing efforts. We have a eight member travel counsel, who were appointed by the Governor, that represents the seven different regions of the state and one at large. They vote determining where those monies go back out. What regions bring it, they get that back. And 10% stays within the agency for administration.
([AUDIO](https://go.usa.gov/xnFAG)) (<https://go.usa.gov/xnFAG>)

BYBEE: Reviews FY 2018 appropriations.

MEULEMAN: Reviews what the appropriations and each line item that was appropriated.

BYBEE: Reviews FY 2019 replacement items and Reviews FY 2019 line items.
([AUDIO](https://go.usa.gov/xnFAG)) ([PRESENTATION](https://go.usa.gov/xnFAG))
(<https://go.usa.gov/xnFA7>)

In response to committee questions, **KEITH BYBEE** states the Opportunity fund is a fund that does not have a direct revenue source other than the general fund. It is for recruitment and retention business and used to fund necessary infrastructure. It has been a highly successful recruitment tool for the department over the years. The request is for \$1 million from the general fund to the opportunity fund. But it doesn't show as a general fund expenditure, it shows up as a general fund transfer. So revenue adjustment, we are adjusting revenue on that.

In response to other committee questions **MATTHEW WARNICK, DFM** states the Governor felt as though the cash value of uncommitted funds were enough to get through FY 2018–FY 2019.

In response to committee questions, **BOBBI-JO MEULEMAN,** states they are anticipating growth of about \$1 million just from those short term rentals. Those taxes will be put back into those properties going back to the regions. It is broken down is 45% will go to marketing, state wide, 45% will go back out to grants and 10% will be used for administration. ([AUDIO](https://go.usa.gov/xnFAG)) (<https://go.usa.gov/xnFAG>)

AGENCY **DEPARTMENT OF LABOR**
PRESENTATION:

PRESENTER: MELINDA SMYSER, DIRECTOR: Reviews the agency and introduces the staff. Reviews of the FY 2018 budget
BYBEE: Reviews the FY 2017 Expenditures and reviews their B-12 forms of the Dedicated Funds. Reviews the FY 2018 Line items.
SMYSER: Reviews the FY 2018 line items.
([AUDIO](https://go.usa.gov/xnFAf)) ([PRESENTATION](https://go.usa.gov/xnFAf))
(<https://go.usa.gov/xnFAv>)
BYBEE: Reviews the operating budget and reviews the FY 2019 replacement items.
([PRESENTATION](https://go.usa.gov/xnFAv)) (<https://go.usa.gov/xnFAv>)
BYBEE: Review FY 2019 budget and maintenance requests.
([PRESENTATION](https://go.usa.gov/xnFAv)) (<https://go.usa.gov/xnFAv>)

QUESTIONS: In response to committee questions, MELINDA SMYSER, states they have all those continued economic development conversations in their rural communities because once you get out of Ada County, it is rural. ([AUDIO](https://go.usa.gov/xnFAf)) (<https://go.usa.gov/xnFAf>)

AGENCY DEPARTMENT OF LABOR
PRESENTATION:

PRESENTER: WENDI SECRIST, EXECUTIVE DIRECTOR: Reviews the Council and what the executive Order is doing.
KEITH BYBEE: Reviews the Workforce Fund Executive Order;
SECRIST: Reviews what the fund will do with the new monies.
([AUDIO](https://go.usa.gov/xnFAp)) (<https://go.usa.gov/xnFAp>) ([PRESENTATION](https://go.usa.gov/xnFAv))
(<https://go.usa.gov/xnFAv>)

CONVENED: There being no further business, Senator Keough adjourned the meeting at 11:03 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 18, 2018

TIME	DESCRIPTION	PRESENTER
8:00	SUPPLEMENTAL APPROPRIATIONS	
	IDAHO TRANSPORTATION DEPARTMENT p. 23, #46 Strategic Initiatives Program Fund, LBB 5-149 p. 23, #45 TECM Fund, LBB 5-149 p. 22, #44 IRP Software Replacement, LBB 5-137	Christine Otto, Analyst LSO
	SELF-GOVERNING AGENCIES Commission on Hispanic Affairs p. 20, #40 Personnel Fund Shift, LBB 5-66	Jill Randolph, Analyst LSO
	DEPARTMENT OF CORRECTION p. 13, # 22 State Prisons: Facility Expansions, LBB 3-18 p. 15, #26 Community Corrections: Facility Expansions, LBB 3-37 p. 17, #31 Medical Services: Hepatitis-C Treatment, LBB 3-49	Jared Hoskins, Principal Analyst, LSO
	Department of Environmental Quality, LBB 4-3	John Tippets, Director
	Soil and Water Conservation Commission, LBB 5-13	Teri Murrison, Administrator
	<i>Break</i>	
	Idaho State Tax Commission, LBB 6-139	Ken Roberts, Chairman
	Department of Insurance, LBB 5-37	Dean Cameron, Director

Senate Reconvenes: 11:15

House Reconvenes: 11:00

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

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 19, 2018

TIME	DESCRIPTION	PRESENTER
8:00	OFFICE OF THE GOVERNOR	
	PERSI, LBB 6-95	Don Drum, Director
	State Controller, LBB 6-33	Brandon Woolf, State Controller
	Lieutenant Governor, LBB 6-127	Brad Little, Lieutenant Governor
	<i>Break</i>	
	SELF-GOVERNING AGENCIES	
	Division of Building Safety, LBB 5-57	Chris Jensen Division Administrator
	Economic Outlook and Revenue Assessment Committee (EORAC)	Senator Martin Representative Youngblood Co-chairs, EORAC Committee

Senate Reconvenes: 11:15

House Reconvenes: 8:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 19, 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, Dixon, King, Wintrow
ABSENT/EXCUSED: Anderson
CONVENED: Senator Keough convened the meeting at 8:01 A.M.
AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR: PERSI**
LSO STAFF PRESENTATION: **DON DRUM, EXECUTIVE DIRECTOR:** Reviews FY 2017–FY 2018 and Reviews the agency. 10.2% return as of yesterday (1/18) 95% funded as of yesterday.
([AUDIO](https://go.usa.gov/xnZRy)) (<https://go.usa.gov/xnZRy>) ([PRESENTATION](https://go.usa.gov/xnZrg)) (<https://go.usa.gov/xnZrg>)
MAGGIE SMITH: Reviews the FY 2017 Expenditures;
DRUM: Explains the FY2017 Expenditures;
SMITH: Reviews the B-12 Form for Administration
DRUM: Further reviews the B-12 Form for Administration
SMITH: Reviews the B-12 Form for Portfolio Fund
DRUM: Further Reviews the B-12 Form for Portfolio Fund
SMITH: Reviews the B-12 Form for the Judges Retirement Fund. Moves onto the FY2017 appropriations
DRUM: Further explains why the position that was appropriated has not been filled.
SMITH : Reviews the historical summary and reviews the FY2019 budget.
DRUM: Further reviews the FY2019 replacement items.
([AUDIO](https://go.usa.gov/xnZRy)) (<https://go.usa.gov/xnZRy>) ([PRESENTATION](https://go.usa.gov/xnZrg)) (<https://go.usa.gov/xnZrg>)
In response to committee questions, **DON DRUM, EXECUTIVE DIRECTOR,** reviews how PERSI does not do inhouse investing. They allocate funds to investors and money managers. Also have a board of directors that monitor funds in case of a possible recession. They have projections for short terms which would be 10 years and they project for long term which is 20+ years. They also do an annual evaluation of the people that fall in the Rule of 80 and the in Rule of 90 so that one group does not subsidize for another.
([AUDIO](https://go.usa.gov/xnZRy)) (<https://go.usa.gov/xnZRy>)

**AGENCY
PRESENTATION**

OFFICE OF THE GOVERNOR: STATE CONTROLLER

PRESENTER:

BRANDON WOOLF, STATE CONTROLLER: Reviews the agency and introduces staff. Reviews the FY 2019 Budget Request.

MAGGIE SMITH: Reviews the FY 2017 Expenditures, moves into reviewing the B-12 Form of Misc. Rev. Fund and Data Processing Services and moves into FY 2018 appropriations.

WOOLF: Reviews the FY 2018 Line items.

([AUDIO](https://go.usa.gov/xnzxJ)) (<https://go.usa.gov/xnzxJ>) ([PRESENTATION](https://go.usa.gov/xnzxS))

(<https://go.usa.gov/xnzxS>)

SMITH: Reviews the FY 2019 Budget Request and reviews the FY 2019 replacement items and line item.

WOOLF: Reviews the three line items and reviews the importance of updating the technology of the agency and thanks the committee and the staff of the agency.

In response to committee questions, **BRANDON WOOLF**, states the new technology system will last as long as necessary. The last system was over 30 years old. They worked with the Governor's office with the configuring of the amount for the funding. The proposal would be for 5 years, the monies would be deposited into this technology fund for a period of 5 years and at the end of the 5 years, will be able to fully purchase the system.

([AUDIO](https://go.usa.gov/xnzxJ)) (<https://go.usa.gov/xnzxJ>) ([PRESENTATION](https://go.usa.gov/xnzxS))

(<https://go.usa.gov/xnzxS>)

**AGENCY
PRESENTING**

OFFICE OF THE GOVERNOR: LIEUTENANT GOVERNOR

PRESENTER:

BRAD LITTLE, LIEUTENANT GOVERNOR: Thanks the JFAC Committee for the great job they have done. Reviews the Cyber Security line item and also reviews the legislation that is in the works.

MAGGIE SMITH: Reviews the FY 2017 Expenditures and reviews the FY2018 appropriation then reviews the FY 2019 line item.

([AUDIO](https://go.usa.gov/xnzak)) (<https://go.usa.gov/xnzak>) ([PRESENTATION](https://go.usa.gov/xnza5))

(<https://go.usa.gov/xnza5>)

**AGENCY
PRESENTING:**

SELF-GOVERNING AGENCIES: DIVISION OF BUILDING SAFETY

PRESENTER:

CHRIS JENSEN, DIVISION ADMINISTRATOR: Reviews the agency

CHRISTINE OTTO: Reviews the FY2017 expenditures and reviews the B-12 Form for State Regulatory Fund and B-12 Form for Federal — HUD, Federal —SDP (Grant), Misc. Revenue Fund —Industrial Safety, Misc. Revenue Fund — Logging Safety and Misc. Revenue Fund — Office of School Safety and Security.

([AUDIO](https://go.usa.gov/xnzan)) (<https://go.usa.gov/xnzan>) ([PRESENTATION](https://go.usa.gov/xnzCT))

(<https://go.usa.gov/xnzCT>)

In response to committee questions, **CHRIS JENSEN**, states the large reversions for the last couple years in the Industrial Safety Fund is because of a timing issue. The Logging Safety Program is in the negative because there has not been an investment for the past several years and that is where it is at for FY 2019.

([AUDIO](https://go.usa.gov/xnzan)) ([PRESENTATION](https://go.usa.gov/xnzCT))
(<https://go.usa.gov/xnzCT>)

OTTO: Reviews line item for FY2018;

JENSEN: Reviews and details the 7 line items.

OTTO: Reviews the FY2019 Budget Request.

JENSEN: Reviews the FY2018 Expenditures.

OTTO: Reviews the FY2019 Budget Request and FY2019 line items.

JENSEN: Reviews all 8 of the FY2019 Line Items.

In response to committee question, **CHRIS JENSEN**, states they have about 93 building inspectors out of 147 personnel. The inspectors roughly have 500 inspections to do daily throughout the state. They try to limit overtime. DFM states they have enough sufficient funds for those 6 FTP but did not recommend an additional appropriation for the 6 FTPs.

([AUDIO](https://go.usa.gov/xnzan)) ([PRESENTATION](https://go.usa.gov/xnzCT))
(<https://go.usa.gov/xnzCT>)

**AGENCY
PERSONATION:
PRESENTER:**

**SELF-GOVERNING AGENCIES: ECONOMIC OUTLOOK AND
REVENUE ASSESSMENT COMMITTEE**

REP. YOUNGBLOOD AND SEN. MARTIN: The Committee reviewed and analyzed business, tax, financial data, and trends relating to the state's economy, and obtained testimony from economic, business, and industry experts regarding those aspects of the state's economy and revenues. Further reviews the analysis for FY2018–FY2019.

([AUDIO](https://go.usa.gov/xnzCm)) ([PRESENTATION](https://go.usa.gov/xnzCh))
(<https://go.usa.gov/xnzCh>)

In response to committee questions, **REP. YOUNGBLOOD**, states that the projection for the next couple of years, 2020, Idaho's number are in the green and the economists feel confident about Idaho's revenue growth.

CARRIED:

Moved by Rep. Bell, that the Committee accepts the report of the Joint Legislative Economic Outlook and Revenue Assessment Committee's report as presented, seconded by Sen. Mortimer.

**VOICE VOTE ON
MOTION**

SEN. KEOUGH: All in favor say 'aye', The motion has carried.
([AUDIO](https://go.usa.gov/xnzCm)) ([PRESENTATION](https://go.usa.gov/xnzCh))
(<https://go.usa.gov/xnzCh>)

ADJOURNED:

There being no further business, Senator Keough adjourned the meeting at 10:32 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 22, 2018

TIME DESCRIPTION	PRESENTER
8:00 State Board of Education Overview	Linda Clark, Board President and Matt Freeman, Ex. Director, OSBE
STATE BOARD OF EDUCATION	
Office of the State Board of Education, LBB 1-77	Matt Freeman, Executive Director, Office of the State Board of Education
Systemwide Programs - College & Universities, LBB 1-53 Scholarships & Grants, LBB 1-111	
College of Western Idaho, LBB 1-67	Bert Glandon, President
<i>Break</i>	
College of Southern Idaho, LBB 1-67	Jeff Fox, President
North Idaho College, LBB 1-67	Rick MacLennan, President
College of Eastern Idaho, LBB 1-67	Rick Aman, President
Change in Employee Compensation (CEC) Committee Report	Senator Patrick Representative Anderson Co-chairs, CEC Committee

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 22, 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: Janet Jessup, Budget & Policy Analyst
CONVENED: **Chairman Bell** called the meeting to order at 8:00 a.m.

EDUCATION WEEK

AGENCY PRESENTATION: **State Board of Education**

PRESENTER: **Linda Clark, Board President and Janet Jessup, Budget & Policy Analyst**

President Clark provided an extensive review of the Idaho State Board of Education, the Governor’s budget recommendation and the Higher Task Force findings.

PRESENTER: **Ms. Jessup** reviewed the FY 2017 actual expenditures highlighting the reversions and the analysis of fund balances.

Mr. Freeman reviewed the FY 2018 line items and provided an update on the status of their implementation.

Mr. Freeman gave an overview of the following FY 2019 program maintenance items and the following line items:

1. IT/Telecommunications
2. Accreditation for Psychology (Governor recommended)
3. Graduate Medical Education Council
4. Systems Integration Consultant (Governor recommended)
5. Transfer CIS to Board of Education (Governor recommended)
6. Executive Officer at Office State Board of Education (OSBE) (Governor recommended)

David Hahn, Division of Financial Management, stated that the person who is to become the Executive Officer will need to have a specific skill—set and these people are in high demand. He continued that this person will take care of the “back office” consolidation and that many of the details are still being worked out.

Mr. Freeman's closing remarks were as follows:

1. Thanked his staff for all their hard work
2. In the process of hiring three Presidents, which is unprecedented for Idaho.
3. Had a clean audit for FY's 2014–2016, this is the third consecutive triennial audit that has had no audit recommendations.
4. Institutions should provide robust advising and career planning so students can make informed decisions.

Systemwide Programs — College & Universities

PRESENTER: Ms. Jessup, Budget and Policy Analyst

Ms. Jessup presented an overview of the FY 2017 actual expenditures and the analysis of fund balances. Ms. Jessup explained the systemwide program is one of five programs under the umbrella of colleges and universities within the State Board of Education. Ms. Jessup stated there is intent language and will be seen in a report no later than February 1st.

Ms. Jessup reviewed the FY 2019 budget; there are two line item requests with one recommended by the Governor. **Mr. David Hahn**, Division of Financial Management, discussed some of the line items recommended by the Governor. **Mr. Freeman** spoke on line item #3, Degree Audit and Data System, a software solution that overlays the current software system.

Special Programs — Scholarships & Grants

PRESENTER: Ms. Jessup reviewed the FY 2017 actual expenditures outlining the funds the agency uses. **Mr. Freeman** gave an in-depth overview of the reverted appropriation of \$426,800 which is from the Opportunity Scholarship because of the timing of this scholarship with students applying and being eligible. The \$979,300 reverted appropriation is for the post secondary scholarship and is under subscribed due to matching requirements. It is hard for students to get a private sector match.

Ms. Jessup reviewed the one line item in the FY 2018 budget which appropriated \$1,400,00 for GEAR UP Scholarships. Mr. Freeman stated this was federal money for this scholarship and the high school classes of 2018 is the last class to have received this grant.

Mr. Freeman discussed the FY 2019 line item request. The request is for \$5,000,000 ongoing from the General Fund to expand the Opportunity Scholarship to serve an additional 1,490 students.

In response to committee questions, **Mr. Freeman** stated the request for \$5,000,000 was done before the Governor's proposed legislation and who support that piece of legislation. If the legislation does not pass, then the whole \$5,000,000 would go towards the traditional recipient Opportunity Scholarship.

**AGENCY
PRESENTATION:**

College of Western Idaho

PRESENTER: **Bert Glandon**, College of Western Idaho, President
Mr. Glandon stated the college was established in 2007 and the first class was held in January 2009 with 1,200 students attending the first day of class; spring semester of 2018 is at just over 30,000 students. Mr. Glandon explained the college had not increased enrollment fee's in four years.

Ms. Jessup gave an overview of the FY 2019 budget stating the two line items were not recommended by the Governor. Request one is for \$1,658,600 from the general fund to ensure average weighted credit equity with the College of Southern Idaho and North Idaho College and the second request is for \$576,200 from the general fund to hire additional staff.

In response to committee questions, **Mr. Glandon** stated that the College of Western Idaho is growing and the tuition revenue is coming in, which helps with keeping the tuition down.

Mr. Glandon went into great detail on the Governor's recommendations.

AGENCY **College of Southern Idaho**

PRESENTATION:

PRESENTER: **Jeff Fox**, College of Southern Idaho, President
Introduced board of trustees and his staff. **Mr. Fox** continued that the College of Southern Idaho serves an eight county region.

Ms. Jessup reviewed the FY 2017 actual expenditures.

Mr. Fox discussed in detail the two FY 2018 action items including the Summer Bridge to Success and the Eastern Idaho Math/English instructors programs.

Ms. Jessup reviewed the maintenance line items noting these were not recommended by the Governor.

Ms. Jessup reviewed the FY 2019 budget, noting the three line items were not recommended by the Governor. The first request is for \$774,800 ongoing from the general fund to purchase a new software platform, second request is for \$195,600 ongoing from the general fund to develop a weekend college program for working adults and high school students and the last request is for \$67,500 onetime from the general fund to support coordination of the Center for Education Innovation Initiative which was funded as part of Idaho State University's budget in FY 2018. **Mr. Fox** spoke more in-depth on each request.

In response to committee questions, **Mr. David Hahn** stated the Governor chose not to recommend any replacement items that were from the general fund in any college or universities budget and he wanted those resources to be targeted towards the task force recommendations.

AGENCY **North Idaho College**

PRESENTATION:

PRESENTER: **Rick MacLennan**, President
Mr. MacLennan stated that the North Idaho College is a comprehensive community college that meets the broad educational needs of students and they are committed to their core values. Between 2007 and 2017 the North Idaho Foundation provided nearly \$5,000,000 in scholarships supporting career and technical education and workforce development programs.

Ms. Jessup reviewed the FY 2017 actual expenditures.

Mr. MacLennan gave an overview of the three line items for FY 2018. Mr. MacLennan continued with his overview of the FY 2019 agency requests: 1) Pathfinders Program requesting \$364,100, 2) Computer Science Program Faculty requests \$312,900, 3) Summer Completion Initiative request of \$302,900 and 4) First Year Experience Program requesting \$174,500. The four line item requests were not recommended by the Governor.

In response to committee questions, **Mr. MacLennan** stated the Pathfinders program has been very positive in decision making for students coming out of high school.

In **Mr. MacLennan's** closing remarks he stated that the North Idaho College has a positive impact to the business community, provides economic value to North Idaho and builds one-to-one relationships with the community.

**AGENCY
PRESENTATION:**

College of Eastern Idaho

PRESENTER: **Rick Aman**, President

Mr. Aman introduced the board of trustees and thanked everyone who made the College of Eastern Idaho possible. Mr. Aman gave an overview on how the \$5,000,000 was used. Mr. Aman presented the four areas he would like to see focused on 1) creating the Associate of Arts and Computer Science transfer, 2) dual credit, 3) K-12 partners and 4) workforce development.

Ms. Jessup reviewed the three line items for FY 2019. The three line items are as follows: 1) Funds Transferred from CTE, the request is for \$1,081,200 from the general fund, which was previously appropriated to the Division for Career-Technical Education's Post-Secondary program, 2) Instruction Expansion, the request is for \$3,896,100 ongoing from the General Fund for 72 new FTP and 3) Administration Expansion, the request is for \$200,000 from the dedicated funds for administrative services staff for the newly formed College of Eastern Idaho.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 11:01 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 23, 2018

TIME	DESCRIPTION	PRESENTER
8:00	Change in Employee Compensation (CEC) Committee Report	Senator Jim Patrick Representative Neil Anderson Co-chairs, CEC Committee
	Idaho State University, LBB 1-53	Arthur Vailas, President Idaho State University
	Museum of Natural History, LBB 1-111	Leif Tapanila, Museum Director
	Idaho Dental Education Program, LBB 1-83	Jeff Ybarguen, Program Director
	<i>Break</i>	
	Lewis-Clark State College, LBB 1-53	Anthony Fernandez, President Lewis-Clark State College
	Boise State University, LBB 1-53	Bob Kustra, President Boise State University

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 23, 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: **CHANGE IN EMPLOYEE COMPENSATION (CEC) COMMITTEE REPORT**

LSO STAFF PRESENTATION: **SENATOR PATRICK AND REPRESENTATIVE ANDERSON, CO-CHAIRS:** Reviews what the committee has reviewed over the interim and the year. Including the health insurance as well. And about the 3% increase. They wanted a 3% merit increase. And they considered 6 different motions. ([AUDIO](https://go.usa.gov/xnuXu)) (<https://go.usa.gov/xnuXu>) ([PRESENTATION](https://go.usa.gov/xnu5x)) (<https://go.usa.gov/xnu5x>)

In response to committee questions, REP ANDERSON, states the 3% is making progress to the market value here in Idaho, it does not get us to market value but we are making progress.

([AUDIO](https://go.usa.gov/xnuXu)) (<https://go.usa.gov/xnuXu>)

CARRIED: Moved by Rep. Bell, that the Committee accepts the Joint Change in Employee Compensation Committee's report as presented, seconded by Sen. Martin.

VOICE VOTE ON MOTION: **SEN. KEOUGH:** All in favor say 'aye', the motion has carried. ([AUDIO](https://go.usa.gov/xnuXu)) (<https://go.usa.gov/xnuXu>)

AGENCY PRESENTATION: **IDAHO STATE UNIVERSITY**

PRESENTER: **ARTHUR VALIAS, PRESIDENT:** Introduces the staff and reviews the overview of the agency. Highlights the needs of technology.
JANET JESSUP: Reviews the FY 2017 expenditures and reviews the different endowment funds (B-12 Forms) and moves into the FY2018 appropriations and line items. Reviews the FY2019 budget. ([AUDIO](https://go.usa.gov/xnuXA)) (<https://go.usa.gov/xnuXA>) ([PRESENTATION](https://go.usa.gov/xnuX6)) (<https://go.usa.gov/xnuX6>)

In response to committee questions, **BRAD BATUIK, ASSOCIATE VP, BUDGET**, states a phase is in approach to address a budget deficit caused by declined enrollment and tuition revenue. They are utilizing their cash reserves to help fund that budget and get it balanced. The deficit is from the decrease of the international students. ([AUDIO](https://go.usa.gov/xnuXA)) (<https://go.usa.gov/xnuXA>)

JESSUP: Reviews the FY2019 line item and it was not recommended by the Governor. JESSUP: Reviews the second line item FY2019; VALIAS: Reviews the details of the second line item. ([PRESENTATION](https://go.usa.gov/xnuX6)) (<https://go.usa.gov/xnuX6>)

AGENCY PRESENTATION: MUSEUM OF NATURAL HISTORY

PRESENTER: LEIF TAPANILA, DIRECTOR: Reviews the agency and reviews the FY2018 appropriations.
JANET JESSUP: Reviews the FY2017 expenditures and FY2018 appropriations.
TAPANILA: Reviews the Development Officer that was appropriated for FY2018.
JESSUP: Reviews FY2018 and FY2019 line items but was not recommended by the governor.
TAPANILA: Thanks the committee and reviews the importance of the Museum of Natural History.
([AUDIO](https://go.usa.gov/xnzXT)) (<https://go.usa.gov/xnzXT>) ([PRESENTATION](https://go.usa.gov/xnzXj)) (<https://go.usa.gov/xnzXj>)

AGENCY PRESENTATION: IDAHO DENTAL EDUCATION PROGRAM

PRESENTER: JEFF YBARGUEN, PROGRAM DIRECTOR: Reviews the agency
JANET JESSUP: Reviews the FY2017 expenditures
YBARGUEN: Reviews the reversions and gives details for each reversion.
JESSUP: Reviews the FY2018 appropriations and the FY2019 Budget.
YBARGUEN: Thanks the committee and reviews the importance of this program.

AGENCY PRESENTATION: LEWIS-CLARK STATE COLLEGE

PRESENTER: ANTHONY FERNANDEZ, PRESIDENT: Introduces the staff of LCSC and Reviews the history of the agency.
JANET JESSUP: Reviews the FY2017 expenditures and endowment funds (B-12 Forms) and moves into FY2018 appropriations and line items. Reviews the FY2019 Budget and the three line items, two line items were not recommended by the Governor.
([AUDIO](https://go.usa.gov/xnzPV)) (<https://go.usa.gov/xnzPV>) ([PRESENTATION](https://go.usa.gov/xnzPp)) (<https://go.usa.gov/xnzPp>)

In response to committee questions, **ANTHONY FERNANDEZ, PRESIDENT**, states the needs for the LCSC Access and Completion is essential for students coming to college straight from high school. They also have professional career counselors that are essential for the students to have guidance for course selection. Counselors are essential for the students.

([AUDIO](https://go.usa.gov/xnzPV)) ([PRESENTATION](https://go.usa.gov/xnzPV))
(<https://go.usa.gov/xnzPp>)

JESSUP: Reviews the second line item and was not included in the recommendation from the Governor;

FERNANDEZ: Reviews the second line item and stresses the need for cyber security.

In response to committee questions, **JANI REIVER, DFM**, states the governor does believe that cyber security is very important but this item was not recommended because the agency is suppose to use their existing funding.

([AUDIO](https://go.usa.gov/xnzPV)) ([PRESENTATION](https://go.usa.gov/xnzPV))
(<https://go.usa.gov/xnzPp>)

**AGENCY
PRESENTATION:**

BOISE STATE UNIVERSITY

PRESENTER:

BOB KUSTRA, PRESIDENT: Reviews the agency and the FY2018 budget;
JANET JESSUP: Reviews the FY2017 expenditures and the endowment funds (B-12 Forms), moving on to FY2018 budget and line items then moves into FY2018 budget and line items.

KUSTRA: Highlights the 3% increase in student growth and acknowledges the need for more advisors and more lecture classes. ([AUDIO](https://go.usa.gov/xnuXv))
(<https://go.usa.gov/xnuXv>) ([PRESENTATION](https://go.usa.gov/xnuXw)) (<https://go.usa.gov/xnuXw>)

In response to many committee questions, **BOB KUSTRA, PRESIDENT**, reviewed details of the Career Readiness and Success program. He explains the Complete College in Idaho program and how ‘Alex’ is a computer that works with students to help tutor them in math. He also reviews the importance of the Idaho Regional Optical Network (IRON) program how it helps support the faculty. Further he reviews how CWI impacts BSU with the seamless transition of enrollment from CWI to BSU. Also goes over two scholarships: Opportunity Scholarship, essentially makes up for the funding BSU does not receive for students and Completer Scholarship which allows adults to come back to college. Lastly, he reviews how BSU actively encourages partnerships with local and national businesses (BSU X-Program) and feels like there is a huge collaboration across a large arena of resources. ([AUDIO](https://go.usa.gov/xnuXv)) (<https://go.usa.gov/xnuXv>)

JESSUP: Reviews the FY2019 budget and the four line items.

KUSTRA: Reviews only the last line item.
([PRESENTATION](https://go.usa.gov/xnuXw)) (<https://go.usa.gov/xnuXw>)

ADJOURNED:

There being no further business, Senator Keough adjourned the meeting at 10:33 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

A Fast Software Implementation for Arithmetic Operations in $\text{GF}(2^n)$ (PREPRINT)

Erik De Win*, Antoon Bosselaers, Servaas Vandenberghe,
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Abstract. We present a software implementation of arithmetic operations in a finite field $\text{GF}(2^n)$, based on an alternative representation of the field elements. An important application is in elliptic curve cryptosystems. Whereas previously reported implementations of elliptic curve cryptosystems use a standard basis or an optimal normal basis to perform field operations, we represent the field elements as polynomials with coefficients in the smaller field $\text{GF}(2^{16})$. Calculations in this smaller field are carried out using pre-calculated lookup tables. This results in rather simple routines matching the structure of computer memory very well. The use of an irreducible trinomial as the field polynomial, as was proposed at Crypto'95 by R. Schroepel et al., can be extended to this representation. In our implementation, the resulting routines are slightly faster than standard basis routines.

1 Introduction

Elliptic curve public key cryptosystems are rapidly gaining popularity [M93]. The use of the group of points of an elliptic curve in cryptography was first suggested by Victor Miller [M85] and Neal Koblitz [K87]. The main advantage of using this particular group is that its discrete logarithm problem seems to be much harder than in other candidate groups (e.g., the multiplicative group of a finite field). The reason is that the various subexponential algorithms that exist for these groups up to now cannot be applied to elliptic curves. The best known algorithm for computing logarithms on a non-supersingular (see [M93]) elliptic curve is the Pohlig-Hellman attack [PH78]. Because of the difficulty of the discrete logarithm problem, the length of blocks and keys can be considerably smaller, typically about 200 bits.

Although the group of points of an elliptic curve can be defined over any field, the finite fields $\text{GF}(2^n)$ of characteristic 2 are of particular interest for cryptosystems, because they give rise to very efficient implementations in both hardware

* N.F.W.O. research assistant, sponsored by the National Fund for Scientific Research (Belgium).

(e.g., [AMV93]) and software (e.g., [HMV92] and [SOOS95]). The group operation consists of a number of elementary arithmetic operations in the underlying field: addition/subtraction, squaring, multiplication, and inverse calculation. The speed with which these elementary operations can be executed is a crucial factor in the throughput of encryption/decryption and signature generation/verification.

To do calculations in a finite field $\text{GF}(2^n)$, the field elements are represented in a basis. Most implementations use either a standard basis or an optimal normal basis. In a *standard basis*, field elements are represented as polynomials of the form $a_0 + a_1x + \dots + a_{n-1}x^{n-1}$, where all a_i are elements of $\text{GF}(2)$, i.e., they are 0 or 1, and addition is done modulo 2. Field operations on these elements consist of operations on polynomials, e.g., a field multiplication can be calculated as a multiplication of polynomials followed by a reduction of the result modulo a fixed irreducible polynomial of degree n . In a *normal basis* an element is represented as $b_0\beta + b_1\beta^2 + b_2\beta^{2^2} + \dots + b_{n-1}\beta^{2^{n-1}}$, where β is a fixed element of the field and all b_i are elements of $\text{GF}(2)$. A normal base allows for a very fast squaring; multiplication is more complex than in standard basis, but this does not deteriorate efficiency if an *optimal* normal basis [MOVW88] is used. The optimal normal basis representation seems to be more appropriate for hardware, but the fastest software implementations that have been reported (e.g., [SOOS95]) use a standard basis.

The implementation presented in this paper uses a third representation of field elements that has some advantages in software. Before introducing this representation in Sect. 3, we describe elliptic curve operations in a little more detail in Sect. 2. In Sect. 4 we discuss field operations in the new representation and we compare them to standard basis in Sect. 5. We conclude the paper with some timing results.

Part of the results in this paper are based on [DD95] and [V96].

2 The Elliptic Curve Group Operation

An elliptic curve is the set of solutions (x, y) of a bivariate cubic equation over a field. In the context of public key cryptosystems, the field is often $\text{GF}(2^n)$ and the equation is of the form $y^2 + xy = x^3 + ax^2 + b$, where a and b are elements of the field and $b \neq 0$. An “addition”-operation can be defined on the set of solutions if the *point at infinity* O is added to this set. Let $P = (x_1, y_1)$ be an element with $P \neq O$, then the inverse of P is $-P = (x_1, x_1 + y_1)$. Let $Q = (x_2, y_2)$ be a second element with $Q \neq O$ and $Q \neq -P$ then the sum $P + Q = (x_3, y_3)$ can be calculated as (see e.g., [SOOS95]):

$$\begin{aligned} x_3 &= \lambda^2 + \lambda + x_1 + x_2 + a \\ y_3 &= \lambda(x_1 + x_3) + x_3 + y_1 \\ \lambda &= \frac{y_1 + y_2}{x_1 + x_2} . \end{aligned}$$

These formulas are valid only if $P \neq Q$; for $P = Q$ they are a little different:

$$\begin{aligned}x_3 &= \lambda^2 + \lambda + a \\y_3 &= x_1^2 + (\lambda + 1)x_3 \\ \lambda &= x_1 + \frac{y_1}{x_1} .\end{aligned}$$

The point at infinity O serves as the identity element. A multiple of P , i.e., P multiplied by a natural number k , can be calculated by repeated doubling and adding. The inverse operation of this, i.e., deriving k when P and kP are given, is the elliptic curve discrete log problem, which is considered to be a very hard operation, since its running time is approximately $\mathcal{O}(2^{n/2})$.

The equations show that an elliptic curve addition can be calculated with a number of additions, multiplications, squarings, and inversions in the underlying field $\text{GF}(2^n)$. We will see that the addition and squaring of elements of $\text{GF}(2^n)$ are simple operations and that they require negligible time relative to the multiplication and inversion. Thus, doubling a point or adding two points on an elliptic curve takes approximately two field multiplications and one field inversion.

In an actual implementation of an elliptic curve cryptosystem, other operations are needed as well. E.g., a quadratic equation has to be solved when *point compression* [MV96] is applied. Some cryptographic algorithms require the order of the group to be known, which can be calculated by Schoof's algorithm [S85] or one of its improved versions [LM95]. However, we will concentrate in this paper on basic arithmetic operations in $\text{GF}(2^n)$: addition, squaring, multiplication, and inversion.

3 An Alternative Representation for the Field Elements

It is well known that a field can be considered as a vector space over one of its subfields. The proper subfields of $\text{GF}(2^n)$ are the fields $\text{GF}(2^r)$, with $r|n$ and $0 < r < n$. Most implementations take $r = 1$, i.e., they choose a basis $\{\gamma_0, \gamma_1, \dots, \gamma_{n-1}\} \subset \text{GF}(2^n)$ and the field elements are represented as $a_0\gamma_0 + a_1\gamma_1 + \dots + a_{n-1}\gamma_{n-1}$, where all $a_i \in \text{GF}(2)$. The software implementations in this kind of bases are characterized by a large number of bitwise operations, e.g., testing a single bit and shifting a word over a number of bits. Although these operations are available, standard microprocessors are more suited for word operations.

Generally, r can be chosen to be any divisor of n . In [HMV92] a polynomial basis over $\text{GF}(2^8)$ is suggested. We examined the slightly more general case where r is a multiple of 8. This limits the possible values of n to multiples of r , but if r is not too large, this causes no practical limitation.

In principle there are no restrictions on the kind of basis that is used (polynomial, normal . . .). Although more work has to be done on this, we believe that a polynomial basis is most suited because a number of the advantages of (optimal) normal bases disappear when $r > 1$.

If we define $m = n/r$, then an element of $\text{GF}(2^n)$ can be represented as a polynomial $\alpha_0 + \alpha_1 x + \cdots + \alpha_{m-1} x^{m-1}$, where the α_i are elements of $\text{GF}(2^r)$. An important benefit of this basis is that each coefficient is represented by r bits and fits nicely in a computer word if $r = 8, 16$, or 32 (or even 64 on 64 -bit processors). Arithmetic with these polynomials is identical to that with ordinary polynomials, except that operations on the coefficients are carried out in $\text{GF}(2^r)$.

To calculate in $\text{GF}(2^r)$, a basis has to be chosen too, but this can be simplified by the use of lookup tables. After choosing a particular basis for $\text{GF}(2^r)$, we look for a generator γ and calculate all pairs (α, i) such that $\alpha = \gamma^i$ ($\alpha \in \text{GF}(2^r) \setminus \{0\}$; $0 \leq i < 2^r - 1$). These pairs are stored in two tables: a `log`-table sorted on α and an `alog`-table sorted on i . Each of them takes about 2^r words of r bits, resulting in a total memory requirement of about 512 bytes for $r = 8$ and 256 Kbytes for $r = 16$. The option $r = 32$ (and a fortiori $r = 64$) is excluded because of excessive memory needs. These tables can be used to efficiently calculate in $\text{GF}(2^r)$, e.g., the product of two elements $\alpha, \beta \in \text{GF}(2^r) \setminus \{0\}$ is

$$\alpha\beta = \mathbf{alog}[(\mathbf{log}[\alpha] + \mathbf{log}[\beta]) \bmod (2^r - 1)] ,$$

and also an inversion operation can be calculated with only two table lookups:

$$\alpha^{-1} = \mathbf{alog}[-\mathbf{log}[\alpha] \bmod (2^r - 1)] .$$

If we want polynomials to represent finite field elements, all operations have to be done modulo a fixed irreducible polynomial of degree m . In principle this polynomial can also have coefficients in $\text{GF}(2^r)$, but if we can find an irreducible polynomial with coefficients in $\text{GF}(2) \subset \text{GF}(2^r)$, many table lookups can be saved in the reduction operation. The search for such an irreducible polynomial can be simplified by using the fact that an m -th degree polynomial that is irreducible over $\text{GF}(2)$, is also irreducible over $\text{GF}(2^r)$ if $\gcd(m, r) = 1$ [LN83, p. 107]. This limits m to odd numbers because r is a power of 2. We will show that the reduction operation can be speeded up even further if an irreducible *trinomial* is used [SOOS95], where the requirements for the middle term are a little different than in [SOOS95]. These special irreducible polynomials are easy to find, Table 1 lists all irreducible trinomials $1 + x^t + x^m$ with $7 \leq m \leq 15$ and $t \leq \lfloor m/2 \rfloor$.³

4 Field Operations

In a polynomial basis, field operations are reduced to operations on polynomials. E.g., a field multiplication consists of a multiplication of the two polynomials representing the multiplicands, followed by a reduction of the result modulo the irreducible polynomial. Therefore, we will consider mainly operations on polynomials.

³ It is easy to show that $1 + x^t + x^m$ is irreducible iff $1 + x^{m-t} + x^m$ is irreducible.

Table 1. List of all irreducible trinomials $1 + x^t + x^m$ with $7 \leq m \leq 15$ and $t \leq \lfloor m/2 \rfloor$. The corresponding field size is given for $r = 16$.

degree	field size	trinomial
7	112	$1 + x + x^7$ $1 + x^3 + x^7$
9	144	$1 + x + x^9$ $1 + x^4 + x^9$
11	176	$1 + x^2 + x^{11}$
15	240	$1 + x + x^{15}$ $1 + x^4 + x^{15}$ $1 + x^7 + x^{15}$
17	272	$1 + x^3 + x^{17}$ $1 + x^5 + x^{17}$ $1 + x^6 + x^{17}$

4.1 Representation of Polynomials in Memory

It is natural to store the coefficients of a polynomial in consecutive r -bit words of computer memory. To keep the routines as general as possible, we also used one word to store the length of the polynomial. In summary, a k -th degree polynomial A is stored in an array of length $k + 2$, where the first array-element A_0 contains the number of coefficients $k + 1$ (rather than the degree k), A_1 contains the constant coefficient, \dots and $A_{k+1} = A_{A_0}$ contains the coefficient of the highest power of x . A zero polynomial is represented by $A_0 = 0$.

4.2 Addition

Addition in a finite field with characteristic 2 is easy: just add the corresponding bits modulo 2. Note that addition and subtraction modulo 2 are the same operations; they both correspond to a binary exclusive or (exor, \oplus) operation.

4.3 Multiplication

Multiplication of polynomials can be done using the shift-and-add method, where the addition is replaced by an exor. Below is an algorithm that computes the product of A and B and stores it in C (the notation of Sect. 4.1 is used).

```

1  if  $A_0 = 0$  or  $B_0 = 0$  then
2     $C_0 = 0$ 
3  else {
```

```

4   initialize C to zero
5   for i = 1 to A0 do
6       if Ai ≠ 0 then
7           for j = 1 to B0 do
8               if Bj ≠ 0 then
9                   Ci+j-1 = Ci+j-1 ⊕ alog[(log[Ai] + log[Bj]) mod (2r - 1)]
10  C0 = A0 + B0 - 1
11 }

```

This is a very simple algorithm, although it might look a little complicated with the tests $A_i \neq 0$ and $B_j \neq 0$, which are necessary because the \log of zero is undefined. No bit manipulations are needed. The complexity is linear in the product of the lengths of the multiplicands.

A number of optimizations are possible in an actual implementation. E.g., when the test in line 6 is successful, $\log[A_i]$ can be stored in a register during the execution of the inner loop. Also, the \log 's of the words of B can be stored in a temporary array at the beginning of the algorithm to reduce the number of table lookups in the inner loop.

4.4 Squaring

The square of a polynomial with coefficients in $\text{GF}(2^r)$ can be calculated in a more efficient way than multiplying it by itself. The reason is that the square of a sum equals the sum of the squares because the cross-term vanishes modulo 2. The square of a polynomial is then given by

$$\left(\sum_{i=0}^{m-1} \alpha_i x^i \right)^2 = \sum_{i=0}^{m-1} \alpha_i^2 x^{2i} .$$

This results in the following algorithm to compute $B = A^2$.

```

if A0 = 0 then
    B0 = 0
else {
    for i = 1 to A0 - 1 do {
        if Ai ≠ 0 then
            B2i-1 = alog[2 log[Ai] mod (2r - 1)]
        else
            B2i-1 = 0
        B2i = 0
    }
    B2A0-1 = alog[2 log[AA0] mod (2r - 1)]
    B0 = 2A0 - 1
}

```

The complexity of this algorithm is linear in the length of the argument. For practical lengths it is much faster than multiplication.

4.5 Modular Reduction

In most cases, the result of a polynomial multiplication or squaring has to be reduced modulo an irreducible polynomial. In general, a reduction of a polynomial A modulo a polynomial B will cancel the highest power of A , say A_i , by adding (or subtracting) a multiple of B of the form αBx^{i-B_0} to A , where $\alpha = A_i B_{B_0}^{-1}$. This operation is repeated for decreasing values of i , until the degree of A is smaller than the degree of B .

A much simpler algorithm is obtained when B is a trinomial with coefficients in $\text{GF}(2)$, because the calculation of α and αB is considerably simplified. The resulting algorithm is given below. A is the polynomial to be reduced, m is the degree, and t is the middle term of the irreducible trinomial, i.e., all B_i are zero, except for B_1, B_{t+1} and B_{m+1} , which are 1.

```

for  $i = A_0$  downto  $m'$  do {
   $A_{i-m} = A_{i-m} \oplus A_i$ 
   $A_{i+t-m} = A_{i+t-m} \oplus A_i$ 
   $A_i = 0$ 
}
update  $A_0$ 

```

Each time the loop is executed, r bits of A are cancelled. If the word length of the processor, denoted by w , is larger than r , then it is more efficient to eliminate w bits at the same time, but this induces some restrictions on the trinomial. E.g., if $r = 16$ and $w = 32$, A_i and A_{i-1} can be eliminated in one loop-operation if there is no overlap between A_{i-1} and A_{i+t-m} . This condition is satisfied if $m - t \geq w/r$.

4.6 Inversion

In general $B = A^{-1} \text{ mod } M$ iff there exists an X such that $BA + XM = 1$, where A, B, X and M are polynomials in our case. B (and also X) can be computed with an extension of Euclid's algorithm for finding the greatest common divisor, a high level description of which is given below ($\text{deg}()$ denotes the degree of a polynomial).

initialize polynomials $B = 1, C = 0, F = A$ and $G = M$

```

1 if  $\text{deg}(F) = 0$  then return  $B/F_1$ 
2 if  $\text{deg}(F) < \text{deg}(G)$  then exchange  $F, G$  and exchange  $B, C$ 
3  $j = \text{deg}(F) - \text{deg}(G), \alpha = F_{F_0}/G_{G_0}$ 
4  $F = F + \alpha x^j G, B = B + \alpha x^j C$ 
5 goto 1

```

This algorithm maintains the invariant relationships $F = BA + XM$ and $G = CA + YM$ (there is no need to store X and Y). In each iteration the degree of the longer of F and G is decreased by adding an appropriate multiple of the shorter.

The invariant relationships are preserved by performing the same operation on B and C . These operations are repeated until F or G is a constant polynomial.

In step 4 of this algorithm, the degree of F is decreased by at least one unit, but there is also a chance that the second-highest power of x is cancelled in F , etc. If all F_i can be considered as random, it can be shown that the degree of F is lowered by $q/(q-1)$ on average, where $q = 2^r$ is the size of the subfield. This number equals 2 for a standard basis, but quickly approximates 1 for larger subfields. On the other hand, for fixed n , convergence is faster for larger r , because in each step the length of A is decreased by about r bits. Therefore this algorithm is faster in a polynomial basis over $\text{GF}(2^r)$ than in a standard basis.

In [SOOS95] the *almost inverse* algorithm is proposed to calculate inverses in standard basis. It finds a polynomial B and an integer k satisfying $BA + XM = x^k$. The inverse can be found by dividing x^k into B modulo M . The algorithm can be generalized to polynomials over larger subfields. A high level description is given below.

```

    initialize integer  $k = 0$ , and polynomials  $B = 1, C = 0, F = A, G = M$ 

0  while  $F$  contains factor  $x$  do  $F = F/x, C = Cx, k = k + 1$ 
1  if  $\deg(F) = 0$  then return  $B/F_1, k$ 
2  if  $\deg(F) < \deg(G)$  then exchange  $F, G$  and exchange  $B, C$ 
3   $\alpha = F_0/G_0$ 
4   $F = F + \alpha G, B = B + \alpha C$ 
5  goto 0

```

The algorithm maintains the invariant relationships $x^k F = BA + XM$ and $x^k G = CA + YM$ (again, there is no need to store X and Y). Line 0 removes any factor x from F while preserving the invariant relationships. Note that after line 0 neither F nor G have a factor x . Line 2 makes sure that $\deg(F) \geq \deg(G)$. Line 4 is crucial: it adds a multiple of G to F (and the same multiple of C to B and implicitly the same multiple of Y to X to preserve the invariant relationships), such that F has a factor x again, which will be extracted in the next loop.

When analyzing the almost inverse algorithm, we observe that its behaviour is very similar to the Euclidean algorithm given above. The main difference is that it cancels powers of x from lower degree to higher degree, whereas the Euclidean algorithm moves from higher degree to lower degree. In standard basis, the former has two important benefits. Firstly, many bitwise shift operations are saved in line 4 because there is no multiplication by x^j . Secondly, if $\deg(F) = \deg(G)$ before line 4, which happens in roughly 20 % of the cases, the addition of G will decrease the degree of F . This reduces the number of iterations and hence the execution time.

These two advantages of the almost inverse algorithm are irrelevant for polynomials over larger subfields: there are no bitwise shift operations and, if $\deg(F) = \deg(G)$, the probability that the degree of F is decreased in line 4 is very small (approximately $1/q$). The somewhat surprising conclusion is that the Euclidean algorithm and the almost inverse algorithm have a comparable speed

for polynomials over $\text{GF}(2^r)$, the former is even slightly more efficient because there is no division by x^k .

5 Comparison with Standard Basis

An important advantage of working with coefficients in $\text{GF}(2^r)$ is that no bit operations are needed. A disadvantage is that the word size is limited because of the memory requirements for the lookup tables. This limitation can be bypassed in the modular reduction and in the final division step after the almost inverse algorithm, but for the multiplication and the almost inverse algorithm, which represent the majority of the total execution time of an elliptic curve addition, we see no obvious way to handle w bits in one step. Therefore, an increase in processor word size is likely to result in a larger speed gain for standard basis implementations than for implementations based on polynomials over $\text{GF}(2^r)$.

We compare our multiplication algorithm in a little more detail to the basic multiplication algorithm in standard basis given below. We use \ll and \gg to denote a bitwise shift-operation to the left and to the right respectively, and we let the line numbers start from 21 to avoid confusion with the multiplication algorithm of Sect. 4.3.

```

21 if  $A_0 = 0$  or  $B_0 = 0$  then
22    $C_0 = 0$ 
23 else {
24   for  $i = 1$  to  $A_0$  do
25     for  $j = 0$  to  $w - 1$  do
26       if  $j$ -th bit of  $A_i$  is 1 then {
27         lower =  $B_1 \ll j$ 
28         higher =  $B_1 \gg (w - j)$ 
29          $C_i = C_i \oplus$  lower
30         for  $k = 2$  to  $B_0$  do {
31            $C_{k+i-1} = C_{k+i-1} \oplus$  higher
32           lower =  $B_k \ll j$ 
33           higher =  $B_k \gg (w - j)$ 
34            $C_{k+i-1} = C_{k+i-1} \oplus$  lower
35         }
36          $C_{B_0+i} = C_{B_0+i} \oplus$  lower
37       }
38   update  $C_0$ 
39 }
```

The loop formed by lines 24 and 25 is iterated n times. The test on line 26 is successful in 50 % of the cases on average, such that the loop on lines 30 to 35 is executed $n/2$ times. This loop runs over n/w values, such that lines 31 to 34 are executed $n^2/(2w)$ times. In the multiplication algorithm of Sect. 4.3, the loop on line 5 is iterated n/r times and the test on line 6 is almost always true (i.e., with probability $(2^r - 1)/2^r$). The same reasoning can be repeated for lines 7 and 8,

such that the inner loop on line 9 is executed about $(n/r)^2$ times. So we can state approximately that the algorithm in Sect. 4.3 will be faster if executing line 9 once takes less time than executing lines 31 to 34 $r^2/(2w)$ times (for $r = 16$ and $w = 32$ this factor equals 4). Which one is faster depends heavily on the programming language, compiler, microprocessor, and cache size. Similar comparisons can be made for the inversion (the other field operations constitute only a negligible part of the execution time of an elliptic curve operation).

Note that the standard basis algorithm given above can be optimized further. One important optimization, which we used for our timings, is to precalculate a table of shifted versions of B to avoid the shift operations in the inner loop.

6 Timings

We timed our routines for $r = 8$ and $r = 16$. For $r = 8$ the lookup tables take only 512 bytes and will fit in the first-level cache memory of any present day microprocessor; for $r = 16$ this is not the case, but the number of words is smaller for fixed n . The latter was considerably faster in our tests, therefore we will only give timings for this case.

The routines were written in ANSI-C. We used the WATCOM C 10.6 compiler and executed the tests in protected mode on a Pentium/133 based PC. Table 2 gives detailed timing results for $\text{GF}(2^{177})$ in standard basis and $\text{GF}(2^{176})$ in a polynomial basis over $\text{GF}(2^{16})$. We used an irreducible trinomial for the modular reduction and inversion. For standard basis, the word size w equals 32 bits. The listed figures are for the fastest routines, e.g., the almost inverse algorithm for standard basis and the extended Euclidean algorithm for polynomials over $\text{GF}(2^{16})$. All routines have a comparable optimization level, although we put a little less effort in the reduction, squaring and addition routines, since they have a minor impact on the overall elliptic curve operations.

Table 2 also contains timing estimates for some elliptic curve operations. These estimates were calculated by adding the times needed for the various suboperations. For the exponentiation (i.e., the repeated elliptic curve group operation), a simple double-and-add/subtract algorithm was assumed. With this algorithm, 176 doublings and on average 59 additions/subtractions are needed for one exponentiation.

The figures in table 2 show a small but significant advantage for the representation of the field elements as polynomials over $\text{GF}(2^{16})$. However, the proportions might change and even be reversed depending on the implementation, computer platform, field size, optimization level, etc. In addition to the possible speed gain, the routines for this alternative representation tend to be more readable and less error prone than for standard basis.

7 Conclusion

We have presented a software implementation of basic arithmetic operations in finite fields of characteristic 2. We have shown that other representations than

Table 2. Times for basic operations on polynomials over $\text{GF}(2)$ and over $\text{GF}(2^{16})$. The lengths of the polynomials are suited for field operations in $\text{GF}(2^{177})$ and $\text{GF}(2^{176})$ respectively. The tests were run on a Pentium/133 based PC using the WATCOM 10.6 ANSI-C compiler.

	standard basis	pol. over $\text{GF}(2^{16})$
mult. 177/176 bits \times 177/176 bits	71.8 μs	62.7 μs
inversion 177/176 bits	225 μs	160 μs
mod. red. 353/351 bits to 177/176 bits	8.1 μs	1.8 μs
squaring 177/176 bits	2.7 μs	5.9 μs
addition 177/176 bits	1.1 μs	1.2 μs
EC addition (est.)	404 μs	306 μs
EC doubling (est.)	411 μs	309 μs
EC exponentiation 177 bit exponent (est.)	96 ms	72 ms

standard basis and (optimal) normal basis can be used and can have some important benefits. An interesting result is that the almost inverse algorithm offers no advantages for calculating inverses of polynomials over a subfield larger than $\text{GF}(2)$.

Acknowledgment

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AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 24, 2018

TIME	DESCRIPTION	PRESENTER
8:00	University of Idaho, LBB 1-53	Chuck Staben, President University of Idaho
	Agricultural Research & Extension Service, LBB 1-47	Michael Parrella, Dean College of Agricultural and Life Sciences
	Washington-Idaho Veterinary Education, LBB 1-83	
	UNIVERSITY OF IDAHO: SPECIAL PROGRAMS	
	Forest Utilization Research, LBB 1-111	Kurt Pregitzer, Dean College of Natural Resources
	Geological Survey, LBB 1-111	Janet Nelson, Vice President Research and Economic Development
	Closing Remarks	Chuck Staben, President University of Idaho
	HEALTH EDUCATION PROGRAMS	
	WWAMI, LBB 1-83	Dr. Jeff Seegmiller, Assistant Dean University of Washington School of Medicine
	<i>Break</i>	
	University of Utah, LBB 1-83	Dr. Benjamin Chan, Associate Dean Admissions and Idaho Affairs University of Utah School of Medicine
	Boise Internal Medicine, LBB 1-83	Dr. Melissa Hagman, Program Director
	Psychiatry Education, LBB 1-83	Dr. Kirsten Aaland, Program Director

Family Medicine Residencies, LBB 1-83
Eastern Idaho Medical Residencies, LBB 1-83
Bingham Internal Medicine Residencies, LBB
1-83

Dr. Ted Epperly, Executive Director

Senate Reconvenes: 11:00

House Reconvenes: 10:30

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 24, 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

LSO STAFF PRESENT: Janet Jessup

ABSENT/ EXCUSED: None

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

AGENCY PRESENTATION: **University of Idaho**

PRESENTER: **Chuck Staben, President University of Idaho and Janet Jessup, Budget & Policy Analyst**
President Staben provided an extensive overview of the mission, statewide impact, and institutional highlights of the University of Idaho. He then briefly spoke on the direct admission program and the Apply Idaho Common Application System program.

Ms. Jessup, reviewed FY 2017 actual expenditures and the analysis of fund balances. She also reviewed the 2018 budget, including #4 line items, three of which were not recommended by the Governor.

AGENCY PRESENTATION: **Agricultural Research & Extension Service**

PRESENTER: **Michael Parrella, Dean College of Agricultural and Life Sciences and Janet Jessup, Budget & Policy Analyst**
Dean Parrella provided an extensive overview of the College of Agricultural and Life Sciences (CALs). He then briefly spoke on the study, that was commissioned last year, to determine the economic impact of the three largest research and extension centers in CALs. Dean Parrella spoke briefly on the FY 2019 line item request of the Nuclear Seed Potato Facility.

Ms. Jessup, reviewed the FY 2017 actual expenditures and the analysis of fund balances. She then briefly discussed the one line item, not recommended by the Governor.

AGENCY PRESENTATION: **Washington-Idaho Veterinary Education**

PRESENTER: **Michael Parrella, Dean of College of Agricultural and Life Sciences and Janet Jessup, Budget & Policy Analyst**

Dean Parrella provided an overview of the Washington-Idaho Veterinary education program.

Ms. Jessup reviewed the FY 2017 actual expenditures and the analysis of fund balances. She then briefly discussed the FY 2019 budget, noting that there were no line items for this budget.

**AGENCY
PRESENTATION:**

University of Idaho: Special Programs — Forest Utilization Research

PRESENTER:

Kurt Pregitzer, Dean College of Natural Resources and Janet Jessup, Budget & Policy Analyst

Dean Pregitzer provided an overview of the Forest Utilization Research program.

Ms. Jessup reviewed the FY 2017 actual expenditures and the analysis of fund balances. She then discussed the two line item requests for FY 2019 budget. Those two lines were 1) FUR, Wood Utilization/Building Faculty, requesting 1.00 FTP and \$137,900 from the general fund and 2) FUR, Livestock Impacts on Rangeland, requesting \$185,400 from the general fund for two graduate-level student positions to serve as field researchers to study grazing and sage grouse on Idaho's rangelands, of this amount \$144,300 is ongoing and \$41,100 is onetime. Neither of these requests were recommended by the Governor.

**AGENCY
PRESENTATION:**

University of Idaho: Special Programs — Geological Survey

PRESENTER:

Janet Nelson, Vice President Research and Economic Development and Janet Jessup, Budget & Policy Analyst

Vice President Nelson provided an overview of the Idaho Geological Survey (IGS) program. She then discussed the request on replacement items which is for two workstations with lidar-capable computers, one Wacom Cintiq digitizing tablet, and one color printer.

Ms. Jessup reviewed the FY 2017 actual expenditures and the analysis of fund balances. She then discussed the one line item request for FY 2019 budget which is for 1.48 FTP and \$101,900 ongoing from the general fund for a geological publication editor and administrative assistant to support the Idaho Geological Survey (IGS) staff. This line item was not recommended by the Governor.

**AGENCY
PRESENTATION:**

**Health Education Programs —
WWAMI ~ Washington, Wyoming, Alaska, Montana, and Idaho**

PRESENTER:

Dr. Mary Barinaga, Assistant Clinical Dean for the WWAMI program, Dr. Jeff Seegmiller, Assistant Dean University of Washington School of Medicine and Janet Jessup, Budget & Policy Analyst

Dr. Barinaga, Assistant Clinical Dean, provided an overview of the WWAMI program which serves as a regional medical education program.

Ms. Jessup reviewed the FY 2017 actual expenditures. She continued with the FY 2018 budget stating that there were no audit findings and one line item request.

Dr. Seegmiller discussed the one line item request for FY 2018, graduate medical education funding in the amount of \$300,000.

Ms. Jessup continued with the FY 2019 line item request. This request is for 4.35 FTP and \$871,700 from the general fund to support class expansion and operations of an 18 month curriculum for medical students attending classes on the University of Idaho campus.

Dr. Seegmiller gave an overview of the FY 2019 line item requests.

**AGENCY
PRESENTATION:**

University of Utah

PRESENTER:

**Dr. Benjamin Chan, Associate Dean Admission and Idaho Affairs
University of Utah School of Medicine and Janet Jessup, Budget and Policy Analyst**

Dr. Chan gave an overview of the Utah School of Medicine.

Ms. Jessup reviewed the FY 2017 actual expenditures and noted there were no reversions. She continued with the FY 2018 noting one line item for \$86,000 and FY 2019 one line item request for \$87,600 for two additional seats for third-year students. **Dr. Chan** gave a brief overview of the FY 2019 line item request.

**AGENCY
PRESENTATION:**

Boise Internal Medicine

PRESENTER:

Dr. Melissa Hagman, Program Director and Janet Jessup, Budget and Policy

Dr. Hagman gave an in-depth overview of the Boise Internal Medicine program. She continued that there are nine internal medicine residency spots per year and gets approximately 1,000 applications for those nine positions.

Ms. Jessup reviewed the FY 2017 actual expenditures and the FY 2018 line items. She continued with the FY 2019 budget request of \$405,000 ongoing from the general fund to increase state funding for residents and new residency positions. This line item was not recommended by the Governor.

**AGENCY
PRESENTATION:**

Psychiatry Education

PRESENTER:

Dr. Kirsten Aaland, Program Director and Janet Jessup, Budget & Policy Analyst

Dr. Aaland gave an overview of the Psychiatry Education program.

Ms. Jessup presented the FY 2017 actual expenditures. The FY 2018 budget had no replacement items, line items, or audit findings. Ms. Jessup continued with FY 2019 budget; there was one line item request. The line item request is for \$240,000 ongoing from the general fund to increase state funding for eight residency. The Governor recommended \$82,200 ongoing from the general fund to increase the state's share of funding to \$30,000 per resident.

AGENCY
PRESENTATION:

Family Medicine Residencies
Eastern Idaho Medical Residencies
Bingham Internal Medicine Residencies

PRESENTER:

Dr. Ted Epperly, Executive Director and Janet Jessup, Budget & Policy Analyst

Dr. Epperly provided a brief summary on the Family Practice Residency program.

Ms. Jessup reviewed the FY 2017 line items and the FY 2018 action noting one appropriation of \$1,250,000, no intent language or audit findings. She continued with the inflationary adjustment and replacement items, noting neither was recommended by the Governor. Ms. Jessup reviewed the FY 2019 budget request for 5.00 FTP and \$2,825,000 ongoing from the general fund to enhance resident salaries and benefits, expand pharmacy residency opportunities and support residencies out of Idaho State University. Ms. Jessup reviewed the Eastern Idaho Medicine Residencies and the Bingham Internal Medicine program, noting these are new programs. The Eastern Idaho Medicine has requested \$705,000 and the Governor recommended \$405,000 ongoing from the general fund for an internal medicine director, internal medicine residency coordinator, and ten internal medicine residents. The Bingham Internal Medicine has requested \$825,000 and the Governor recommended \$465,000 ongoing from the general fund for an internal medicine director, internal medicine residency coordinator, and 12 internal medicine residents.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 10:31 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 25, 2018

TIME	DESCRIPTION	PRESENTER
8:00	PUBLIC SCHOOL SUPPORT Public School Support (K-12), LBB 1-3	Sherri Ybarra, Superintendent of Public Instruction
	<i>Break</i>	
	Public School Support: Questions and Answers	Sherri Ybarra, Superintendent of Public Instruction
	STATE BOARD OF EDUCATION Superintendent of Public Instruction (Department of Education), LBB 1-119	Sherri Ybarra, Superintendent of Public Instruction
	PUBLIC SCHOOL SUPPORT Educational Services for the Deaf and Blind, LBB 1-39	Brian Darcy, Administrator Idaho Educational Services for the Deaf and the Blind

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 25, 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 8:01 A.M.

AGENCY PRESENTATION: **PUBLIC SCHOOL SUPPORT: PUBLIC SCHOOL SUPPORT (K-12)**

LSO STAFF PRESENTATION: **SHERRI YBARRA, SUPERINTENDENT OF PUBLIC INSTRUCTION:** Thanks the committee and reviews the agency and the needs for the agency, Talks about the three goals she has for Idaho: 1: All Idaho students preserve in life and are ready for college and careers, 2: All education stakeholders in Idaho are mutually responsible for accountability and student progress; 3: Idaho attracts and retains great teachers and leaders. Highlights the Stakeholders advice. Idaho stakeholders are responsible for Idaho students. Reviews locally controlled schools, increase in the graduation rate along with college credits in high school. Highlights the challenges in Idaho schools: educator shortage, bullying and harassment. Administrators request ‘Stay The Course’ and trust us in the local boards.

ROBYN LOCKETT: Reviews the agency FY 2017 expenditures and endowment funds (B-12 Forms) and moves into reviewing FY 2018 appropriations and Moves into reviewing FY 2019 budget request; **YBARRA:** Reviews the FY 2019 budget request and line items. Reviews line items in detail.

([AUDIO](https://go.usa.gov/xnJKK)) (<https://go.usa.gov/xnJKK>) ([PRESENTATION](https://go.usa.gov/xnJkk)) (<https://go.usa.gov/xnJkk>)

In response to committee questions, **SHERRI YBARRA, SUPERINTENDENT**, reviews how the Limited English Proficiency Program has benefited the Limited English speaking students. She reviews how they adopted new standards and a new test. She also states that some districts are doing training in technology to keep teachers up-to-date with the new technology, its up to the districts to keep technology and instruction fun and innovative.

In response to committee questions, **CHRISTINA NAVA**, talks about how the Imagine Learning Software is needed to help assist the 16,000 plus students in Idaho. The program has already helped with 7,000 students, but they need more funding to expand to more limited English learner students.

([AUDIO](https://go.usa.gov/xnJKK)) (<https://go.usa.gov/xnJKK>)

AGENCY PRESENTATION: **STATE BOARD OF EDUCATION: SUPERINTENDENT OF PUBLIC INSTRUCTION (DEPARTMENT OF EDUCATION)**

LSO STAFF PRESENTATION: **SHERRI YBARRA, SUPERINTENDENT:** Reviews the Department's budget request and describes the agency. Highlights the three goals of the department: 1: the needs of children must drive any necessary change; 2: every student can learn and must have a highly effective teacher in the classroom; and 3: current and new resources must focus on the demands of the twenty-first century.
ROBYN LOCKETT: Reviews the FY 2017 expenditures then moves into the fund balances sheets (B-12 Forms) and moves into FY 2018 appropriations; with no questions moves into FY 2019 budget and line items.
YBARRA: Reviews the FY 2019 budget and request line items.
([AUDIO](https://go.usa.gov/xnJKT)) ([PRESENTATION](https://go.usa.gov/xnJKT))
(<https://go.usa.gov/xnJKD>)

In response to committee questions, **GIDEON TOLMAN, DFM**, states that the Governor supports small schools, but does not recommend a State wide formulized network to facilitate collaboration.
([AUDIO](https://go.usa.gov/xnJKT)) (<https://go.usa.gov/xnJKT>)

AGENCY PRESENTATION: **PUBLIC SCHOOL SUPPORT: EDUCATIONAL SERVICES FOR THE DEAF AND BLIND**

LSO STAFF PRESENTATION: **BRIAN DARCY, ADMINISTRATOR:** Reviews the agency and introduces staff. The agency helps children from birth through high school. They provide accessibility, quality and equity to students in the state with sensory impairments through a continuum of service and placement options.
([AUDIO](https://go.usa.gov/xnJB9)) ([PRESENTATION](https://go.usa.gov/xnJB9))
(<https://go.usa.gov/xnJKY>)

QUESTIONS: In response to committee questions, BRIAN DARCY, ADMINISTRATOR, states they have purchased Brailer Technology, that takes a sheet of paper homework and prepares the homework with brail. Also was awarded a grant of \$10,000 to purchase a augmented sandbox that uses X-Box technology to allow students to build hills and mountains of Idaho in a virtual sandbox.
([AUDIO](https://go.usa.gov/xnJB9)) (<https://go.usa.gov/xnJB9>)

LOCKETT: Reviews the FY 2017 expenditures and reviews B11 forms and moves into FY 2018 appropriations

DARCY: Reviews FY 2018 budget and appropriations.
([AUDIO](https://go.usa.gov/xnJB9)) ([PRESENTATION](https://go.usa.gov/xnJB9))
(<https://go.usa.gov/xnJKY>)

LOCKETT: Reviews the FY 2019 budget request.

DARCY: Reviews the FY 2019 replacement items.

LOCKETT: Reviews 3 line items.

DARCY: Reviews the important reasons for line item 1.

LOCKET: Reviews line item 2.

DARCY : Reviews the important reasons for line item 2.

LOCKETT: Reviews the line item 3.

DARCY: Reviews the important reasons for line item 3.

([AUDIO](https://go.usa.gov/xnJB9)) ([PRESENTATION](https://go.usa.gov/xnJB9))
(<https://go.usa.gov/xnJKY>)

QUESTIONS: In response to committee questions, BRIAN DARCY, ADMINISTRATOR, states they started helping 50 babies back in 2009 and now help over 157 deaf and hard of hearing children. Also was helping 25 babies in 2009 and now are helping 75 blind or visually impaired children.
([AUDIO](https://go.usa.gov/xnJB9)) (<https://go.usa.gov/xnJB9>)

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 10:20 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 26, 2018

TIME	DESCRIPTION	PRESENTER
8:00	Department of Water Resources, LBB 4-47	Gary Spackman, Director
	Department of Agriculture, LBB 5-5	Celia Gould, Director
	Wolf Depredation Control Board, LBB 6-109	Carl Rey, Member-at-Large
	<i>Break</i>	
	Division of Vocational Rehabilitation, LBB 1-127	Jane Donnellan, Administrator
	Commission for the Blind and Visually Impaired, LBB 6-53	Beth Cunningham, Administrator
	Commission on Aging, LBB 6-43	Judy Taylor, Administrator

Senate Reconvenes: 11:15
House Reconvenes: 8:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 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

LSO STAFF PRESENT: Rob Sepich and Jill Randolph

ABSENT/ EXCUSED: None

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

DEPARTMENT OF WATER RESOURCES

PRESENTER: **Gary Spackman, Director and Rob Sepich, Budget & Policy Analyst**

Director Spackman presented an overview of the duties of the Department of Water Resources. He stated the mission of the Department of Water Resources is to serve the citizens of Idaho, by insuring that water is conserved and is available for the sustainability of Idaho's economy and ecosystem and resulting in equal quality of life.

Rob Sepich reviewed the FY 2017 actual expenditures and the analysis of fund balances.

Director Spackman discussed the following two audit findings:

Finding #1 — A note receivable for \$2.9 million was not reported to the Office of the State Controller in the loans and notes receivable closing package

Finding #2 — Capital assets totaling \$4,385,000 were not properly recorded or reported to the Office of the State Controller.

DEPARTMENT OF AGRICULTURE

PRESENTER: **Celia Gould, Director and Rob Sepich, Budget & Policy Analyst**

Rob Sepich presented the FY 2017 actual expenditures and the analysis fund balances.

Director Gould spoke on the FY 2018 JFAC line items and the replacement items. There was a total of six budget requests for FY 2019, they are as follows:

1. Lab Quality Assurance Manager, request is for 1.00 FTP, \$84,300 in personnel costs, \$6,000 for operating expenditures, and \$2,200 in capital outlay for a total of \$92,500. This request is 50% general fund and 50% from dedicated funds.
2. Dairy Program Inspectors, request is for 2.00 FTP and a total of \$255,600 from dedicated Dairy Inspection Fees.
3. Marketing Personnel Costs, request is for \$26,000 from the dedicated Agricultural Inspection Fund.

4. Food Safety Grant, request is for 3.00 federally-funded FTP to comply with the Food and Drug Administration agreement.
5. Office Space at IFQAL, this department requests \$500,000 from the Administration.

WOLF DEPREDATION CONTROL BOARD

PRESENTER: Carl Rey, Member-at-Large and Rob Sepich, Budget & Policy Analyst

Carl Rey stated the Wolf Depredation Control Board was created in 2014 within the office of the Governor and the board is tasked through Idaho Code to manage funds for wolf depredation control in the state. The funds managed by the board are comprised of fees collected by the cattle and sheep industries, brand registrations, surcharge on the sale of wool, hunting and fishing licenses, sportsman fees, and the states general fund. Mr. Rey stated this is the fifth budget enhancement request and by statute after five years the boards authority is scheduled to sunset June 30, 2019. The Wolf Depredation Control Board is proposing new legislation that would repeal the sunset provision allowing the boards authority to continue.

Rob Sepich, Budget & Policy Analyst, stated this budget is a zero fund agency because the appropriation is transferring out cash, it does not have an original appropriation because it is a one-time reverted expenditure. Mr. Sepich reviewed the FY 2017 line items and the analysis of fund balances.

In response to committee questions, **Mr. Rey** stated the \$400,000 is spent on trappers, helicopters, and most of the cost is in investigations.

DIVISION OF VOCATIONAL REHABILITATION

PRESENTER: Jane Donnellan, Administrator and Jill Randolph, Budget and Policy Analyst

Administrator Donnellan gave an overview of the three programs under the Division of Vocational Rehabilitation, 1) Vocational Rehabilitation (VR), 2) Extended Employment Services (EES), and 3) Council for the Deaf and Hard of Hearing (CDHH).

Jill Randolph gave an overview of FY 2017 expenditures and fund balances.

Administrator Donnellan stated the one audit finding for FY 2016 has been corrected measures were taken and LSO has signed off and the audit finding will remain open until the single audit FY 2017.

Administrator Donnellan spoke on the FY 2018 line item, increased provider rates in the amount of \$214,300. She stated the additional amount of funding received was for the assistant of recruiting and obtaining the most qualified front line staff to support the individuals served.

Jill Randolph gave an overview of the two adjustments for FY 2018, 1) Inflationary Adjustments — was for office leases, which is a 3% increase over the FY 2019 base and 2) Replacement Items — \$54,000 in onetime capital outlay funds, of which \$12,600 would be from the general fund and \$41,400 would be from the Federal Grant fund.

Administrator Donnellan and Jill Randolph gave an overview of the FY 2019 request, 1) Community Outreach Coordinator, Council for the Deaf and Hard of Hearing. The request is for 1.00 FTP and \$82,600 from the general fund, of which \$78,600 would be ongoing personnel costs and operating expenditures and \$4,000 would be onetime capital outlay, 2) Social Security Reimbursement Coordinator, Vocational Rehabilitation. The request is for 1.00 FTP, \$57,200 in personnel costs, and \$2,700 in onetime capital outlay from the Rehabilitation Revenue and Refunds Fund. The Governor recommended the Social Security Reimbursement Coordinator.

COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

PRESENTER: **Beth Cunningham, Administrator and Jill Randolph, Budget and Policy Analyst**

Administrator Cunnigham stated the Commission for the Blind and Visually Impaired assists individuals who are blind or visually impaired achieve independence. The program helps with education, counseling, and guidance, blindness prevention, reading/taping, and related services, training and job identification.

Jill Randolph reviewed the FY 2017 expenditures and fund balances, noting there are six funds for this one budgeted program. She continued that there were six open audit findings, the first three are in the state wide audit report and are for the Vocational Rehabilitation Grants and the other three are in the management review audit. **Administrator Cunnigham** addressed the audit findings stating all have been corrected or have a corrective action plan and the audit findings will stay open until the next audit. The management audit covered the years 2013–2016.

Jill Randolph reviewed the FY 2018 line item, project coordinator. **Administrator Cunnigham** stated this person started full-time in October.

Jill Randolph reviewed the FY 2019 budget request. She stated that the Governor recommended replacement items in the amount of \$6,000 and the agency request for \$1.700 for ongoing from the general fund for IT/Telecommunications. This was recommended by the Governor.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 11:01 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 29, 2018

TIME	DESCRIPTION	PRESENTER
8:00	DEPARTMENT OF HEALTH AND WELFARE	
	Department of Health and Welfare (overview), LBB 2-7	Russ Barron Director
	Public Health Services, LBB 2-67	Elke Shaw-Tulloch Division Administrator
	Division of Welfare, LBB 2-83	Julie Hammon Division Administrator
	<i>Break</i>	
	Indirect Support Services, LBB 2-29	Dave Taylor Deputy Director
	Licensing and Certification, LBB 2-95	Tamara Prisock Division Administrator

Senate Reconvenes: 11:15

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 29, 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: Agenbroad and Lee

CONVENED: Senator Keough convened the meeting at 8:01 A.M.

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**

LSO STAFF PRESENTATION: **RUSS BARRON, DIRECTOR:** Reviews the Department of Health and Welfare's overview. Department of Health and Welfare provides services and regulatory programs in partnership with taxpayers, consumers, and providers to promote economic well-being, support vulnerable children and adults, enhance public health, and encourage self-sufficiency

JARED TATRO: Reviews how the week will go with all the divisions in the Department of Health and Welfare.
([AUDIO](https://go.usa.gov/xnhD4)) (<https://go.usa.gov/xnhD4>) ([PRESENTATION](https://go.usa.gov/xnhDT)) (<https://go.usa.gov/xnhDT>)

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE: PUBLIC HEALTH SERVICES**

STAFF PRESENTATION: **ELKE SHAW-TULLOCH, DIVISION ADMINISTRATOR:** Reviews the agency overview. Public Health Services is made up of four programs: physical health services, emergency medical service, laboratory services and suicide prevention and awareness.

JARED TATRO: Reviews the FY2017 expenditures, without any questions moves into reviewing the B-11 Forms and B-12 Forms. Without any questions moves into the FY 2018 appropriations.

SHAW-TULLOCH: Reviews the line items for the FY 2018 Appropriations.
([AUDIO](https://go.usa.gov/xnhDa)) (<https://go.usa.gov/xnhDa>) ([PRESENTATION](https://go.usa.gov/xnhDC)) (<https://go.usa.gov/xnhDC>)

In response to committee questions, JARED TATRO, states that TRICARE was funded on a one-time basis each year and has decided to take part in the State immunization program, and reviews the millennium fund.
([AUDIO](https://go.usa.gov/xnhDa)) (<https://go.usa.gov/xnhDa>)

TATRO: Reviews how the intent language for S1165 will apply to the department and reviews the summary of spending and proceeds into the FY 2019 budget and line items.

SHAW-TULLOCH: : Reviews and details the FY 2019 line items.

([AUDIO](https://go.usa.gov/xnhDa)) (<https://go.usa.gov/xnhDa>) ([PRESENTATION](https://go.usa.gov/xnhDC))

(<https://go.usa.gov/xnhDC>)

**AGENCY
PRESENTATION:**

DEPARTMENT OF HEALTH AND WELFARE: DIVISION OF WELFARE

**STAFF
PRESENTATION:**

JULIE HAMMON, DIVISION ADMINISTRATOR: Reviews the agency's overview

TATRO: Reviews the FY 2017 expenditures and with no questions moves into the audits.

HAMMON: Reviews the audit findings in detail.

([AUDIO](https://go.usa.gov/xnhje)) (<https://go.usa.gov/xnhje>) ([PRESENTATION](https://go.usa.gov/xnhjJ))

(<https://go.usa.gov/xnhjJ>)

In response to committee questions, JULIE HAMMON, ADMINISTRATOR, states the audit findings were in relation to a previous employer contractor and is no longer with the department.

([AUDIO](https://go.usa.gov/xnhje)) (<https://go.usa.gov/xnhje>)

TATRO: Reviews the B-11 Forms ([PRESENTATION](https://go.usa.gov/xnhjJ)) (<https://go.usa.gov/xnhjJ>)

In response to committee questions, JARED TATRO, states there was an increase of funds from FY2016 of \$17 million to \$19 million in estimated FY 2019 due the department requesting to replace the Child Support Enforcement System and be taken off the State Controller's system.

([AUDIO](https://go.usa.gov/xnhje)) (<https://go.usa.gov/xnhje>)

TATRO: Reviews the FY 2018 appropriations and line items.

HAMMON: Reviews the two line items from FY 2018 appropriations.

([PRESENTATION](https://go.usa.gov/xnhjJ)) (<https://go.usa.gov/xnhjJ>)

TATRO: Reviews the FY 2018 Expenditures and Reviews the FY 2019 budget and three line items.

HAMMON: Reviews the three line items and with no questions makes closing statements and thanks the committee.

([AUDIO](https://go.usa.gov/xnhje)) (<https://go.usa.gov/xnhje>) ([PRESENTATION](https://go.usa.gov/xnhjJ))

(<https://go.usa.gov/xnhjJ>)

**AGENCY
PRESENTATION:**

DEPARTMENT OF HEALTH AND WELFARE: INDIRECT SUPPORT SERVICES

**STAFF
PRESENTATION:**

DAVE TAYLOR, DEPUTY DIRECTOR: Introduces the staff and reviews the highlights of the agency.

TATRO: Reviews the FY 2017 expenditures and with no questions reviews the five audit findings

TAYLOR: Reviews the five audit findings in details.

TATRO: Reviews the B-11 Forms.

([AUDIO](https://go.usa.gov/xnhjA)) (<https://go.usa.gov/xnhjA>) ([PRESENTATION](https://go.usa.gov/xnhj6))

(<https://go.usa.gov/xnhj6>)

In response to committee questions, DAVE TAYLOR, DEPUTY DIRECTOR, explains the civil monetary penalties for Medicaid.

([AUDIO](https://go.usa.gov/xnhjA)) (<https://go.usa.gov/xnhjA>)

TATRO: Reviews the FY 2018 appropriations and line items.

TAYLOR: Reviews the one line item of adult protection investigator and to how the department is monitoring with the Commission of Aging on Adult Protection issues.

TATRO: Reviews the intent language from Senate Bill 1193 and how it relates to this agency.

TATRO: Reviews the FY 2019 budget and 11 line items and the Governor recommended 6 out of 11.

TAYLOR: Reviews the 1st recommended line item.

([AUDIO](https://go.usa.gov/xnhjA)) ([PRESENTATION](https://go.usa.gov/xnhjA))

(<https://go.usa.gov/xnhj6>)

In response to committee questions, MIKE MCFARLEY, IT, states that Cisco provides the systems, equipment and the licensing and we are responsible for implementing it properly.

([AUDIO](https://go.usa.gov/xnhjA)) (<https://go.usa.gov/xnhjA>)

TAYLOR: Reviews the remaining 5 recommended line items.

([AUDIO](https://go.usa.gov/xnhjA)) ([PRESENTATION](https://go.usa.gov/xnhjA))

(<https://go.usa.gov/xnhj6>)

**AGENCY
PRESENTATION:**

**DEPARTMENT OF HEALTH AND WELFARE: LICENSING AND
CERTIFICATION**

**STAFF
PRESENTATION:**

TAMARA PRISOCK, DIVISION ADMINISTRATOR: Reviews the agency and updates the committee with the review of FY 2017.

TATRO: Reviews the FY 2017 expenditures and with no further questions moves to review the B-11 forms and moves into the FY 2018 appropriation and line items.

PRISOCK: Reviews the FY 2018 line item for the Surveyor Pay increase.

TATRO: Reviews the intent language from Senate bill 1193 and how it relates to the agency. With no questions moves to review the historic summary of the agency and reviews the funds and transfer and the base adjustments then moves into the FY2019 Budget and line item.

PRISOCK: Reviews the line item that was recommended by the Governor.

([AUDIO](https://go.usa.gov/xnhjd)) ([PRESENTATION](https://go.usa.gov/xnhjd))

(<https://go.usa.gov/xnhjf>)

In response to committee questions RUSS BARRON, DIRECTOR, states when they see difficult times in the economy their work goes through a busy time but now that they are stabilized they are looking forward to modernize technology and provide the same services to the same people, it would cost the same during difficult times, but this is the time they feel they can make those requests.

([AUDIO](https://go.usa.gov/xnhjd)) (<https://go.usa.gov/xnhjd>)

There being no further business, Senator Keough adjourned the meeting at 10:48 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 30, 2018

TIME	DESCRIPTION	PRESENTER
8:00	State Appellate Public Defender, LBB 5-109	Eric Fredericksen, State Appellate Public Defender
	Public Defense Commission, LBB 5-97	Kimberly Simmons, Executive Director
	Attorney General, LBB 6-67	Lawrence Wasden, Attorney General
	<i>Break</i>	
	Department of Fish and Game, LBB 4-9	Virgil Moore, Director
	Office of Species Conservation, LBB 6-99	Dustin Miller, Administrator

Senate Reconvenes: 11:15 AM
House Reconvenes: 11:00 AM

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 30, 2018
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, and Nye
Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, and Wintrow
ABSENT/EXCUSED: None
LSO STAFF PRESENT: **Jared Hoskins and Rob Sepich**
CONVENED: **Chairman Bell** call the meeting to order at 8:00 am.
AGENCY PRESENTATION: **State Appellate Public Defender**
PRESENTER: **Eric Fredericksen** gave an overview of the State Appellate Public Defender (SAPD) program. This program was developed in 1998 by Idaho Code section 19-863A. To have access to the SAPD, counties must participate in the capital defense fund, all forty-four counties are participating.
Jared Hoskins reviewed the FY 2017 actual expenditures highlighting the reversions and the analysis of fund balances.
Mr. Fredericksen reviewed the FY 2018 line items and provided an update on the status of their implementation.

1. Capital Evidentiary Hearing Costs
2. Deputy SAPD Retention Plan

Mr. Hoskins reviewed the following:

1. Onetime amounts appropriated for FY 2018 to pay costs associated with the agency's unusually high capital caseload.
2. Inflationary adjustment includes \$2,600 for communication costs; \$1,000 for professional services; \$5,500 for computer services; \$1,600 for rentals and operating leases; and \$1,800 for miscellaneous expenditures.

Mr. Fredericksen reviewed the replacement item for computers and related software/hardware on a rotating basis.

Mr. Hoskins reviewed the following four line items request for FY 2019 budget:

1. Legal Assistant – 1.00 FTP and \$23,900 from the General Fund to hire a legal assistant to support its Appellate Unit. The Governor recommends fully funding the requested FTP.
2. Hearing Travel Costs — \$5,000 in ongoing operating expenditures from the General Fund to pay costs associated with traveling for oral arguments in front of the Idaho Court of Appeals. This is in the Governor’s recommendation.
3. Attorney Training — \$3,000 in ongoing operating expenditures from the General Fund to supplement out-of state, specialized training costs for appellate and capital attorneys. This is not in the Governor’s recommendation.
4. IT/Telecommunications — \$300 in ongoing operating expenditures from the General Fund for internet/security and state network costs as billed by the Office of the Chief Information Officer (OCIO) in the Department of Administration. This is in the Governor’s recommendation.

Mr. Fredericksen addressed the FY 2019 requests stating there has been nine additional attorneys hired since 2001 with only two legal assistants to help and that is the reason for the request of another legal assistant. He continued with the hearing travel costs, the SAPD cut their travel cost and the Idaho Supreme Court was able to accommodate them by not scheduling anything outside of Boise.

**AGENCY
PRESENTATION:**

Public Defense Commission

PRESENTER:

Kimberly Simmons, Executive Director, stated the Public Defense Commission was established in 2014 and was granted additional duties and powers in 2016. She continued their purpose is to improve the public defense delivery system throughout Idaho, their goal is to establish standards and provide resources to counties so they can provide representation to Idaho citizens. Ms. Simmons reviewed the FY 2018 line item Recruit and Retain Regional Coordinators, stating the division was able to fund the pay increases through an object transfer, which helped with the hiring of three regional coordinators.

Jared Hoskins reviewed the FY 2017 actual expenditures.

Jared Hoskins reviewed the following FY 2019 agency requests:

- 1) County Indigent Defense Funds — The agency requests \$186,100 in ongoing trustee and benefit payments from the General Fund to provide to counties for indigent defense. This line item was not recommended by the Governor.
- 2) Public Defender Training — The commission requests \$15,000 in ongoing operating expenditures from the General Fund to provide training to Idaho public defenders. This line item was not recommended by the Governor.
- 3) Commissioner Travel Costs — The agency requests \$10,000 in ongoing operating expenditures from the General Fund to pay travel costs associated with the addition of two new commission members. This line item was recommended by the Governor, but is dependent upon the passage of germane legislation.
- 4) IT/Telecommunications — The commission requests \$3,900 from the General Fund to make IT and Telecommunications upgrades as recommended by the Office of the Chief Information Officer (OCIO) in the Department of Administration.

Kimberly Simmons, Executive Director reviewed the \$10,000, it would help cover travel expenses for the Commissioner's to attend the division's monthly meetings.

**AGENCY
PRESENTATION:**

Attorney General

PRESENTER:

Lawrence Wasden, Attorney General gave an overview of the Attorney General's office, Special Litigation, State Legal Services, and Internet Crimes against Children.

Jared Hoskins reviewed the FY 2017 actual expenditures.

Tara Orr, Chief of Administration Budget Division reviewed the FY 2018 line items. She continued there were two deputy Attorney Generals hired, one for DEQ and the other for the Tax Commission, the hiring of a crime analyst is under way and the CEC was implemented in May.

Jared Hoskins reviewed the FY 2018 Original Appropriation of Removal of Onetime Expenditures — This adjustment removes amounts appropriated in FY 2018 for replacement items and onetime portions of line items in the amount of \$341,300.

Tara Orr, Chief of Administration Budget Division reviewed the replacement items — Requested replacement items include \$91,500 for PCs, laptops, and workstations; \$11,000 for a photocopier; \$30,000 to repair and rewire the data connections on the fourth floor of the Joe R. Williams Building; \$189,400 for servers, storage, and switches; and \$106,800 for software.

Ms. Orr continued with the FY 2019 requests as follows:

- 1) Deputy Attorney General & Paralegal — Revised request and eliminated the request for a paralegal. The revised request is for 1 FTP for a deputy attorney general to help with the Master Settlement Agreement (MSA) with the tobacco industry.
- 2) Deputy Attorney General – ID Department of Correction (IDOC) - The Attorney General requests 1.00 FTP to hire a deputy attorney general (DAG) to assist the Idaho Department of Correction (IDOC) with its litigation of the Walter D. Balla et al. v. Idaho State Board of Correction (Balla) court case.
- 3) ICAC Investigators - The agency requests 2.00 FTP and \$393,800 from the General Fund to hire a forensic computer examiner, a criminal investigator, and an affiliate investigator to address workload increases and investigation backlogs in criminal cases involving internet crimes against children.
- 4) Legal Assistant Increase in Hours - The Attorney General requests \$10,100 in ongoing personnel costs from the General Fund to increase the hours of a legal assistant assigned to the State Tax Commission from 32 to 40 hours per week.
- 5) Time Billing Software - The agency requests \$10,000 in ongoing operating expenditures from the General Fund to purchase time billing software in order to comply with an audit update from the Legislative Audits Division of the Legislative Services Office regarding the Statewide Cost Allocation Plan (SWCAP).

Mr. DeLang stated the money from the Master Settlement Agreement could be perpetual.

**AGENCY
PRESENTATION:**

Department of Fish and Game

PRESENTER: **Virgil Moore**, Director gave an overview of the Department of Fish and Game, highlighting the depredation issues, the hiring of a marketing manager, they are a dedicated fund agency and license sells are key to funding.

Rob Sepich reviewed the following for the FY 2017 actual expenditures:

1) Net Object Transfer was about \$4.7 million and transferred into capital outlay.

Mr. Sepich continued with the following analysis of fund balances:

1) Fish and Game Account - This fund receives money from the sale of licenses/tags/permits, federal grants, and other sources. Expenditures are used to administer fish and game laws and regulate the protection of wildlife.

2) Fish and Game Set Aside – noting the large increase in FY 2018 in revenues due to the increase of license fees.

Virgil Moore, Director reviewed the FY 2018 line items. He continued most of the projects are seasonal and are in the process with the majority of them to be completed by the end of June. The plans for the Region 3 office are being finalized with occupancy projected for March 2019. The sockeye weir reconstruction is nearing completion and should be done by summer.

Director Moore continued with the review of the following FY 2019 requests:

1) Statewide Sportsman's Access - The department requests \$1,000,000 from the Fish and Game Set-aside Fund as the final element of H#230 of 2017 to provide increased access for hunters and anglers. The trailer bill H#317 of 2017 appropriated, among other items, funding primarily for depredation, with \$500,000 for depredation control, and another \$500,000 to fund depredation compensation. This request is to provide ongoing appropriation for access in response to the funds raised through the Access/Depredation fee created in H#230.

2) Headquarters Feasibility Study - requests \$500,000 onetime split between dedicated license fees (\$300,000) and federal funds (\$200,000), to conduct a feasibility study to demolish the existing headquarters building on Walnut Street in Boise and build a new structure to house all staff in one location.

3) Sportsmen's Access Easements - requests \$375,000 in federal Pittman-Robertson Funds to secure a ten year sportsman's access easement that would open up and solidify hunter access on an estimated 2.4 million acres of land. The required state match of \$125,000 for the federal funds would be paid from dedicated set-aside funds already appropriated in the FY 2019 Base. The department has confirmed that it could secure the grant for all ten years of funding up front, ensuring that Pittman-Robertson apportionment would not be forfeited to other states.

4) Fish Screening and Fishing Access - requests \$895,000 in capital outlay for the fish screening program and the fishing and boating access program. The screening program, funded by federal Bonneville Power Administration and NOAA Mitchell Act moneys, installs new screens and fish ways and maintains over 200 existing installations to keep juvenile salmon and steelhead out of irrigation ditches and canals.

5) Hatchery Maintenance and Repairs - department requests \$1,100,000 for hatchery maintenance and repairs. This request is in two parts: \$800,000 from the dedicated Fish and Game Expendable Trust Fund from the Bonneville Power Administration (BPA); and \$300,000 from dedicated license and tag moneys. This request would replace residences at the American Falls and Grace Fish Hatcheries, construct an additional residence at the Nampa Fish Hatchery, and modernize the septic system at the Hayspur Fish Hatchery.

- 6) Credit Card Fees - this request may rise to \$190,000. Payment Card Industry (PCI) compliance costs associated with credit card fees would be covered by the existing \$40,000 in the FY 2019 Base pursuant to H320 of 2017.
- 7) Black Canyon Dam Mitigation - requests \$360,000 from the dedicated Fish and Game Expendable Trust Fund and planned improvements include adding amenities at facilities such as ramps for watercraft, restrooms, parking areas, fencing, and appropriate signage.
- 8) CJ Strike WMA Housing - requests a total of \$200,000 in capital outlay to construct a house for the habitat biologist that manages the CJ Strike Wildlife Management Area (WMA), who currently lives off-site. Housing the biologist on the WMA would help enhance community relations by having a local presence, decreased response time for issues that may arise, and enhanced security.
- 9) Furbearer Monitoring - requests \$51,300 in federal Pittman-Roberson Funds to monitor fisher and wolverine populations, two species reviewed for listing under the Endangered Species Act. Wolverine listing is currently under review in the court system, and a status review is underway for fisher in the Northwest.
- 10) Network Services Upgrades - requests an ongoing enhancement of \$60,000 to cover the increased cost of network services in regional offices and other locations after the transition from T1 copper lines to high speed fiber optic. This request would allow the department to purchase increased speeds and bandwidth for day to day operations and ensure a fast connection at the data backup location. This increase in bandwidth aids in disaster recovery, data intensive services such as GIS, and more responsive connections for daily access.
- 11) Health Insurance for Temporaries - requests a reduction of \$250,700 to cover decreases in health insurance costs for benefited temporary employees.
- 12) OHV Outreach Campaign - ongoing reduction to the FY 2019 Base in the amount of \$116,900 as the Idaho Department of Fish and Game (IDFG) has relinquished the banking duties associated with the Idaho Recreation and Tourism Initiative's Off Highway Vehicle (OHV) public outreach campaign to the Department of Parks and Recreation. IDFG originally assumed the banking duties ten years ago for the "Stay on the Trails" program, however the focus of the campaign has shifted in recent years to a more safety oriented program and is less topical to the mission of IDFG. The Department of Parks and Recreation has sufficient appropriation to assume banking duties.

**AGENCY
PRESENTATION:**

Office of Species Conservation

PRESENTER:

Dustin Miller, Administrator gave an overview of the Office of Species Conservation. It is housed within the executive office of the Governor with a mission to coordinate and implement policies and programs related to the conservation recovery and de-listing of species listed as threaten and endangered candidate for the endangered species act.

Rob Sepich reviewed the FY 2017 reverted Federal grants in the amount of approximately \$5.4 million, this is abnormal for the history of the agency.

Dustin Miller, Administrator stated the division could have many grants open at onetime causing the large reversion.

Dustin Miller, Administrator reviewed the one audit finding from FY 2014–2016. He continued the unearned revenue from grant advances was not properly reported in the fiscal year 2015 or 2016 closing packages. The finding was specifically for the Snake River Basin adjudication trust fund grant.

Rob Sepich reviewed the analysis of fund balances for the Federal Fund.

Dustin Miller, Administrator, reviewed the following FY 2018 line items:

- 1) Sage-Steppe Ecosystem Conservation — Idaho Sage Grouse Conservation Strategy
- 2) Outreach and Coordination

Dustin Miller, Administrator, reviewed the following FY 2019 line items:

- 1) Financial Officer FTP — The Office of Species Conservation (OSC) requests \$95,000 from the General Fund to hire a financial officer position. Accounting and bill paying services are currently being provided by the Division of Financial Management (DFM) at a rate of \$15,000 per year. However, the expansion of programs at the OSC is straining DFM resources. DFM does not typically provide budgeting or grant work, and grants are expected to grow in the future.
- 2) Increase FTP to Full-Time — requests 0.37 FTP to increase a part-time employee to full-time. The employee is entirely federally funded through the Bonneville Power Administration for work on salmon and steelhead conservation and recovery projects, and converting this position to full-time would help distribute workload on projects. This position is out of the Salmon office and would be assigned a pay grade of L, and be eligible for benefits. Increasing this employee to full-time costs an additional \$14,200, paid out of the FY 2019 Base for federal funds.
- 3) Object Transfer OE to PC requests to transfer \$75,000 of General Fund operating expenditures to personnel costs. As the Sage Grouse and Sage Steppe Conservation program has grown, the staff member assigned to oversee and implement the program has been unable to charge time to the General Fund. The current base amount for operating expenditures is \$750,000 annually, of which, the agency is requesting a 10% shift to personnel. These funds will be allocated towards restructuring the duties of an existing FTP and shifting personnel costs to the General Fund.
- 4) IT/Telecommunications — requests \$6,000 from the General Fund to become compliant with the Department of Administration's phone replacement plan, as well as implement updates for cybersecurity.
- 5) Wildlife Policy Work — The Governor recommends the agency retain the \$15,000 ongoing General Fund and federal appropriation currently utilized to pay the Division of Financial Management (DFM) for services and assistance. The agency did not originally request the reduction of \$15,000 paid to DFM that was recommended in the first line item. This recommended line item has been added to retain funding for wildlife policy work in the program.

Director Miller stated there roughly 6 ½ FTP's on Federal funds.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 10:40 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 31, 2018

TIME	DESCRIPTION	PRESENTER
8:00	DEPARTMENT OF HEALTH AND WELFARE	
	Child Welfare, LBB 2-13	Miren Unsworth, Division Administrator
	Services for the Developmentally Disabled, LBB 2-19	
	Healthcare Policy Initiatives, LBB 2-91	Cynthia York, Program Administrator
	<i>Break</i>	
	Division of Medicaid, LBB 2-37	Matt Wimmer, Division Administrator
	State Treasurer, LBB 6-153	Ron Crane, State Treasurer
	Secretary of State, LBB 6-147	Lawrence Denney, Secretary of State

Senate Reconvenes: 11:00

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 31, 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 08:02 A.M.
AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE: CHILD WELFARE**
LSO STAFF PRESENTATION: **MIREN UNSWORTH, DIVISION ADMINISTRATOR:** Reviews the agency and FY 2018. The Division has two budgeted programs and is responsible for child protection, foster care, and adoptions.
JARED TATRO: Reviews the agency and what the agency is requesting for FY 2019 also reviews the FY 2017 expenditures. Moves into reviewing the B-11 Forms with no questions moves into the FY 2018 appropriations.
UNSWORTH: Reviews the FY 2018 line item appropriations.
([AUDIO](https://go.usa.gov/xnhXj)) (<https://go.usa.gov/xnhXj>) ([PRESENTATION](https://go.usa.gov/xQcg6)) (<https://go.usa.gov/xQcg6>)
TATRO: Reminds the committee of the intent language from Senate bill S1164.
UNSWORTH: We submitted our first annual report in December 2017;
TATRO: Reviews the history of the agency's operating budget and comparative summary and reviews the FY 2019 budget and line item.
UNSWORTH: Reviews the details of the line item, it was recommended by the Governor.
([AUDIO](https://go.usa.gov/xnhXj)) (<https://go.usa.gov/xnhXj>) ([PRESENTATION](https://go.usa.gov/xQcg6)) (<https://go.usa.gov/xQcg6>)
In response to committee questions, MIREN UNSWORTH, DIVISION ADMINISTRATOR, explains the two social workers that were appropriated last year. One of the social workers is in the Lewiston office and helps with case loads and has reduced the case load of 18 per social worker down to 13 cases per social worker. The second social worker is in the Twin Falls office and is working with the foster care licensing area, as there was a back log of licenses.
([AUDIO](https://go.usa.gov/xnhXj)) (<https://go.usa.gov/xnhXj>)
AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE: SERVICES FOR THE DEVELOPMENTALLY DISABLED**

PRESENTATION: MIREN UNSWORTH, DIVISION ADMINISTRATOR: Reviews the agency and FY2018;

TATRO: Reviews the agency organization chart and reviews the FY 2017 expenditures; moves into the B-11 Forms.

UNSWORTH: Reviews why they closed the facility in CDA and moved them into other facilities.

([AUDIO](https://go.usa.gov/xQcgd)) (<https://go.usa.gov/xQcgd>) ([PRESENTATION](https://go.usa.gov/xQcgw)) (<https://go.usa.gov/xQcgw>)

In response to committee questions, **MIREN UNSWORTH, DIVISION ADMINISTRATOR**, states that the staff has a ratio on average of 2:1. Also reviews that the division wants to have all the staff to have training for the secure facility and to not limit staff to that facility. After getting the funding for the secure facility last year, they have gone through a slow process when obtaining licenses for the facility. They are currently in the negotiating rule making stage and it takes roughly 90 days for that process. It is the only facility of its kind in the state. Lastly, addresses the majority of the staff are psychiatric technicians and get paid roughly \$14–15 per hour.

([AUDIO](https://go.usa.gov/xQcgd)) (<https://go.usa.gov/xQcgd>)

TATRO: Reviews the operating budget of the agency and moves into the FY 2018 budget and then moves into the SY 2019 Budget and line items.

UNSWORTH: Reviews the two line items for FY 2019.

([PRESENTATION](https://go.usa.gov/xQcgw)) (<https://go.usa.gov/xQcgw>)

In response to committee questions, **MIREN UNSWORTH, DIVISION ADMINISTRATOR**, states that at the time of the Kyler House closing, they had 4 residents and they were placed with a local facility and had 18 staff.

([AUDIO](https://go.usa.gov/xQcgd)) (<https://go.usa.gov/xQcgd>)

AGENCY DEPARTMENT OF HEALTH AND WELFARE: HEALTH CARE POLICY PRESENTATION: INITIATIVES

PRESENTATION: CYNTHIA YORK, PROGRAM ADMINISTRATOR: Reviews the agency and the FY 2018 appropriations. The program was established in 2015 and is responsible for the administration of the State Healthcare Innovation Plan (SHIP and other statewide health-policy initiatives focused on improving Idaho’s healthcare system.

([AUDIO](https://go.usa.gov/xQcgC)) (<https://go.usa.gov/xQcgC>) ([PRESENTATION](https://go.usa.gov/xQcgZ)) (<https://go.usa.gov/xQcgZ>)

In response to committee questions, **CYNTHIA YORK, PROGRAM ADMINISTRATOR**, reviews the telehealth initiative and how it needs a good foundation and structure. But all the payers are reimbursing for the telehealth, it is just slow to receive payment.

([AUDIO](https://go.usa.gov/xQcgC)) (<https://go.usa.gov/xQcgC>)

TATRO: Reviews the agency’s budget and FY 2017 expenditures and moves into the B-11 Forms. Without any questions moves into the FY 2018 appropriations.

YORK: Reviews the FY 2018 line item appropriation.

([PRESENTATION](https://go.usa.gov/xQcgZ)) (<https://go.usa.gov/xQcgZ>)

In response to committee questions, **MATT WIMMER, DIVISION ADMINISTRATOR OF DIVISION OF MEDICAID**, states that all of the funds for the Graduate Medical Education program (GME) go to the residency program.

([AUDIO](https://go.usa.gov/xQcgC)) (<https://go.usa.gov/xQcgC>)

TATRO: Reminds the committee of the intent language from Senate bill 1193 and reviews the operating budget of the agency and moves into the FY 2019 budget and line item.

YORK: Reviews the line item.

([AUDIO](https://go.usa.gov/xQcgC)) (<https://go.usa.gov/xQcgC>) ([PRESENTATION](#))

(<https://go.usa.gov/xQcgZ>)

**AGENCY DEPARTMENT OF HEALTH AND WELFARE: DIVISION OF
PRESENTATION: MEDICAID**

PRESENTATION: MATT WIMMER: Reviews the agency and reviews the budget request for FY 2019. The Division of Medicaid is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability.

([AUDIO](https://go.usa.gov/xQcYE)) (<https://go.usa.gov/xQcYE>) ([PRESENTATION](#))

(<https://go.usa.gov/xQcYu>)

TATRO: Reviews the agency and the organizational chart and moves into the FY 2017 expenditures and without questions moves into the Form B-11s and B-12s.

And without any questions moves into the FY 2018 appropriations and line items.

WIMMER: Reviews the FY 2018 appropriations and line items

([AUDIO](https://go.usa.gov/xQcYE)) (<https://go.usa.gov/xQcYE>) ([PRESENTATION](#))

(<https://go.usa.gov/xQcYu>)

TATRO: Reviews the intent language for the division from Senate bill 1174.

WIMMER: Reviews the contract for non-emergency medical transportation.

TATRO: Reviews the operating budget and reviews the expenditures for all the Medicaid plans and moves into the FY 2019 budget.

WIMMER: Reviews the FY2018 expenditures and the \$9 million short fall and will ask for supplementals.

TATRO: Reviews the FY 2019 and the nondiscretionary adjustments.

([AUDIO](https://go.usa.gov/xQcYE)) (<https://go.usa.gov/xQcYE>) ([PRESENTATION](#))

(<https://go.usa.gov/xQcYu>)

In response to committee questions, **MATT WIMMER, DIVISION ADMINISTRATOR**, states the CEC will work with Medicaid dollars because those dollars are not capped. Also addresses the supplemental request, if the committee approves it, will cover part of the year and the annualization pays for the remainder of the years. If the supplemental does not get approved by the committee then the annualization zeros out. Lastly addresses the rate increase and explains why they have requested supplementals each year instead of a budget line item.

([AUDIO](https://go.usa.gov/xQcYE)) (<https://go.usa.gov/xQcYE>)

TATRO: Moves into the FY 2019 line items.

WIMMER: Reviews the all the line items.

([PRESENTATION](#)) (<https://go.usa.gov/xQcYu>)

In response to committee questions, **SARA STOVER, DFM**, reviews the Governor's recommendations are just that, and will recommend the Division's highest priorities. With the Division of Medicaid line item 38 and 39 were not on the top priority list for the division. Ms. Stover also states that if the Healthcare Plan does pass the funds will be from the Millennium Funds, but if it does not pass then the Millennium Funds will be available for the Committee to use elsewhere.

([AUDIO](https://go.usa.gov/xQcYE)) (<https://go.usa.gov/xQcYE>)

AGENCY **SECRETARY OF STATE**

PRESENTATION:

PRESENTATION: LAWRENCE DENNEY, SECRETARY OF STATE: Due to time restraints, goes right into the line items for FY 2019 Budget. Reviews the supplemental request.

([AUDIO](https://go.usa.gov/xQcYn)) (<https://go.usa.gov/xQcYn>) ([PRESENTATION](https://go.usa.gov/xQcYU))
(<https://go.usa.gov/xQcYU>)

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 10:59 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 01, 2018

TIME	DESCRIPTION	PRESENTER
8:00	DEPARTMENT OF ADMINISTRATION	
	Department of Administration, LBB 6-3	Bob Geddes, Director
	Bond Payment Program, LBB 6-17	Robyn Lockett, Principal Analyst, LSO
	Permanent Building Fund, LBB 6-21	Jan Frew, Administrator Division of Public Works
	Capitol Commission, LBB 6-13	Andy Erstad, Chairman
	Idaho Public Television, LBB 1-103	Ron Pisaneschi, General Manager
	Commission on Hispanic Affairs, LBB 5-63	Margie Gonzales, Executive Director

Senate Reconvenes: 10:45

House Reconvenes: 10:00

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

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 02, 2018

TIME	DESCRIPTION	PRESENTER
8:00	Commission on Aging, LBB 6-43	Judy Taylor, Administrator
	RS25959 State Controller - Statewide System Modernization	Brandon Woolf, State Controller
	DEPARTMENT OF HEALTH AND WELFARE	
	Mental Health Services, LBB 2-51	Ross Edmunds, Division Administrator
	Psychiatric Hospitalization, LBB 2-57	
	Substance Abuse Services, LBB 2-79	

Senate Reconvenes: 11:00

House Reconvenes: 10:15

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 02, 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: **COMMISSION ON AGING**

LSO STAFF PRESENTATION: **JUDY TAYLOR, ADMINISTRATOR:** Reviews the agency and the FY 2018 budget. The Idaho Commission on Aging (ICOA) has the power and duty to implement the Federal Older Americans Act and the Idaho Senior Services Act. ICOA plans, coordinates, and promotes a statewide network designed to support aging Idahoans to live healthy and dignified lives in the communities of their choice.

JILL RANDOLPH: Reviews the agency organizational chart and moves into the FY 2017 expenditures. Then reviews the B-12 Forms.

TAYLOR: Reviews the FY 2017 expenditures.

([AUDIO](https://go.usa.gov/xQczU)) (<https://go.usa.gov/xQczU>) ([PRESENTATION](https://go.usa.gov/xQczp)) (<https://go.usa.gov/xQczp>)

In response to the committee questions, **BRIAN WARNER, SENIOR FINANCIAL SPECIALIST**, states there are about 6–8 ombudsman in each district and the \$553,311 amount on the chart does not include the ombudsman's salaries. He will get a detail breakdown at a later date for the committee.

([AUDIO](https://go.usa.gov/xQczU)) (<https://go.usa.gov/xQczU>)

RANDOLPH: Reviews the FY 2018 appropriations, but there were no line items. Moves into the operating budget and reviews the FY 2019 budget request and line items.

TAYLOR: Reviews the four line items that were recommended by the Governor and with no further questions or comments goes into closing statements and thanks the committee.

([AUDIO](https://go.usa.gov/xQczU)) (<https://go.usa.gov/xQczU>) ([PRESENTATION](https://go.usa.gov/xQczp)) (<https://go.usa.gov/xQczp>)

INTRODUCE RS 25959 STATE CONTROLLER STATEWIDE SYSTEM MODERNIZATION

SENATOR KEOUGH: Explains to the committee this committee has the most knowledge in this subject with the State Controller. The Committee rules allow this bill to be introduced in this Committee.

BRANDON WOLFF, STATE CONTROLLER: Presents RS25959 and reviews the details of the system and the needs that surround the new system to replace the 30 year system currently in place. Reviews the four sections of the RS.

([AUDIO](https://go.usa.gov/xQczR)) (<https://go.usa.gov/xQczR>)

In response to committee questions, BRANDON WOLFF, STATE CONTROLLER, states that by year 6, with the system is fully in place, the system will save the state roughly \$8–10 million each year. Reviews that after everything is bought and up and running will cost \$102 million. Also, states all the agency's that use this system will be contributing roughly \$18.5 million each year. Lastly states, that in order to keep this system moving and up-to-date they have chosen to go with a 'cloud' approach and hopefully will only need to keep the laptops/computers replaced every so often.

In response to committee questions, JANI REVIER, DFM, states that the Governor is very supportive of this new system for the State Controller.

([AUDIO](https://go.usa.gov/xQczR)) (<https://go.usa.gov/xQczR>)

ORIGINAL MOTION

Moved by Rep. Bell, RS25959 to the floor, to the second reading with a due pass, seconded by Rep. Youngblood.

AYES: 20

NAY: 0

AB/EX: 0

([AUDIO](https://go.usa.gov/xQczR)) (<https://go.usa.gov/xQczR>)

AGENCY PRESENTATION: DEPARTMENT OF HEALTH AND WELFARE: MENTAL HEALTH SERVICES

PRESENTATION: ROSS EDMUNDS, DIVISION ADMINISTRATOR: Reviews the agency and the FY 2018 request. Mental Health Services has two divisions, Children Mental Health: provides assessment and evaluation, clinical case management, hospitalization, residential treatment, and therapeutic foster care for children with serious emotional disturbances, and Adult Mental Health: services in Idaho are community based, consumer-guided, and organized through a system of care for adult citizens who experience serious and persistent mental illness.

JARED TATRO: Reviews the two divisions adult and children and the organizational chart. Moves into the FY 2017 expenditures.

([AUDIO](https://go.usa.gov/xQczZ)) (<https://go.usa.gov/xQczZ>) ([PRESENTATION](https://go.usa.gov/xQczX)) (<https://go.usa.gov/xQczX>)

In response to committee questions, **ROSS EDMUNDS, DIVISION ADMINISTRATOR**, states that 60% of kids coming to us have Medicaid and Medicaid is starting to cover more and more. Medicaid is starting to cover the some of the more expensive services. They are seeing the child's needs being met through Medicaid and not solely on us.

([AUDIO](https://go.usa.gov/xQczZ)) (<https://go.usa.gov/xQczZ>)

TATRO: Reviews the B-11 forms for the division, with no questions moves into the FY 2018 appropriations and line items.

EDMUNDS: Reviews the FY 2018 appropriations and line items.

([AUDIO](https://go.usa.gov/xQczZ)) (<https://go.usa.gov/xQczZ>) ([PRESENTATION](https://go.usa.gov/xQczX)) (<https://go.usa.gov/xQczX>)

In response to committee questions, **ROSS EDMUNDS, DIVISION ADMINISTRATOR**, reviews the Crisis Centers and the Governor's recommendation of a little over half the amount requested. The agency wants to get these crisis centers up and running as quick as possible with the essentials they need and the Governor's recommendation helps get them up and running in about 5–6 months. Also, states that the crisis centers in each region are in close contact with each other and communicate regularly.

In response to committee questions, **REP. LUKE MALEK**, states that these crisis centers are bending the cost curve for these communities. As they provide them with more resources to overly packed jails and hospitals. The committee needs to decide how to find a long term funding for these centers.

In response to committee questions, **SARA STOVER, DFM**, states the Governor's office reached out to the Region 2 and asked about how the beds are priced and in each region beds cost differently. They worked with the Region to come up with a recommendation that would help open and run their crisis center and they agreed to this recommendation.

([AUDIO](https://go.usa.gov/xQczZ)) (<https://go.usa.gov/xQczZ>)

EDMUNDS: Reviews the 1 line item for FY 2019.

([AUDIO](https://go.usa.gov/xQczZ)) (<https://go.usa.gov/xQczZ>) ([PRESENTATION](https://go.usa.gov/xQczX)) (<https://go.usa.gov/xQczX>)

**AGENCY DEPARTMENT OF HEALTH AND WELFARE: PSYCHIATRIC
PRESENTATION: HOSPITALIZATION**

PRESENTATION: ROSS EDMUNDS, ADMINISTRATOR: Reviews the agency and the three budgets: State Hospital South, State Hospital North and Community Hospitalization.

TATRO: Reviews the agency organizational chart and the three hospitals budget and moves into the FY 2017 expenditures. Without questions moves to the B-11 Forms and moves into the FY 2018 appropriations and line items.

EDMUNDS: Reviews the FY 2018 appropriations and line items.

([AUDIO](https://go.usa.gov/xQcz4)) (<https://go.usa.gov/xQcz4>) ([PRESENTATION](https://go.usa.gov/xQczj)) (<https://go.usa.gov/xQczj>)

TATRO: Reviews the operating budget for the agency and reviews the FY 2019 budget and line items.

EDMUNDS: Reviews the line items in detail.

([AUDIO](https://go.usa.gov/xQcz4)) (<https://go.usa.gov/xQcz4>) ([PRESENTATION](https://go.usa.gov/xQczj)) (<https://go.usa.gov/xQczj>)

**AGENCY DEPARTMENT OF HEALTH AND WELFARE: SUBSTANCE ABUSE
PRESENTATION:**

PRESENTATION: ROSS EDUMNDS: Reviews the agency and the FY2018 budget then moves into FY 2019 budget.

TATRO: Reviews the FY 2019 budget and line items.

EDMUNDS: Reviews the three line items in detail.

([AUDIO](https://go.usa.gov/xQcza)) (<https://go.usa.gov/xQcza>) ([PRESENTATION](https://go.usa.gov/xQcza))

(<https://go.usa.gov/xQczY>)

In response to committee questions, **ROSS EDMUNDS, DIVISION ADMINISTRATOR**, reviews the need for federal grants and when they go away, the division struggles. The Federal grant that was for the opioid crisis was \$3.3 million and that helped a lot of people and without it they have to cut services.

([AUDIO](https://go.usa.gov/xQcza)) (<https://go.usa.gov/xQcza>)

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 10:15 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 05, 2018

TIME	DESCRIPTION	PRESENTER
8:00	Idaho Transportation Department, LBB 1-121	Brian Ness, Director
	SELF-GOVERNING AGENCIES	
	REGULATORY BOARDS, LBB 1-103	
	Bureau of Occupational Licensing	Tana Cory, Bureau Chief
	Board of Professional Engineers and Land Surveyors	Keith Simila, Executive Director
	<i>Break</i>	
	MEDICAL BOARDS, LBB 5-87	
	Board of Medicine	Anne Lawler, Executive Director
	Board of Nursing	Sandra Evans, Executive Director
	Board of Pharmacy	Alex Adams, Executive Director
	Board of Veterinary Medicine	Jeremy Brown, Executive Director
	State Liquor Division, LBB 6-79	Jeffrey Anderson, Director
	Idaho State Lottery, LBB 5-83	

Senate Reconvenes: 11:00

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 05, 2018

TIME: 8:00 A.M.

PLACE: Room C310

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

LSO STAFF PRESENT: Christine Otto and Maggie Smith

ABSENT/ EXCUSED: None

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

AGENCY PRESENTATION: **Idaho Transportation Department**
Transportation Services

PRESENTER: **Brian Ness**, Director, gave an overview of the Idaho Transportation Department. He continued there has been a 10% cut in workforce since 2010 and they are adjusting where it is necessary. The changes that are being made is providing greater services for the citizens of Idaho. Director Ness continued that the Governor's 2019 recommendations reflects their fiscal responsibility.

Christine Otto reviewed the FY 2017 analysis of fund balances for the State Highway fund, Aeronautics fund, Transportation Expansion & Congestion Mitigation fund, Strategic Initiatives Program fund and GARVEE Debt Service fund.

Christine Otto reviewed the FY 2017 actual expenditures for Transportation Services.

Director Ness addressed the following FY 2018 line items:

1. Winterized Maintenance Facilities
2. Idaho Airport Aid Program
3. Backup and Recovery Infrastructure
4. Load-Balanced Network Initiative
5. Security and Forensics Software
6. Idaho Airport System Plan Fed Funding
7. Disadvantaged Entities Fed Funds
8. Cybersecurity

AGENCY PRESENTATION: **Idaho Transportation Department**
Motor Vehicles

PRESENTER: **Christine Otto** reviewed the FY 2017 actual expenditures noting the net transfers between objects and programs. \$3.63 million was reverted. She continued there were four line items approved for FY 2018.

Director Ness addressed questions from the committee. The DMV computer system is switching to new vendors.

Christine Otto reviewed the FY 2018 base adjustment of \$40,000 which was recommended by the Governor. This base adjustment is to remove funds appropriated through H#320 of 2017 for payment card industry (PCI) compliance. The department will not have a PCI compliance contract or expense because of the method of payment collection. She continued there was a replacement items request of \$625,400 to replace routers/switches (including licensing), workstations, county communication equipment, office equipment, open and close signs, and vision testers.

**AGENCY
PRESENTATION:**

**Idaho Transportation Department
Highway Operations**

PRESENTER: **Christine Otto** reviewed the FY 2017 actual expenditures noting the net transfer of \$13,269,000 from personal cost to operating expenditures and capital outlay. There was a net transfer of about \$5.18 million, a receipt to appropriations for \$959,600 do to settlements. There was a \$4,668,100 reverted.

Christine Otto reviewed the FY 2019 budget. The division is requesting \$19,031,100 in replacement items to replace computers, chairs, monitors, televisions, pallet jacks, an impact wrench, an industrial weed eater, truck ramps, a port replicator, office equipment, and various trucks and equipment that may be eligible for the Buy Back Program.

**AGENCY
PRESENTATION:**

**Idaho Transportation Department
Contract Construction & Right-of-Way Acquisition**

PRESENTER: **Christine Otto** reviewed the FY 2017 actual expenditures noting the department's appropriation was \$645,820,300 with a net transfer of \$6.9 million, current year re-appropriation of \$360,098,200. In FY 2018 there was one line item approved for Contract Construction Funds, this request is for additional funds that were not forecasted in the beginning that might want to be used. There is one line item for FY 2019 and that request is Excess Revenue and Receipts which requests spending the additional money that was not expected.

**AGENCY
PRESENTATION:**

**Self-Governing Agencies
Regulatory Boards**

Christine Otto stated the Regulatory Boards are made up of five budgeted programs and each program is its own agency. The five agencies are:

1. Outfitters and Guides Licensing Board
2. Real Estate Commission
3. Bureau of Occupational Licensing
4. Board of Professional Engineers and Land Surveyors
5. Board of Accountancy

All five agencies are budgeted on dedicated funds.

Ms. Otto continued with the FY 2017 actual expenditures for the Board of Accountancy, the original appropriation was for \$554,200 with \$117,200 being reverted back. There were no line items for FY 2018.

**AGENCY
PRESENTATION:**

Outfitters and Guides Licensing Board

Christine Otto reviewed the FY 2017 analysis of fund balances stating the original appropriation was for \$626,000 and there was a reversion of \$157,900. There were no line items for FY 2018.

**AGENCY
PRESENTATION:**

Real Estate Commission

Christine Otto reviewed the FY 2017 actual expenditures stating the original appropriation was for \$1,690,900 and there was a reversion of \$322,800. There were no line items for FY 2018. There is one request for a replacement truck for \$25,900.

**AGENCY
PRESENTATION:
PRESENTER:**

Bureau of Occupational Licensing

Tana Cory, Chief Bureau of Occupational Licensing, stated the board serves thirty boards with 40 FTP's. All thirty boards are self supporting, they do not operate with General Fund money. Each board needs to be self supporting and if the board has a negative balance then they will work with the germane committee for a fee increase and if a board's balance exceeds a year to a year and a half of its budget then they will work with the germane committee for a fee decrease. The following boards will have a fee decrease this year: 1) The architects, 2) Genetic councilors, 3) Landscape architects, and 4) Occupational therapist.

Tana Cory addressed the committee's question about the negative cash balance in the 2013 — 2017 audit report showing a negative cash balance totaling \$509,478. She continued there were eight boards showing a negative balance. On October 26, 2017 the bureau showed six boards with negative balances totaling \$356,573 as of December 1st that was down to five boards with a negative balance of \$305,005 and as of the end of January there are still five boards with a negative balance but the total negative balance is down to \$290,490. She continued that they will work with the germane committee to bring those boards out of the red.

Christine Otto reviewed the FY 2017 actual expenditures stating the original appropriations was for \$4,080,700 and there was a reversion of \$303,500. She continued with the review of the analysis of fund balances noting the ending free fund balance is slowly increasing.

Tana Cory reviewed the following FY 2018 line items: 1) Appraisal Subcommittee Fees, 2) Operating Funds for IT Support, 3) Database Upgrade, 4) PCI Compliance (H184aaS)

**AGENCY
PRESENTATION:
PRESENTER:**

Board of Professional Engineers and Land Surveyors

Keith Simila, Executive Director, stated the Board of Professional Engineers and Land Surveyors has been licensing engineers and surveyors in Idaho since 1919 and the board has been in existence since 1939. The board consists of seven members and the Governor added a public member to the board. Their job is to make sure engineers and surveyors do their job competently and ethically. They also enforce the laws and rules.

Christine Otto reviewed the FY 2017 fund balances noting the original appropriation was for \$710,300 and there was a reversion of \$14,100. She continue reviewing the analysis of fund balances noting there was a supplemental for \$65,000.

Director Simila reviewed the three line items for FY 2018. 1) IT Fiber Optic Cable Installation, 2) Database and Software Updates, and 3) Stipend & Attorney Fee Increase

Christine Otto reviewed the FY 2019 inflationary adjustment for \$1,100 in contract inflation due to an increase in its annual lease and replacement items for a laptop, five phones, one router, and two wireless access points for \$6,900.

Director Simila reviewed the FY 2019 budget requests, 1) Attorney Fee Increase — for legal fees due to investigations and disciplinary hearings expected during FY 2019, 2) Deputy Director Land Surveying — requesting a new position for a deputy director for land surveying. This would be a full-time position and the agency is requesting \$98,300 ongoing and \$1,200 onetime, 3) IT/Telecommunications — for upgrades

**AGENCY
PRESENTATION:
PRESENTER:**

**Medical Boards
Board of Medicine**

Maggie Smith gave an overview of the medical boards stating there are five boards that regulate various medical professions in the state and the boards operate independently of each other but are budgeted as a single division. The five boards are:

1. Board of Dentistry
2. Board of Medicine
3. Board of Pharmacy
4. Board of Veterinary Medicine
5. Board of Nursing

These are all dedicated fund agencies and generate revenue primarily from professional licensure fees.

Board of Dentistry

Ms. Smith reviewed the FY 2017 actual expenditures for the Board of Dentistry, stating the original appropriation was for \$611,400, total expenditures were \$505,100. She noted the unusually large reversion of \$106,300 and that was due to receiving a onetime \$40,000 line item to upgrade the licensing system which they were able to complete under budget and revert the balance.

She continued with the analysis of fund balance stating the difference in revenues every other year is due to license renewals being done every other year.

Board of Medicine

Anne Lawler, Executive Director, stated the Board of Medicine was established in 1897 and is a self-governing and self-supporting agency that does not receive General Fund dollars. The board operates with dedicated funds. The licensing trend has been on the rise, since 2009 licensing of physicians has grown 97% and physician assistant licensing has grown 67%. Ms. Lawler reviewed the following FY 2019 agency requests:

1. Cyber Insurance for Contractor — The Board of Medicine requests \$10,000 in ongoing operating expenditures from the State Regulatory Fund for increased contractual costs for new cyber liability insurance requirements for contractors with the state.
2. Walls for Front Desk Area — The Board of Medicine requests \$2,000 in onetime capital outlay from the State Regulatory Fund to install wall panels in its reception area. Currently, the Board of Medicine's front desk reception area is exposed and open to the public. The addition of walls will create a more efficient work space for the front desk receptionist and provide a physical security barrier.
3. The three salary increases for, 1) Pre-Litigation Manager, 2) Associate Director Salary Increase, and Executive Director Salary Increase.
4. Licensing Manager Position — The Board of Medicine requests 1.00 FTP and \$78,900 in ongoing personnel costs from the State Regulatory Fund to hire a licensing manager. This position is requested at 80% of policy for pay grade M (\$53,900 in salary and \$25,000 in benefits).

Board of Nursing

Sandra Evans, Executive Director, stated the Board of Nursing was established in 1911 for the purpose of safe guarding the public's safety and health welfare.

Maggie Smith reviewed the FY 2019 line item request for IT/Telecommunications — The Board of Nursing requests \$14,800 from the State Regulatory Fund to upgrade existing IT/Telecommunications office equipment based on the Department of Administration's recommendations, as well as to replace office equipment and software at the end of its service life. This request includes: onetime operating expenditures for a phone system upgrade (\$2,800), replacement router (\$2,000), six software licenses (\$1,800), and one projector (\$600); onetime capital outlay to replace a network switch (\$1,500), wireless access point (\$1,000), and ten desktop scanners (\$3,100); ongoing operating expenditures for Internet/Security and State Network services from the Department of Administration (\$1,300), and a Microsoft 365 E-mail Only Subscription (\$700).

Executive Director Evans reviewed the audit finding for 2014 — 2016. The audit finding is the Board's cash balance exceeds internal policies for operating cash needs with approximately double their average annual expenditures. She continued the policy of the board is to have twelve months of operating expenses in the fund and they have about two years in the fund.

Board of Pharmacy

Alex Adams, Executive Director, stated their agency has fifteen full-time staff, they license all pharmacists, pharmacy technicians, wholesalers, and manufacturers. They have approximately 22,000 licensees and they also do inspections and levy discipline when appropriate. They also oversee the state's prescription drug monitoring program, which is one of the tools they use to help fight opioid abuse.

He continued with his review on the FY 2019 budget line items. The following line items were requested:

1) Prescriber Report Cards — The Board of Pharmacy requests \$20,000 in ongoing operating expenditures from the State Regulatory Fund for the annual maintenance of Prescriber Report Cards, a component of the state Prescription Monitoring Program (PMP). Prescriber Report Cards provide a summary of a healthcare provider's own prescribing history, including the provider's ranking compared to the "average" prescriber of the same specialty, and a summary or graphical representation of the provider's prescribing history.

2) DHW Contract — The Board of Pharmacy requests \$120,000 in ongoing operating expenditures from the State Regulatory Fund to complete the requirements of the Prescription Drug Overdose Prevention contract with the Department of Health and Welfare (DHW) for the FY 2019 and FY 2020 contract periods. The request is ongoing because the federal grant is likely to be extended and the current end date is unknown.

Board of Veterinary Medicine

Jeremy Brown, Executive Director, stated the Board of Veterinary Medicine's mission is to protect, to promote public health and safety and welfare by safe guarding the people and animals of this state through professional licensure and certification of veterinary professionals. The board is comprised of five veterinarians and one public member. The board also employs 2.6 staff members.

Maggie Smith discussed the increase in revenue in FY 2017 it was due to a one year temporary increase of the amount charged for licensing fees that was authorized for temporary license increase through a germane committee.

Jeremy Brown, Executive Director, reviewed the FY 2019 line item request for Online Licensing Software — The Board of Veterinary Medicine requests \$105,000 for onetime operating expenditures from the State Regulatory Fund to purchase software to facilitate online licensing. The upgrade will be funded by revenues from FY 2017 that resulted from a one-year increase in license renewal fees authorized by Section 54- 2112A, Idaho Code. The agency currently processes paper licensing applications which are time consuming for staff and prone to data entry errors. The agency currently licenses or certifies approximately 1,550 individuals and requires numerous pages per applicant. Online applications would increase the efficiency and accuracy of processing and reduce staff workload.

**AGENCY
PRESENTATION:**

State Liquor Division

PRESENTER:

Jeffrey Anderson, Director, stated the State Liquor Division is a dedicated fund agency and does not receive General Fund money. He continued 83% of sales are done in the retail stores and 17% to liquor-by-the drink licensees. The per capita consumption remains below the national average. Between FY 2010 and the forecast for the current year the distributions have increased 64%, sales by 53%, and volumes by 30%.

Maggie Smith stated the agency began FY 2017 with an appropriation of \$19,670,900, a net object transfer of \$150,000 from personal costs to operating expenditures, this is a routine transfer done each year. The reverted appropriation was for \$239,600.

Director Anderson reviewed the following FY 2019 line item requests:

1. Relocate or Remodel Seven Stores — The agency requests \$525,800 from the Liquor Control Fund to remodel and/or relocate seven stores in Eagle, Kuna, Meridian, Chubbuck, Burley, Moscow, and Coeur d'Alene. This request includes onetime funds totaling \$7,800 for personnel costs, \$25,000 for operating expenditures, and \$363,000 for capital outlay. The requested ongoing appropriation is \$130,000 for operating expenditures. The agency expects to improve customer service and convenience by coordinating the location of state-run stores in more optimal retail locations. Based on historical trends, the agency anticipates that these enhancements will generate incremental sales and pay back project costs in one to two years.
2. Two New Liquor Stores — The agency requests \$738,100 from the Liquor Control Fund to add two new stores in the Treasure Valley. This request includes onetime funds totaling \$10,000 for operating expenditures and \$230,000 for capital outlay. The ongoing appropriation request includes 4.00 FTP, \$272,100 in personnel costs, and \$226,000 in operating expenditures. This request is part of the agency's strategy to coordinate the location of state-run stores in optimal retail locations in order to maximize customer service and meet consumer expectations. Based on historical trends, it is anticipated that these new stores will generate incremental sales and pay back project costs in less than two years.
3. Additional Labor for Liquor Stores — The agency requests \$138,100 in ongoing personnel costs from the Liquor Control Fund to increase group position staffing levels at the state's larger stores (those processing over

70,000 bottles/year). According to the agency, sales volumes have increased over 50% in the last decade, while staffing levels relative to the amount of sales volume have declined. In the state's largest stores, staffing has reached a level that requires additional resources to maintain adequate customer service and to handle larger workloads that coincide with store growth. This appropriation would fund an amount equal to 12,480 group position hours at an average wage of \$11.07/hour.

4. Warehouse Improvements — The agency requests \$24,000 from the Liquor Control Fund for onetime capital outlay costs to fund two warehouse improvement projects: 1) installation of warehouse rack protectors (\$15,000), and 2) roller style flow racks (\$9,000). The rack protectors provide a safety barrier between warehouse racks and operating equipment, such as forklifts. Additionally, they prevent racks and inventory from being damaged and employees from being harmed. The flow racks are intended to increase the number of pick locations and overall warehouse efficiency.

5. Restore Deputy Director Position — The agency requests 1.00 FTP, \$126,100 in personnel costs, and \$5,000 in operating expenditures from the Liquor Control Fund to restore the deputy director of retail operations position. The State Liquor Division's executive management team was previously comprised of one director and four deputy directors. However, upon the resignation of the deputy director of retail operations in 2012, that role was combined with the deputy director for procurement and distribution. According to the agency, sales have increased 33% since 2012 while the agency has operated with one less deputy. The agency continued to budget for the vacant deputy position for several years, but in FY 2017 reallocated the appropriation to convert temporary store clerks to classified employees. The agency is requesting funding to restore the deputy director position to manage industry trends and operational complexity. Of the request, \$5,000 is for ongoing operating expenditures for travel and other incidentals related to this role.

6. Online Training Resources — The agency requests \$6,000 in ongoing operating expenditures from the Liquor Control Fund for a subscription to a learning materials database. The State Liquor Division maintains an online learning center to make informational training materials such as videos, documents, and manuals available online for the agency's 350 employees. This subscription would provide employees access to 100 new online courses for topics such as customer service, compliance, and basic business skills.

7. Furnishings for Newly Built Office Space — The agency requests \$36,000 in onetime capital outlay from the Liquor Control Fund to add and furnish eight modular cubicles and four new offices at the State Liquor Division central office. The cubicles will consist of divider walls with integrated whiteboards, a desk, floor mat, miscellaneous storage/drawers, and a chair. The offices will have an adjustable desk, chair, floor mat, miscellaneous storage/drawers, two guest chairs, and a shelf. Each space will cost approximately \$3,000 to furnish.

8. Software Enhancements — The agency requests \$99,800 for operating expenditures from the Liquor Control Fund to implement two security-related software enhancements: 1) In order to be compliant with the Center for Internet Critical Security Controls mandated by Executive Order 2017-02, the agency plans to install software that enables stronger scanning of its network environment and reporting of critical events such as hacking

and phishing attempts, unsecure items being added to the network, and hardware errors that could cause outages. The proposed software would link to the agency's existing security programs helping to automate alerts, reduce management of security logs to a single interface, and reduce investigation of false positives. Of the request, \$12,000 is for onetime installation and training, and \$35,000 is requested ongoing for annual costs of the software. 2) The agency requests \$52,800 ongoing to upgrade to Microsoft Office 365 to replace its existing onsite Exchange 2010 and SharePoint 2010 servers. As 2016 will be the last on-premise version of Office or Exchange, the agency is upgrading to the cloud-based Office 365. The cost would include 100 advanced licenses at \$20/month (\$24,000/year), and 300 basic licenses at \$8/month (\$28,800/year) for employees without an office/workstation, such as clerks and warehouse employees. This upgrade will also allow for the capability for single sign on with other applications, such as the agency's online learning center, and sharing of calendar information with other state agencies.

9. Warehouse Career Ladder Restructuring — The agency requests \$64,600 for ongoing personnel costs from the Liquor Control Fund to reclassify and give pay increases to five employees. The agency has been working with the Division of Human Resources and the Division of Financial Management to evaluate its organizational structure and ensure that employees are classified correctly relative to their job responsibilities. According to the agency, warehouse operation has become increasingly more complex creating the need for more highly skilled employees and reduced turnover. The agency plans to establish a career path with development and growth opportunities to ensure long term stability and retain employees with the necessary level of capability and expertise. This would include reclassifying four material handler positions (pay grade G) to supervisor positions (pay grade J), and one supply operations supervisor to a higher level manager position (pay grade M).

10. Add Sunday Hours of Operation — The agency requests \$12,800 for ongoing personnel costs to add new hours of operation at three stores in north Idaho (Orofino, St. Maries, and Priest River).

**AGENCY
PRESENTATION:**

PRESENTER:

Idaho State Lottery

Jeffrey Anderson, Director, stated the Lottery is a dedicated fund that receives no money from the General Fund. Retailers commissions are capped at 6% of sales and administrative expenses at 15%.

Maggie Smith stated the Idaho State Lottery began FY 2017 with an original appropriation of \$5,902,600 and their reversions were \$252,300.

Jeffrey Anderson, Director, reviewed the following line items for FY 2018:

1. POST Certified Detective
2. Marketing Project Manager
3. Training for New Gaming System
4. Headquarters Internet Extension
5. Cybersecurity Insurance

Maggie Smith stated the following was a base adjustment for FY 2019: a base reduction in operating expenditures from the State Lottery Fund due to savings from a newly negotiated contract with its gaming system vendor.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the Committee at 10:43 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 06, 2018

TIME	DESCRIPTION	PRESENTER
8:00	State Independent Living Council, LBB 2-107	Mel Leviton, Executive Director
	Historical Society, LBB 5-69	Janet Gallimore, Executive Director
	<i>Break</i>	
	Department of Lands, LBB 4-25	David Groeschl, Director
	Endowment Fund Investment Board, LBB 4-21	Chris Anton, Manager of Investments

Senate Reconvenes: 11:00

House Reconvenes: 10:45

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 06, 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 08:03 A.M.
AGENCY PRESENTATION: **STATE INDEPENDENT LIVING COUNCIL**
LSO STAFF PRESENTATION: **MEL LEVITON, EXECUTIVE DIRECTOR:** Reviews the agency. Idaho State Independent Living Council (SILC) is actively engaged in activities that assist in providing Idahoans across disabilities and age a greater voice in obtaining services that are consumer-responsive, cost-effective, and community-based.
JILL RANDOLPH: Reviews the FY 2017 expenditures and moves into the B-12 Forms then reviews the FY 2018 appropriations.
DIR. LEVITON: Reviews the FY 2018 appropriations and line item.
RANDOLPH: Reviews the FY 2018 and goes into the FY 2019 budget and line items.
DIR. LEVITON: Reviews the FY 2019 line items.
([AUDIO](https://go.usa.gov/xQxCV)) (<https://go.usa.gov/xQxCV>) ([PRESENTATION](https://go.usa.gov/xQxCM)) (<https://go.usa.gov/xQxCM>)
In response to committee questions, MEL LEVITON, EXECUTIVE DIRECTOR, states that the Tittle VII Grant Fee is a 5% administration fee. The funds are grant fund and then the agency matches the grant funds at 10% and that is where the administration fee comes from.
([AUDIO](https://go.usa.gov/xQxCV)) (<https://go.usa.gov/xQxCV>)

AGENCY PRESENTATION: **HISTORICAL SOCIETY**
PRESENTER: **JANET GALLIMORE, EXECUTIVE DIRECTOR:** Introduces all her staff and reviews the agency. The Idaho State Historical Society is a system of cultural and historic resources was established by statue in 1907.
RANDOLPH: Reviews the FY 2017 expenditures with no questions moves into B-12 Forms and without questions reviews the FY 2018 appropriations.
DIR. GALLIMORE: Reviews the FY 2018 appropriations and the line items.
RANDOLPH: Reviews the FY 2019 budget and replacement items.
DIR. GALLIMORE: Reviews the replacement items in detail.
([AUDIO](https://go.usa.gov/xQxrN)) (<https://go.usa.gov/xQxrN>) ([PRESENTATION](https://go.usa.gov/xQxrm)) (<https://go.usa.gov/xQxrm>)

In response to committee questions, JANET GALLIMORE, EXECUTIVE DIRECTOR, states that the agency makes record deliveries to 35 agencies through the state. Lastly, reviews the roof request will actually be requested through the permanent building fund and not as a line item request.

([AUDIO](https://go.usa.gov/xQxrN)) (<https://go.usa.gov/xQxrN>)

RANDOLPH: Reviews the FY 2019 line items.

DIR. GALLIMORE: Reviews the FY 2019 line items. Details line item six and moves into closing statements.

([AUDIO](https://go.usa.gov/xQxrN)) (<https://go.usa.gov/xQxrN>) ([PRESENTATION](https://go.usa.gov/xQxrm)) (<https://go.usa.gov/xQxrm>)

ITEMS TO SHARE:

DIR GALLIMORE: Gives details about the tribal artifacts that have been brought.

AGENCY PRESENTATION:

DEPARTMENT OF LANDS

PRESENTER:

DAVID GROESCHL, DIRECTOR: Reviews the agency and introduces his staff;

ROB SEPICH: Reviews the FY 2017 expenditures and without questions moves into the audit findings;

DIR GROESCHL: Reviews the audit findings

SEPICH: Reviews the B-12 Forms

([AUDIO](https://go.usa.gov/xQx26)) (<https://go.usa.gov/xQx26>) ([PRESENTATION](https://go.usa.gov/xQx2S)) (<https://go.usa.gov/xQx2S>)

In response to committee questions, **DAVID GROESCHL, DIRECTOR**, states that if all the fire season bills from 2015, 2016, and 2017 came into today it would total roughly \$8.6 million. They are working with the Federal Government to get those bills, but it does take time. If the committee does not appropriate then the agency would come back next year and ask for a supplemental for what bills come in.

([AUDIO](https://go.usa.gov/xQx26)) (<https://go.usa.gov/xQx26>)

SEPICH: Continues with the B12 forms;

DIR GROESCHL: Reviews the FY 2018 appropriations and line items.

SEPICH: Reviews the FY 2019 budget and replacement items.

([PRESENTATION](https://go.usa.gov/xQx2S)) (<https://go.usa.gov/xQx2S>)

SEPICH: Reviews the replacement items.

DIR GROESCHL: Reviews the replacement items.

SEPICH: Reviews the ten line items;

DIR GROESCHL: Reviews all ten line items.

([PRESENTATION](https://go.usa.gov/xQx2S)) (<https://go.usa.gov/xQx2S>)

In response to committee questions, **DAVID GROESCHL, DIRECTOR**, states that the cost of a fire engine is roughly \$150,000 and they have a shop that builds those engines and saves the agency money and so the fire engine would cost about \$89,500. The old fire engines are offered to different agencies for priority needs and then if no agency takes them then the fire engine is then auctioned off and that money is then put back into the workforce fund for them to use again. The Good Neighbor Authority program is for 10 years and helps throughout the state not only with forests, but waterways as well.

([AUDIO](https://go.usa.gov/xQx26)) (<https://go.usa.gov/xQx26>)

SEPICH: Reviews the second line item that was recommended by the Governor;
DIR GROESCHL: BLM came to us and committed with federal funding to get projects done.

SEPICH: Reviews the third line item.

DIR GROESCHL: Reviews the importance of the line item.

SEPICH: Reviews line items 4–9

([AUDIO](https://go.usa.gov/xQx26)) (<https://go.usa.gov/xQx26>) ([PRESENTATION](https://go.usa.gov/xQx2S))
(<https://go.usa.gov/xQx2S>)

In response to committee questions, **AMBER CHRISTIFFERSON**, DFM, states that the Governor recommends general funds to State agency employees only and not inflationary items, in regards to not recommending the CEC.

([AUDIO](https://go.usa.gov/xQx26)) (<https://go.usa.gov/xQx26>)

SEPICH: Reviews line item 10.

DIR GROESCHL: Reviews the line item and moves into closing statements;

In response to committee questions, **DAVID GROESCHL**, DIRECTOR, reviews they hired a historian and an Assistant Attorney General to help with the Historical Sales of previous Land purchases. They should be wrapped up with the work within the year.

([AUDIO](https://go.usa.gov/xQx26)) (<https://go.usa.gov/xQx26>)

AGENCY ENDOWMENT FUND INVESTMENT BOARD
PRESENTATIONS:

PRESENTER: **CHRIS ANTON, MANAGER OF INVESTMENTS:** Reviews the agency and introduces staff. The Endowment Fund Investment Board (EFIB) is responsible for managing the investments of the land grant endowment funds, the State Insurance Fund and other moneys as required by law.

ROB SEPICH: Reviews the FY 2017 expenditures.

([AUDIO](https://go.usa.gov/xQx2G)) (<https://go.usa.gov/xQx2G>) ([PRESENTATION](https://go.usa.gov/xQx2H))
(<https://go.usa.gov/xQx2H>)

SEPICH: Reviews the B12 forms and without questions moves into the FY 2018 appropriations and moves into FY 2019 budget and replacement items.

([AUDIO](https://go.usa.gov/xQx2G)) (<https://go.usa.gov/xQx2G>)

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 10:25 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 07, 2018

TIME	DESCRIPTION	PRESENTER
8:00	DEPARTMENT OF CORRECTION, LBB 3-3 Management Services, LBB 3-7 State Prisons, LBB 3-15 County & Out-of-State Placements, LBB 3-27 Correctional Alternative Placement, LBB 3-31 Community Corrections, LBB 3-35 Community-Based Substance Abuse Prevention LBB 3-43 Medical Services, LBB 3-47	Henry Atencio, Director
	<i>Break</i>	
	Commission of Pardons and Parole, LBB 3-51	Sandy Jones, Executive Director
	SUPPLEMENTAL APPROPRIATIONS	
	DEPARTMENT OF CORRECTION	Jared Hoskins, Principal Analyst
	p. 14, #24 County & Out-of-State Placement, LBB 3-29	LSO
	p. 14, #25 Correctional Alternative Placement, LBB 3-33	
	p. 17, #32 Medical Services, LBB 3-49	

Senate Reconvenes: 10:45

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 07, 2018

TIME: 8:00 A.M.

PLACE: Room C310

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

LSO STAFF PRESENT: Jared Hoskins

ABSENT/ EXCUSED: None

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

AGENCY PRESENTATION: **Department of Correction**
Management Services

PRESENTER: **Henry Atencio, Director** gave an over view of the Department of Correction stating the department provides services for approximately 24,000 people under their jurisdiction. He continued with the explanation of the one audit finding for FY 2014-2016. The finding was for a travel policies that is not consistently enforced with their own policy regarding the submittal time of travel vouchers.
Jared Hoskins reviewed the FY 2017 actual expenditures for Management Services.
Director Atencio reviewed the following FY 2018 line items, stating those should be implemented by June 2018: 1) Wireless Access 2) MS Office Subscriptions
Jared Hoskins reviewed the following: Removal of Onetime Expenditures - This decision unit removes onetime amounts appropriated in FY 2018 for replacement items, line items, re-appropriations, and supplemental appropriations. Base Adjustments - Ongoing base adjustments include a reallocation of ongoing General Fund operating expenditures between programs to align the appropriation with functional needs.
Director Atencio discussed the replacement items will be for, computer equipment, a vehicle and software upgrades.

Jared Hoskins stated there were three enhancement requests for Management Services, they are as follows:

- 1) Offender Management System (OMS) – was in the Governor's recommendation as a supplemental but a greater amount.
- 2) Time-Tracking System – was not recommended by the Governor.
- 3) Data Storage – was included in the Governor's recommendation, and was lumped in with the Offender's Management System supplemental
- 4) IT/Telecommunications – was included in the Governor's recommendation, but was originally requested as a supplemental.

Director Atencio responded to committee questions, stating the Offender Management System is important to the entire operations. These systems are antiquated and are limited in their functionality. Reflections was developed more than 20 years ago and CIS's architecture is more than 12 years old and was converted from an even older system. He continued they were funded last year to hire a manager, the primary role was to look at the state of the Offender Management System data capability and to help develop their business needs and a request for proposal so a competitive bid can go out. As of today, there is a RFP ready to go, if the funding is there.

State Prisons

PRESENTER:

Jared Hoskins reviewed the following FY 2107 actual expenditures.

Mr. Atencio reviewed the following FY 2018 line items:

- 1) Instructor Pay – appropriations for \$377,300 to implement a career ladder similar to what is used in public schools. They are anticipating to use approximately 83% of the appropriation for those pay increases.
- 2) Paid Overtime – they have paid out over 19,000 hours of overtime.
- 3) Instructor & Clinician – received fund to provide educational instruction and services to the inmates at the Idaho Maximum Security Institution.
- 4) Vocational Work Program Expansion- Is a revenue funded correctional officer to supervise offenders working outside.
- 5) Range Expansion – Expand firing range, currently in the RFP process.

Jared Hoskins reviewed the Non-cognizable Funds and Transfers.

Annualizations - This decision unit annualizes the amounts requested as a supplemental appropriation for facility expansions in the amount of \$32,800.

Jared Hoskins reviewed the FY 2019 budget stating there were twelve items requested and seven were recommended by the Governor.

Director Atencio reviewed the following line items further:

Facility Expansions - To manage this expected increase, the department has started facility expansions to increase its facility capacity by 99 beds in FY 2018 and by 95 beds in FY 2019.

Common Fare No-Touch Menu – The common fare no-touch menu will consist of at least 19 varieties of pre-packaged and individually wrapped frozen meals that are kosher certified. Department-wide, this request amounts to a total of \$688,100. Of this total amount, \$660,300 is in the State Prisons Division, and \$27,800 is in the Community Work Centers Program in the Community Corrections Division.

Instructional Assistants - The department currently has a contract with Lewis-Clark State College (LCSC) to provide support to the education program at the North Idaho Correctional Institution (NICI). However, LCSC has requested to terminate the contract.

Recreation Area Slab & Cover - This request is for \$91,500 in onetime

capital outlay from the Inmate Labor Fund to replace a concrete slab and construct a steel cover for the recreation area at the South Idaho Correctional Institution (SICI).

Catering Units - The catering units requested here would support fire suppression crews out of SICI and ICIO. According to the department, the catering crews would generate sufficient dedicated fund revenue to sustain the ongoing costs of the new catering units.

Recreation Area at South Boise Women's Correctional Center (SBWCC) - Of the total amount requested, \$2,000 is in ongoing operating expenditures for recreation equipment and supplies; and \$35,000 is in onetime capital outlay for grass and irrigation improvements.

County & Out-of-State Placements

PRESENTER:

Jared Hoskins reviewed the FY 2017 actual expenditures.

Henry Atencio, Director reviewed the FY 2018 budget. He stated the prison population is continuing to increase, they are needing to secure beds in other states. The rate for out-of-state housing will be approximately \$69.95 per inmate per day.

Jared Hoskins reviewed the Population-Driven Costs, these estimates fluctuate on a month-to-month basis as bed counts are updated. The supplemental request is for approximately \$1 million. For FY 2019 the request is for approximately \$5 million. **Director Atencio** stated the population forecast shows continued growth for 2019, they do plan on adding additional beds to existing facilities, if the funds are approved.

Correctional Alternative Placement

Jared Hoskins reviewed the FY 2017 actual expenditures.

Henry Atencio, Director reviewed the FY 2018 line item, Per Diem, Building maintenance and property taxes. The \$53,000 was allocated for the increase in contractual per diem, building maintenance and property taxes.

Henry Atencio, Director reviewed the FY 2019 Population-Drive Costs stating the department requests an ongoing increase in operating expenditures from the General Fund to pay for anticipated increases in per diem rates, maintenance, and property taxes in the Correctional Alternative Placement Program (CAPP)

Community Corrections

PRESENTER:

Jared Hoskins reviewed the following FY 2017 actual expenditures.

Jared Hoskins reviewed the analysis of fund balances for the Parolee Supervision fund.

Henry Atencio, Director reviewed the following FY 2018 line items:

- 1) Probation & Parole — all of the positions were filled by August 2017.
- 2) Paid Overtime

Jared Hoskins reviewed the following:

- 1) Cash transfers & adjustments. T
- 2) Non-cognizable funds and transfers.
- 3) Removal of onetime expenditures.
- 4) Inflationary adjustments.
- 5) Annualizations.

Henry Atencio, Director reviewed just a few of the replacement items highlighting the safety items and the vehicles.

Henry Atencio, Director reviewed the following FY 2019 line item requests:

- 1) Facility Expansions
- 2) Common Fare No-Touch Menu

Community-Based Substance Abuse Prevention

PRESENTER:

Jared Hoskins reviewed the FY 2017 actual expenditures.

Henry Atencio, Director reviewed the following FY 2018 line items:

- 1) Substance Use Disorder (SUD) Services
 - 2) Substance Use Disorder (SUD) Services — Millennium income
- These are treatment dollars that are used in community corrections to provide treatment through the provider network to the probationers and parolees. They also provide treatment to offenders who are at risk to eradicate.

Jared Hoskins reviewed the following for FY 2019:

- 1) One supplemental request for Substance Use Disorder (SUD) services for risk-to-revocate (RTR) for approximately \$1.9 million.

Henry Atencio, Director reviewed the following line items for FY 2019:

- 1) Millennium Fund Replacement — The department requests \$1,859,200 in ongoing trustee and benefit payments from the General Fund to replace funding previously requested and received from the Idaho Millennium Income Fund.
- 2) SUDS Provider Rate Increase — The department requests \$218,900 in ongoing trustee and benefit payments from the General Fund to provide a 5% rate increase to substance use disorder (SUD) service providers. Along with the Department of Health and Welfare, the Department of Juvenile Corrections, and the Idaho Supreme Court, the department has decided to implement a 5% rate increase to SUD service providers for treatment services.
- 3) SUD Services for RTR — This decision unit annualizes the amount requested as a supplemental appropriation for risk-to-revocate (RTR) substance use disorder (SUD) services.

Medical Services

PRESENTER:

Jared Hoskins reviewed the FY 2017 actual expenditures.

Henry Atencio, Director reviewed the FY 2018 line item, Contractual Increases. In FY 2018 they were allocated \$1,985,000 for anticipated contractual per diem increases and also covered the increase in medical contract due to the increasing population.

Jared Hoskins reviewed the following FY 2019 requests:

- 1) Hepatitis-C Treatment — The department requests \$2,979,000 in ongoing operating expenditures from the General Fund to pay for hepatitis-C treatment for approximately 58 inmates in FY 2018
- 2) Population-Driven Costs — The department requests to increase its ongoing General Fund appropriation in Medical Services by \$880,600 in operating expenditures to align its budget with updated offender forecasts and bed utilization estimates.

Henry Atencio, Director reviewed the following FY 2019 line items:

- 1) Mental Health Unit Expansion — The department requests \$751,400 in ongoing operating expenditures from the General Fund to expand the mental health unit at the Idaho Maximum Security Institution (IMSI). To do so, the department would increase capacity for the acute mental health, civil commitment, and cognitive care units.
- 2) Population-Driven Costs — Ongoing operating expenditures from the General Fund are requested to pay for contract medical services provided to offenders housed in state-operated prison facilities and the privately-operated Correctional Alternative Placement Program (CAPP).

**AGENCY
PRESENTATION:**

PRESENTER:

Commission of Pardons and Parole

Sandy Jones, Executive Director gave an overview of the Commission of Pardons and Parole division stating there are 37 FTP, 7 part-time Commissioners, 20 hearing officers, a victim coordinator, 13 administrator support positions, business operation manager and a deputy director. Executive Director Jones continued she has been the Executive Director since 2014.

Jared Hoskins reviewed the FY 2017 actual expenditures.

Sandy Jones, Executive Director gave an overview of the FY 2018 line items.

- 1) Victim Services Technician — The position has just been filled, it was difficult to fill because it is a low paying position. They did hire internally.
- 2) Commissioners and Support

Jared Hoskins reviewed the Removal of Onetime Expenditures

- 1) Office Lease Costs — The commission requests \$47,500 in ongoing operating expenditures from the General Fund to pay for an increase in its office lease costs.
- 2) Commissioner Pay — The agency requests \$23,700 in ongoing personnel costs from the General Fund to pay for an increase in the per diems and variable benefits associated with the commission's projected number of hearing and travel days in FY 2019.
- 3) Commissioner Professional Development — The commission requests \$8,000 in ongoing operating expenditures from the General Fund so that four of its seven members can attend the Association of Paroling Authorities International (APAI) conference on an annual basis.
- 4) Database Maintenance Costs — The commission requests \$9,500 in ongoing operating expenditures from the General Fund to pay for the maintenance costs associated with its Access database, which tracks all parole decisions, creates forms, tracks mail and various petitions, and is the central data repository for the agency.

**UNANIMOUS
CONSENT:**

On request by **Representative Youngblood**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Department of Correction.

CARRIED:

Original Motion

Department of Correction
County & Out-of-State Placement
Correctional Alternative Placement
Medical Services
Supplemental

Moved by **Youngblood**, seconded by **Agenbroad**, for the fiscal year 2018, for the Department of Correction, an ongoing increase of \$1,027,700 in operating expenditures from the General Fund in the County and Out-of-State Placement Program; an ongoing reduction of \$7,300 in operating expenditures from the General Fund in the Correctional Alternative Placement Program; and an ongoing increase of \$880,660 in operating expenditures from the General Fund in the Medical Services Program, for a total net increase of \$1,901,000.

DISCUSSION:

Representative Youngblood stated this motion realigns the department's budget to reflect updated offender forecasts, bed utilization counts, and per diem amounts.

Ayes: 20

Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Horman, Patano (Malek), Burtenshaw, Anderson, Dixon, King, and 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 so ordered by **Chairman Bell**.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 10:17 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 08, 2018

TIME	DESCRIPTION	PRESENTER
8:00	Joint Millennium Fund Committee Recommendations, LBB 6-159	Senator Patti-Anne Lodge Representative Fred Wood
	Catastrophic Health Care Fund (CAT), LBB 2-3	Roger Christensen, Board Chairman
	Department of Juvenile Corrections, LBB 3-77	Sharon Harrigfeld, Director
	<i>Break</i>	
	Department of Parks and Recreation, LBB 4-33	David Langhorst, Director
	Lava Hot Springs Foundation, LBB 4-43	Devanee Morrison, Executive Director
	SUPPLEMENTAL APPROPRIATIONS	
	Lava Hot Springs (Revised Gov's Recommendation)	Rob Sepich, Analyst LSO

Senate Reconvenes: 11:00
House Reconvenes: Not scheduled to meet

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 08, 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, Patano(Malek), Anderson, Dixon, King, Wintrow

**ABSENT/
EXCUSED:** None

CONVENED: Senator Keough called the meeting to order at 08:02 A.M.

AGENCY PRESENTATION: **JOINT MILLENNIUM FUND COMMITTEE RECOMMENDATIONS**

LSO STAFF PRESENTATION: **REP. FRED WOOD:** Reviews the overview of the Committee and reviews what they do recommend to continuing funding to not accept grants for FY 2019.
([AUDIO](https://go.usa.gov/xQxkR)) ([PRESENTATION](https://go.usa.gov/xQxkR))
(<https://go.usa.gov/xQxkU>)

Moved by Rep. Bell, to accept the report from the Joint Millennium Fund Committee, seconded by Sen. Mortimer.
([AUDIO](https://go.usa.gov/xQxkR)) (<https://go.usa.gov/xQxkR>)

AGENCY PRESENTATION: **CATASTROPHIC HEALTH CARE PROGRAM (CAT FUND)**

PRESENTATION: **ROGER CHRISTENSEN, BOARD CHAIRMAN:** Reviews the overview of the agency and introduces his staff. The Catastrophic Health Care Fund (CAT FUND) was established to meet the needs of the medically indigent in Idaho who do not qualify for state or federal health and welfare programs.

JARED TATRO: Reviews the expenditures for FY 2017 and moves into the FY 2018 appropriations. Without any questions moves into the Revenue and Payments Summary. Reviews the Agency's budget request and the Governors Recommendations;

CHAIRMAN CHRISTENSEN: Gives details into the decisions on funding and details of the formula for the balances.

([AUDIO](https://go.usa.gov/xQx8k)) ([PRESENTATION](https://go.usa.gov/xQx8k))
(<https://go.usa.gov/xQx8N>)

AGENCY PRESENTATION: **DEPARTMENT OF JUVENILE CORRECTIONS**

PRESENTATION SHARON HARRIGFELD, DIRECTOR: Introduces the staff and reviews the agency.

JARED HOSKINS: Reviews the agency's FY 2017 expenditures, moves into the B12 Forms without any questions moves into FY 2018 appropriations and line items.

HARRIGFELD: Reviews the FY 2018 appropriations and line items.

([AUDIO](https://go.usa.gov/xQx9T)) ([PRESENTATION](https://go.usa.gov/xQx9T))

(<https://go.usa.gov/xQx9b>)

In response to committee questions, **SHARON HARRIGFELD, DIRECTOR**, states the Millenium Fund helps fund Early Prevention Program for Juveniles in the community. The fund helps keep those programs in place for Juvenile to take part in to stay in the communities and stay out of court.

([AUDIO](https://go.usa.gov/xQx9T)) (<https://go.usa.gov/xQx9T>)

HOSKINS: Reviews the agency's FY 2019 budget request and replacement items.

HARRIGFELD: Reviews the Replacement items.

HOSKINS: Reviews the FY 2019 line items.

([PRESENTATION](https://go.usa.gov/xQx9b)) (<https://go.usa.gov/xQx9b>)

In response to committee questions, **ADAM JARVIS, DFM**, reviews the Governor's recommendations are for the priorities of the agency and the line item for the cook was not on the agency's top priority list. Also, reviews the how the Rule of 80 will not impact the FY 2018 funds, and will go in effect as of July 1, 2018, if the Governor signs the piece of legislation.

([AUDIO](https://go.usa.gov/xQx9T)) (<https://go.usa.gov/xQx9T>)

AGENCY DEPARTMENT OF PARKS AND RECREATION

PRESENTATION:

PRESENTATION DAVID LANGHORST, DIRECTOR: Reviews the agency's overview. The Department of Parks and Recreation was created by H6138 of 1965. Before the creation of the department there existed areas designated scenic and recreational, usually parks and campgrounds.

ROB SEPICH: Reviews the agency's FY 2017 expenditures and without questions moves into B12 Forms with no questions, moves into the FY 2018 appropriations.

LANGHORST: Reviews the FY 2018 appropriations and line items.

SEPICH: Reviews the FY 2019 budget and replacement items.

LANGHORST: Reviews the FY 2019 Replacement items.

([AUDIO](https://go.usa.gov/xQxyb)) ([PRESENTATION](https://go.usa.gov/xQxyb))

(<https://go.usa.gov/xQxyk>)

In response to committee questions, **JIM THOMAS, BUREAU CHIEF**, reviews the major replacement item request was for the Harriman project. As the structures at Harrimen State Park are not rentable in the winter time due to no centralized heat and the structure being 30 years old. The other replacement items were more of the priority in funding.

([AUDIO](https://go.usa.gov/xQxyb)) (<https://go.usa.gov/xQxyb>)

SEPICH: Reviews the FY 2019 budget and line items.

LANGHORST: Reviews the line items.

([PRESENTATION](https://go.usa.gov/xQxyk)) (<https://go.usa.gov/xQxyk>)

In response to committee questions, **DAVID LANGHORTS, DIRECTOR**, reviews the time line of the Hagerman site. Also, states the agency has had numerous public meetings and will continue to have public meetings before building a RV park. The agency will try their best to work with the current private RV Park across the way, while trying to stay around the same price for RV space rentals. The agency wants to work together with the private RV Park.

([AUDIO](https://go.usa.gov/xQxyb)) (https://go.usa.gov/xQxyb)

AGENCY PRESENTATION: LAVA HOT SPRINGS FOUNDATION

PRESENTATION DEVANEE MORRISON, EXECUTIVE DIRECTOR: Reviews the agency's overview. Land administered by the Lava Hot Springs Foundation, consisting of 178 acres along the Portneuf River in Bannock County, was purchased from the tribal government by the federal government in 1902.

ROB SEPICH: Reviews the FY 2017 expenditures and B12 Forms, with no questions moves into FY 2018 appropriation and line items.

MORRISON: Reviews the FY2018 line items.

([AUDIO](https://go.usa.gov/xQxVU)) (https://go.usa.gov/xQxVU) ([PRESENTATION](#))

(https://go.usa.gov/xQxVm)

In response to committee questions, **DEVANEE MORRISON, EXECUTIVE DIRECTOR**, states that all the moneys that come from fees are essentially put right back into the property for upkeep.

([AUDIO](https://go.usa.gov/xQxVU)) (https://go.usa.gov/xQxVU)

SEPICH: Reviews the FY 2019 budget and replacement items.

MORRISON: Reviews the FY 2019 replacement items.

SEPICH: Reviews the FY 2019 line items.

MORRISON: Reviews the details of FY 2019 line items and closing statements.

([AUDIO](https://go.usa.gov/xQxVU)) (https://go.usa.gov/xQxVU) ([PRESENTATION](#))

(https://go.usa.gov/xQxVm)

SUPPLEMENTAL APPROPRIATIONS: LAVA HOT SPRINGS

CONSENT: On request by Rep. Anderson, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Lava Hot Springs Foundation.

Original Motion

Moved by Rep. Anderson, for fiscal year 2018, for Lava Hot Springs Foundation, an additional \$25,000 for operating expenditures, seconded by Sen. Bair.

AYES: 15

NAYS: 0

AB/EX: 5

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.

([AUDIO](https://go.usa.gov/xQxV4)) (<https://go.usa.gov/xQxV4>) ([MOTION](https://go.usa.gov/xQxVZ)) (<https://go.usa.gov/xQxVZ>)

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 10:18 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 12, 2018

TIME	DESCRIPTION	PRESENTER
8:00	IDAHO STATE POLICE, LBB 3-85 Introductory Remarks	Colonel Kedrick Wills, Director
	Brand Inspection, LBB 3-89	Larry Hayhurst, State Brand Inspector
	Peace Officer Standards and Training, LBB 3-103	Victor McCraw, Division Administrator
	Racing Commission, LBB 3-109	Ardie Noyes, Idaho State Racing Commission Business Manager
	Division of Idaho State Police, LBB 3-93	Colonel Kedrick Wills, Director
	Military Division, LBB 6-85	General Michael Garshak, Brigadier General

Senate Reconvenes: 11:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 12, 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 8:02 A.M.

AGENCY PRESENTATION: **IDAHO STATE POLICE**

LSO STAFF PRESENTATION: **COLONEL KEDRICK WILLS, DIRECTOR:** Makes introductions and reviews the division of the Idaho State Police.
([AUDIO](https://go.usa.gov/xQxpN)) (<https://go.usa.gov/xQxpN>)

AGENCY PRESENTATION: **IDAHO STATE POLICE: BRAND INSPECTION**

LSO STAFF PRESENTATION: **LARRY HAYHURST, STATE BRAND INSPECTOR:** Reviews the agency
CHRISTINE OTTO: Reviews the FY 2017 expenditures and the audit findings.
HAYHURST: Reviews the details of the audit findings.
OTTO: Reviews the B12 forms, and the FY 2018 appropriations and line item.
HAYHURST: Reviews the line item from FY 2018 appropriation
([AUDIO](https://go.usa.gov/xQxpP)) (<https://go.usa.gov/xQxpP>) ([PRESENTATION](#)) (<https://go.usa.gov/xQxpd>)

In response to committee questions, **LARRY HAYHURST, STATE BRAND INSPECTOR**, states there is no charge for cattle to come into the state at this time.
([AUDIO](https://go.usa.gov/xQxpP)) (<https://go.usa.gov/xQxpP>)

OTTO: Reviews the FY 2018 budget and moves into the FY 2019 budget.
HAYHURST: Reviews the replacement items for FY 2019.
OTTO: Reviews the one line item for FY 2019.
HAYHURST: Reviews that they have decided to not ask for the line item at this time.
([AUDIO](https://go.usa.gov/xQxpP)) (<https://go.usa.gov/xQxpP>) ([PRESENTATION](#)) (<https://go.usa.gov/xQxpd>)

AGENCY PRESENTATION: IDAHO STATE POLICE: PEACE OFFICER STANDARDS AND TRAINING

LSO STAFF PRESENTATION: VICTOR MCCRAW, DIVISION ADMINISTRATOR: Reviews the agency's overview. Peace Officers Standards and Training Academy (POST) delivers training and technical assistance to all levels of law enforcement throughout the state by providing both basic and specialized training programs for all commissioned peace officers, adult and juvenile corrections officers and dispatchers.

CHRISTINE OTTO: Reviews the FY 2017 expenditures.
([AUDIO](https://go.usa.gov/xQxfu)) (<https://go.usa.gov/xQxfu>) ([PRESENTATION](https://go.usa.gov/xQxGx)) (<https://go.usa.gov/xQxGx>)

In response to committee questions, **VICTOR MCCRAW, DIVISION ADMINISTRATOR**, reviews the agency has the spending authority for their appropriation and the agency's spending sources came in much less than the appropriation, therefore the agency did not have enough cash to use the whole appropriation. Also, states that they certified an estimate of 600 new peace officers to 911 dispatchers this past year.

([AUDIO](https://go.usa.gov/xQxfu)) (<https://go.usa.gov/xQxfu>)

OTTO: Reviews B12 forms and with no questions moves into the FY 2018 budget and moves into FY 2019 Budget and replacement items.

([PRESENTATION](https://go.usa.gov/xQxGx)) (<https://go.usa.gov/xQxGx>)

In response to committee questions, **VICTOR MCCRAW, DIVISION ADMINISTRATOR**, states the major discipline officer does not have to pay tuition fees but the discipline officers which include misdemeanor probation officer and communications officers do pay for tuition. Also, reviews what a hall monitor is at the academy.

([AUDIO](https://go.usa.gov/xQxfu)) (<https://go.usa.gov/xQxfu>)

OTTO: Reviews the FY 2019 Budget and line items.

MCCRAW: Reviews the FY 2019 line items.

([PRESENTATION](https://go.usa.gov/xQxGx)) (<https://go.usa.gov/xQxGx>)

In response to committee questions, **VICTOR MCCRAW, DIVISION ADMINISTRATOR**, reviews the POST Training and how it is catered to each category of officers. Also, reviews the agency never knows if their classes will get filled up or if they will need additional class training, but with adding an additional training of 15 weeks it will cost the agency more.

([AUDIO](https://go.usa.gov/xQxfu)) (<https://go.usa.gov/xQxfu>)

AGENCY PRESENTATION: IDAHO STATE POLICE: RACING COMMISSION

LSO STAFF PRESENTATION: **ARDIE NOYES, IDAHO STATE RACING COMMISSION BUSINESS MANAGER:** Reviews the overview of the agency. The Racing Commission maintains horse racing requirements that protect racing participants and the public from illegal actions surrounding racing operations.
OTTO: Reviews the FY 2017 expenditures and reviews the audit findings.
NOYES: Reviews the audit finding.
OTTO: Reviews the B12 forms and reviews the FY 2018 appropriations and line items.
NOYES: Reviews the FY 2018 line items.
OTTO: Reviews the FY 2019 budget.
([AUDIO](https://go.usa.gov/xQxfp)) (<https://go.usa.gov/xQxfp>) ([PRESENTATION](https://go.usa.gov/xQxfw)) (<https://go.usa.gov/xQxfw>)

AGENCY PRESENTATION: **IDAHO STATE POLICE**

LSO STAFF PRESENTATION: **COLONEL KEDRICK WILLS DIRECTOR:** Reviews the agency.
CHRISTINE OTTO: Reviews the FY 2017 expenditures without questions moves to the audit findings.
COLONEL: Reviews the audit findings.
OTTO: Reviews the B12 forms without any questions moves on to FY 2018 appropriations and line items.
COLONEL: Reviews the line items.
OTTO: Reviews the FY 2019 budget, replacement items and line items.
COLONEL: Reviews the FY 2019 replacement items.
OTTO: Reviews the line items.
COLONEL: Reviews the 16 line items in detail.

In response to committee questions, **COLONEL KEDRICK WILLS**, states the agency is doing an experimental program with cameras on motorcycles. Also, states the agency is trying to help with the drug testing on scene but there are not any tests other than blood draws that really get a good result.

AGENCY PRESENTATION: **MILITARY DIVISION**

LSO STAFF PRESENTATION: **GENERAL MICHAEL GARSHARK, BRIGADIER GENERAL:** Introduces the staff and reviews the agency. The Military Division is headed by the Adjutant General, who is appointed by and reports to the Governor. The division serves as the state's National Guard, the Idaho Office of Emergency Management, Public Safety Communications, and the Public Safety Communications Commission.
([AUDIO](https://go.usa.gov/xQxf8)) (<https://go.usa.gov/xQxf8>) ([PRESENTATION](https://go.usa.gov/xQxfN)) (<https://go.usa.gov/xQxfN>)

OTTO: Reviews the FY 2017 expenditures without questions moves into the audit findings.

GENERAL: Reviews the audit findings.

OTTO: Reviews the B12 forms without questions moves into the FY 2018 appropriations and line items.

GENERAL: Reviews the line items.

OTTO: Reviews the FY 2019 replacement items.

GENERAL: Reviews the FY 2019 replacement items.

OTTO: Reviews the FY 2019 budget and line items.

GENERAL: Reviews the FY 2019 line items recommended by the Governor.

([AUDIO](https://go.usa.gov/xQxf8)) (<https://go.usa.gov/xQxf8>) ([PRESENTATION](https://go.usa.gov/xQxfN))

(<https://go.usa.gov/xQxfN>)

In response to committee questions, **GIDEON TOLMAN, DFM**, states the Governor did not recommend line item 3 due to Idaho already having a standard mitigation plan and this would make it an enhanced plan and the general fund priorities across the state came in more of a priority. Regarding line item 7, was requested last year and this year, the agency has current employees taking on the position's responsibilities and general fund priorities across the state were more of a priority.

([AUDIO](https://go.usa.gov/xQxf8)) (<https://go.usa.gov/xQxf8>)

ADJOURNED:

Having no further business, Senator Keough adjourned the meeting at 10:05 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 13, 2018

TIME	DESCRIPTION	PRESENTER
8:00	State Employee Health Insurance Reserves Update	Paul Headlee, Division Manager LSO
SUPPLEMENTAL APPROPRIATIONS		
	p. 17, #33 Animal Identification Software, LBB 3-91	Christine Otto, Analyst LSO
	p. 20, #38 Dig Line - Damage Prevention, LBB 5-59	
	p. 22, #43 Replace District 3 Shop, LBB 5-129	
	p. 25, #50 Land Lease, LBB 6-87	
DEPARTMENT OF HEALTH AND WELFARE		
	p. 5, #3 Child Welfare Additional Staff, LBB 2-15	Jared Tatro, Principal Analyst LSO
	p. 6, #5 Backfill FY 2017 Held Payments, LBB 2-40	
	p. 6, #6 Receipt Authority Fund Shift, LBB 2-40	
	p. 8, #9 Community-Based Personal Care Scvs, LBB 2-41	
	eWic Implementation Project (Revised Gov's Recommendation)	
	FY 2018 cash transfer related to TRICARE, LBB 2-70	

Senate Reconvenes:
House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 13, 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

LSO STAFF PRESENT: Paul Headlee, Christine Otto and Jared Tatro

ABSENT/ EXCUSED: None

CONVENED: **Chairman Bell** convened the meeting at 8:00 a.m.

AGENCY PRESENTATION: **State Employee Health Insurance Reserves Update**

LSO STAFF PRESENTATION: **Paul Headlee**, Division Manager gave an overview of State Employee Health Insurance Reserves.

LSO STAFF PRESENTATION: **Supplemental Appropriations**
Animal Identification Software
Christine Otto gave a brief overview of the supplemental request. The Governor recommended \$86,400 onetime from the general fund for development of a software program to facilitate the electronic management of animal identification numbers and other data pertaining to livestock movement. She continued in FY 2017 there was a supplemental appropriation of \$250,000 with reappropriation authority.

UNANIMOUS CONSENT: On request by **Representative Youngblood**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Idaho State Police.

CARRIED: Original Motion
Idaho State Police
Brand Inspection
Supplemental
Moved by **Youngblood**, seconded by **Crabtree**, to move for fiscal year 2018, for the Idaho State Police, in the Brand Inspection Program, an additional \$86,400 in onetime operating expenditures 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
Nays: 0
Absent: 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 this will quickly repay for itself and it will give the inspectors the ability to accurately track thousands of head cattle across Idaho.

LSO STAFF PRESENTATION: **Supplemental Appropriations
Dig Line — Damage Prevention**
Christine Otto gave a brief overview of the supplemental request. The request is for a onetime amount of \$83,600 in federal funds. With \$23,600 for personnel costs and \$60,000 in operating expenditures.

UNANIMOUS CONSENT: On request by **Representative Dixon**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Division of Building Safety.

CARRIED: Original Motion
**Building Safety
Dig Line Grant
Supplemental**
Moved by **Dixon**, seconded by **Crabtree**, to move for fiscal year 2018, for the Division of Building Safety, from the Federal Grant Fund, an additional \$24,200 in onetime personnel costs and an additional \$36,000 in onetime operating expenditures for a total onetime amount of \$60,200.

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

Absent: 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**.

LSO STAFF PRESENTATION: **Supplemental Appropriations
Capital Facilities**
Christine Otto gave a brief overview on the supplemental request being a onetime supplemental appropriation of \$1,381,300 in onetime capital outlay to cover the needed repairs identified by an assessment completed in December 2017.

UNANIMOUS CONSENT: On request by **Senator Crabtree**, granted by unanimous consent to reopen the fiscal year FY 2018 budget for the Idaho Transportation Department.

CARRIED: Original Motion
**Idaho Transportation Department
Capital Facilities
Supplemental**
Moved by **Crabtree**, seconded by **Dixon**, to move for fiscal year 2018, for the Idaho Transportation Department, in the Capital Facilities Program, an additional \$1,381,300 in onetime capital outlay from the State Highway Fund.

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

Absent: 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**.

**LSO STAFF
PRESENTATION:**

**Supplemental Appropriations
Federal/State Agreements**

Christine Otto gave a brief overview of the supplemental request. The request is for \$52,000 in onetime operating expenditures from the general fund to secure three land leases that will be used for training, parking vehicles, and the development of the Orchard Combat Training Center (OCTC). The leases consist of \$14,000 for 40 acres south of Gowen Road, \$28,000 for 80 acres of land south of Gowen Field on the east side of Pleasant Valley, and \$10,000 for 274 acres of land east and west of the OCTC. This request will cover a one year lease for all three properties. If the federal funds are not approved, the agency may request ongoing funding from the general fund.

**UNANIMOUS
CONSENT:**

On request by **Representative Burtenshaw**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Military Division.

CARRIED:

Original Motion
**Office of the Governor
Military Division
Federal/State Agreements**

Land Leases

Supplemental

Moved by **Burtenshaw**, seconded by **Ward-Engelking**, to move for fiscal year 2018, for the Military Division, in the Federal/State Agreements Program, an additional \$52,000 in onetime operating expenditures from the general fund.

Ayes: 19

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

Nays: 1

King

Absent: 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**.

**AGENCY
PRESENTATION:**

**Department of Health and Welfare
*Supplementals***

**LSO STAFF
PRESENTATION:**

Jared Tatro gave a brief overview on the Child Welfare program supplemental request. The request is for 13.00 FTP and \$975,400. The requested positions consist of seven social workers, two social workers, two social worker supervisors, one program manager, two business analysts, and one communication specialist. The FTP authority would be transferred from within the department with 10.00 FTP from Self-Reliance Operations and 3.00 FTP from the Southwest Idaho Treatment Center.

**UNANIMOUS
CONSENT:**

On request by **Senator Lee**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Department of Health and Welfare.

CARRIED

Original Motion
Department of Health and Welfare
Child Welfare
Supplemental

Moved by **Lee**, seconded by **Wintrow**, move to the Department of Health and Welfare for the Child Welfare Program from the Cooperative Welfare (general) fund an additional \$81,700 in ongoing personnel costs and an additional \$9,000 in onetime operating expenditures; from the Cooperative Welfare (Federal) fund an additional \$81,700 in ongoing personnel costs and an additional \$9,000 in onetime operating expenditures for a total motion of \$181,400, and the transfer of 9.00 full-time equivalent positions from Self-Reliance Operations Program to the Child Welfare Program, for fiscal year 2018.

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

Absent: 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 Lee stated this motion includes the seven social workers and two supervisors; all at 80% of policy and it is expected that the annualization of these positions will be included in the FY 2019 budget.

**UNANIMOUS
CONSENT:**

On request by **Senator Lee**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

CHILD WELFARE STAFFING. It is the intent of the legislature that the newly approved social worker and social worker supervisor positions are to be hired in accordance with documents submitted in the Department of Health and Welfare's budget request for the fiscal year 2018 supplemental appropriation. Of the social worker positions, a minimum of two positions are to be hired as case manager-social workers in order to alleviate the case load and workload issues of staff working directly with children in the foster care system. Further, the department is to maximize its resources to reduce the case load and workload of its social worker positions with the goal of improving the child welfare and foster care programs. No later than October 1, 2018, the department is to submit a budget-based plan on how the department intends to address the staffing issues related to case load, workload, recruitment, retention, and morale, as has been discussed in the Legislative Interim Foster Care Study Committee and from various reports produced by the Office of Performance Evaluations on related issues.

**AGENCY
PRESENTATION:**

Department of Health and Welfare
Division of Medicaid
Basic, Coordinated, and Enhanced Plans
Backfill FY 2017 Held Payments

CARRIED:

Original Motion

Department of Health and Welfare

Division of Medicaid

Backfill FY 2017 Held Payments

Moved by **Lee**, seconded by **Wintrow**, move to the Department of Health and Welfare for the Child Welfare Program from the Cooperative Welfare (general) fund an additional \$81,700 in ongoing personnel costs and an additional \$9,000 in onetime operating expenditures; from the Cooperative Welfare (Federal) fund an additional \$81,700 in ongoing personnel costs and an additional \$9,000 in onetime operating expenditures for a total motion of \$181,400, and the transfer of 9.00 full-time equivalent positions from Self-Reliance Operations Program to the Child Welfare Program, for fiscal year 2018.

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

Absent: 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 the entire request is being appropriated to the Basic Medicaid Plan Program, as the Division of Medicaid has the authority to transfer between Medicaid Programs without limitations. On February 9, the Division of Medicaid identified an error with the request and \$1,431,800 was accidentally placed in the general fund column instead of the hospital fund. This motion provides for that correction.

**AGENCY
PRESENTATION:**

Department of Health and Welfare

Division of Medicaid

Basic, Coordinated, and Enhanced Plans

**LSO STAFF
PRESENTATION:**

Jared Tatro gave a brief overview of the receipt authority fund shift. The request is for \$25 million ongoing fund shift from dedicated funds to the general fund (\$7,186,200) and federal funds (\$17,813,800). The request is made because of the decrease in cost-variances from the hospital cost settlements; Medicaid reimbursement from hospitals for services provided in Idaho is based on the actual cost of delivering care.

CARRIED:

Original Motion

Department of Health and Welfare

Division of Medicaid

Receipt Authority Fund Shift

Moved by **Agenbroad**, seconded by **Malek**, to the Department of Health and Welfare for the Enhanced Medicaid Plan Program an additional \$7,186,200 from the Cooperative Welfare (general) fund, an additional \$17,813,800 from the Cooperative Welfare (federal) fund, and a reduction of \$25,000,000 from the Cooperative Welfare (dedicated) fund, all for ongoing trustee and benefit payments, for a total net change of \$0, for fiscal year 2018.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman,

Malek, Anderson, Dixon, King, Wintrow

Nayes: 0

Absent: 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**.

**AGENCY
PRESENTATION:**

**Department of Health and Welfare
Division of Medicaid
Enhanced Medicaid Plan**

**LSO STAFF
PRESENTATION:**

Jared Tatro briefly discussed the supplemental request for the Division of Medicaid, Community-based Personal Care Services. The supplemental request is for \$9,937,200 in trustee and benefit payments to provide rate increases for businesses that provide community-based personal care services (PCS) for Medicaid clients. \$1,656,200 is requested as fiscal year 2018 supplemental appropriation and \$8,281 is requested as fiscal year 2019 annualization.

CARRIED:

Moved by **Bair**, seconded by **Mortimer**, to the Department of Health and Welfare for the Enhanced Medicaid Plan Program an additional \$477,500 from the Cooperative Welfare (general) fund and an additional \$1,178,700 from the Cooperative Welfare (federal) fund in ongoing trustee and benefit payments, for a total motion of \$1,656,200 for fiscal year 2018.

Ayes: 20

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

Nayes: 0

Absent: 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**.

**AGENCY
PRESENTATION:**

**Department of Health and Welfare
Public Health Services
Physical Health Services**

**LSO STAFF
PRESENTATION:**

Jared Tatro briefly explained this request is the Governor's revised recommendation. He continued that eWIC is a transition from paper base to electronic base for the WIC program. The Governor recommended \$831,000 in onetime federal funds for operating expenditures to support the implementation.

CARRIED

Original Motion

**Department of Health and Welfare
Public Health Services
Physical Health Services
eWIC Implementation**

Moved by **Wintrow**, seconded by **Souza**, to the Department of Health and Welfare for the Physical Health Services Program a onetime object transfer of \$831,000 from trustee and benefit payments to operating expenditures from the Cooperative Welfare (federal) fund for a net impact of \$0, for fiscal year 2018.

Ayes: 20

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

Nayes: 0

Absent: 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. Wintrow discussed the program has sufficient appropriation for this grant, just not in the correct object and this action allows for the program to implement the grant without additional appropriation.

**AGENCY
PRESENTATION:**

**Department of Health and Welfare
Public Health Services
Physical Health Services**

**LSO STAFF
PRESENTATION:**

Jared Tatro explained the TRICARE — cash transfer is money that has been appropriated to the Immunization Fund, through the Department of Health and Welfare’s Physical Health Services Program. This was required because TRICARE would not participate in the state’s assessment program. TRICARE is now participating and has provided full reimbursement to the state.

Original Motion

TRICARE — Cash Transfer

Moved by **Malek**, seconded by **Souza**, to move the onetime appropriation and transfer of \$3,557,200 from the Immunization Dedicated Vaccine Fund to the general fund for fiscal year 2018.

Ayes: 20

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

Nayes: 0

Absent: 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 the Committee at 9:16 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 14, 2018

TIME	DESCRIPTION	PRESENTER
8:00	GERMANE COMMITTEE PRESENTATIONS	
	House Health & Welfare	Representative Fred Wood Chairman
	Senate Education	Senator Dean Mortimer Chairman
	House Education	Representative Julie VanOrden Chairman
	House Agricultural Affairs	Representative Judy Boyle Chairman
	Senate Agricultural Affairs	Senator Jim Rice Chairman
	<i>Break</i>	
	JFAC Adjusted Packet Preview	Paul Headlee, Division Manager, LSO
	Creation of a Technology Infrastructure Stabilization Fund	
	House Judiciary & Rules	Representative Lynn Luker Chairman
	Senate Judiciary & Rules	Senator Patti Anne Lodge Chairman

Senate Reconvenes: 10:45

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 14, 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 8:03 A.M.

AGENCY PRESENTATION: **HOUSE HEALTH AND WELFARE**

LSO STAFF PRESENTATION: **REPRESENTATIVE FRED WOOD, CHAIRMAN:** Reviews the Health care plan, the funding should be priority. Reviewed criss centers — continuing funding should be priority, child welfare system, ICARE — to continue the funding, child support —over time more up-to-date systems are better than FTP. Reviewed youth suicide prevention, its a epidemic and we need to do what we need to do to reduce suicide —fully funding the suicide hotline is a must. General discussion, in the Committee was behavioral health, 75–80% was about behavioral health, we need to shuffle monies there. Reviewed physician supply in Idaho, and funding the medicaid expansion.
([AUDIO](https://go.usa.gov/xQxsx)) (<https://go.usa.gov/xQxsx>)

In response to committee questions, **REP. FRED WOOD**, reviewed how the State has a new suicide system in place and are working diligently to keep it going and running properly. It is still in the early stages of tangible results.
([AUDIO](https://go.usa.gov/xQxsx)) (<https://go.usa.gov/xQxsx>)

AGENCY PRESENTATION: **SENATE EDUCATION**

PRESENTATION: **SENATOR DEAN MORTIMER, CHAIRMAN:** Reviewed the two top priorities in the Committee: 1st: the continuation of the career ladder, the importance to education. 2nd: literacy and discretionary spending, k-3 reading and discretionary spending to give to school to trust they spend the monies where it is needed. CTE was not discussed but we know it is important.
([AUDIO](https://go.usa.gov/xQxsg)) (<https://go.usa.gov/xQxsg>)

AGENCY PRESENTATION: **HOUSE EDUCATION**

PRESENTATION: **REPRESENTATIVE JULIE VANORDEN, CHAIRMAN:** Reviews the report from State Board of Education, and the task force on education from the Governor. Reviews the top priorities of the Committee: 1st: we are not seeing information about if literacy program is working or not; 2nd plan: reducing the workload on our districts; step back and making sure the dollars are really working in the field.
([AUDIO](https://go.usa.gov/xQxtK)) (<https://go.usa.gov/xQxtK>)

In response to committee questions, **REP. JULIE VAORDEN, CHAIRMAN**, states there are various literacy curriculum out there and each district can choose which programs they want to go with. Also, with each district having the ability to choose, we can get a good result as to what is working for the literacy program.
([AUDIO](https://go.usa.gov/xQxtK)) (<https://go.usa.gov/xQxtK>)

AGENCY **HOUSE AGRICULTURAL AFFAIRS**

PRESENTATION:

PRESENTATION: **REPRESENTATIVE JUDY BOYLE, CHAIRMAN:** Research with agriculture is essential. Reviews the potato facilities and how it is important. Reviews organic inspectors, is a must and soil conservation to the water quality and how reestablishing would be good. Reviews the wolf depredation and how it is a good thing.
([AUDIO](https://go.usa.gov/xQxtW)) (<https://go.usa.gov/xQxtW>)

AGENCY **SENATE AGRICULTURAL AFFAIRS**

PRESENTATION:

PRESENTATION: **SENATOR JIM RICE, CHAIRMAN:** Reviews how wolf depredation is a problem but it has decreased, and will be a problem. Reviews how boat inspections are increasing and how the Department of Agriculture do a good job with federal funds. Reviews the boat inspections from the year and how invasive weeds are a problem. Reviews the research and extension centers and how the average building is 50 years, and not up to the modern research.
([AUDIO](https://go.usa.gov/xQxtb)) (<https://go.usa.gov/xQxtb>)

In response to committee questions, **SENATOR JIM RICE, CHAIRMAN**, reviews the Department of Agriculture is on the right track since last year, they are improving things. This is something the agency needs to stay on top of and make sure we are and not getting ahead of ourselves. The help of the law enforcement is good during the night and are testing waters as well as inspecting.

([AUDIO](https://go.usa.gov/xQxtb)) (<https://go.usa.gov/xQxtb>)

AGENCY **JFAC ADJUSTED PACKET REVIEW**

PRESENTATION:

PRESENTATION: **PAUL HEADLEE:** Reviews the new adjusted JFAC Proposed FY 2019 budget.

([AUDIO](https://go.usa.gov/xQxtg)) (<https://go.usa.gov/xQxtg>) ([PRESENTATION](https://go.usa.gov/xQxt2)) (<https://go.usa.gov/xQxt2>)

In response to committee questions, **JANI REVIER, DFM**, states that the projected forecast is up for this fiscal year, but the Governor wants to use caution with the new projection.

([AUDIO](https://go.usa.gov/xQxtg)) (<https://go.usa.gov/xQxtg>)

HEADLEE: Reviews the CEC Committee's report and reviews the remaining items that the Committee has to consider when drafting budget setting motions. (AUDIO) (<https://go.usa.gov/xQxtg>)

In response to committee questions, **PAUL HEADLEE, LSO DIVISION MANAGER**, states that \$7, 021, 100, on page 11 of the packet is from the general fund and in order to specifically separate the classified employees from the administrators, the motion would have to state that specifically. Lastly, states that if the Committee adopts the CEC Recommendation, the Committee will need to cut \$14 million out of the budget. (AUDIO) (<https://go.usa.gov/xQxtg>)

AGENCY PRESENTATION: CREATION OF A TECHNOLOGY INFRASTRUCTURE STABILIZATION FUND

PRESENTATION: PAUL HEADLEE: Reviews what this fund will do and the jobs the fund will do.

In response to committee questions, **PAUL HEADLEE, LSO DIVISION MANAGER**, states the \$22 million in this Technology Fund has come from the General Fund. The agencies' technology projects will stay within that agency's budget but will be funded out of this fund. Also, states that the technology projects requested have to have an amount requested of \$100,000 or more to be funded by the Technology Fund. (AUDIO) (<https://go.usa.gov/xQxta>)

AGENCY PRESENTATION: SENATE JUDICIARY AND RULES

PRESENTATION: SENATOR PATTI ANNE LODGE: Reviews they have a strength of partnership in the communities. Reviews the importance of Idaho state troopers and adding more troopers and pay a wage that they will allow them to stay with us. Reviews forensic analysis, monies for POST, Odyssey court system, and JRI. And lastly reviews prisons — electronic monitoring beds; more prison beds, increase our reentry centers. (AUDIO) (<https://go.usa.gov/xQxeA>)

AGENCY PRESENTATION: HOUSE JUDICIARY AND RULES

PRESENTATION: REPRESENTATIVE LYNN LUKER: Reviews the prison population and need of more beds, and community reentry centers would like to at least get those started. Reviews probation officers and the in-flow to reclassify some low crime charges. (AUDIO) (<https://go.usa.gov/xQxep>)

In response to committee questions, **REP. LYNN LUKER**, states unfortunately when we have over crowding in our prisons we are faced with having to balance where the beds are and the most cost effective. (AUDIO) (<https://go.usa.gov/xQxep>)

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 10:27 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 15, 2018

TIME	DESCRIPTION	PRESENTER
8:00	Senate Local Government & Taxation	Senator Dan Johnson Chairman
	Statewide Budget Decisions - JFAC Adjusted	Paul Headlee, Division Manager, LSO
	RS26249 - Creation of a Technology Infrastructure Stabilization Fund	

Senate Reconvenes: 10:45

House Reconvenes: 10:30

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

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 16, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 5-25	Department of Finance	Keith Bybee, Deputy Division Manager
LBB 5-37	Department of Insurance	
LBB 6-133	Board of Tax Appeals	
LBB 2-99	Public Health Districts	Jared Tatro, Principal Analyst
LBB 5-115	Division of Veterans Services	
LBB 6-57	Office of Drug Policy	
	Creation of a Technology Infrastructure Stabilization Fund	Paul Headlee, Division Manager, LSO

Senate Reconvenes: 10:45

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 16, 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: Rep. Wintrow
CONVENED: Senator Keough convened the meeting at 8:01 A.M.
AGENCY PRESENTATION: **DEPARTMENT OF FINANCE**
LSO STAFF PRESENTATION: **KEITH BYBEE**
CONFLICTS OF INTEREST: SEN. MORTIMER disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the committee. SEN. AGENBROAD disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the committee. REP. YOUNGBLOOD disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the committee
CARRIED: ORIGINAL MOTION
Moved by Sen. Martin, for the Department of Finance, beginning with the FY 2019 Base, a reduction of \$91,700 for benefit costs, an increase of \$145,300 for replacement items, an increase of \$63,600 for statewide cost allocation, and an increase of \$166,000 for change in employee compensation. Also included is \$161,300 for a Deputy Director with 1.00 FTP. The totals for this motion for FY 2019 are 67.00 FTP, and \$8,648,100 from dedicated funds, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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. Martin, granted by unanimous consent, the following intent language was accepted:

The Department of Finance is hereby granted continuous appropriation authority for reimbursement of persons to whom an Idaho court awards actual damages resulting from acts constituting violations of the Idaho Residential Mortgage Practices Act by a mortgage broker, mortgage lender or mortgage loan originator who was licensed or required to be licensed, per Section 26 - 31 - 109, Idaho Code.

AGENCY PRESENTATION: **DEPARTMENT OF INSURANCE**

PRESENTATION: **KEITH BYBEE**

CARRIED: ORIGINAL MOTION

Moved by Rep. Anderson, for the Department of Insurance, beginning with the FY 2019 Base, a reduction of \$108,200 for benefit costs, an increase of \$535,300 for replacement items, an increase of \$128,200 for statewide cost allocation, and an increase of \$148,300 for change in employee compensation. The totals for this motion for FY 2019 are 76.50 FTP, \$9,531,200 from dedicated funds, and \$678,200 from federal funds for a grand total of \$10,209,400, seconded by Sen. Mortimer.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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: **BOARD OF TAX APPEALS**

PRESENTATION: **KEITH BYBEE**

CARRIED: ORIGINAL MOTION

Moved by Rep. Anderson, for the Board of Tax Appeals, beginning with the FY 2019 Base, a reduction of \$7,100 for benefit costs, an increase of \$500 for inflationary adjustments, an increase of \$4,300 for replacement items, a decrease of \$5,300 for statewide cost allocation, and an increase of \$12,400 for change in employee compensation. The totals for this motion for FY 2019 are 5.00 FTP, and \$608,600 from the General Fund, seconded by Sen. Mortimer.

AYES: 17

NAYS:0

ABSENT/EX: 3

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 PUBLIC HEALTH DISTRICTS

PRESENTATION:

PRESENTATION: JARED TATRO

CARRIED: ORIGINAL MOTION

Moved by Rep. King, for the Idaho Public Health Districts, beginning with the FY 2019 Base, reduce \$169,300 for benefit costs, add \$8,600 for medical inflation, add \$206,700 for the change in employee compensation, and reduce \$4,800 for other maintenance adjustments. The totals for this motion for FY 2019 are \$9,389,600 from the General Fund, and \$750,000 from dedicated funds for a grand total of \$10,139,600, 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.

AGENCY DIVISION OF VETERAN SERVICES

PRESENTATION:

PRESENTATION: JARED TATRO

CARRIED: ORIGINAL MOTION

Moved by Sen. Agenbroad, for the Division of Veterans Services, beginning with the FY 2019 Base, reduce \$450,000 for benefit costs, add \$487,000 for replacement items, which are to be determined by the division administrator, add \$6,700 for statewide cost allocation, and add \$517,400 for the change in employee compensation. Also included are the following line items: add \$227,300 for Market Equity Salary Increases as recommended in line item 1; add \$133,800 for new capital outlay as requested in line item 2; add \$150,000 for the Veterans Recognition Income Fund as requested in line item 3; and add \$20,000 for the rules change related to personal property as requested in line item 4. The totals for this motion for FY 2019 are 346.00 FTP, \$1,127,500 from the General Fund, \$17,383,800 from dedicated funds, and \$15,728,100 from federal funds for a grand total of \$34,239,400, 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 Sen. Agenbroad, granted by unanimous consent, to include the intent language as displayed below:

SECTION 3. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Veterans Services any unexpended and unencumbered balances appropriated to the Division of Veterans Services from the Federal Grant Fund for a second veterans cemetery for fiscal year 2018, in an amount not to exceed \$7,496,100, to be used for nonrecurring expenditures related to the addition of a second veterans cemetery in southeastern Idaho for the period July 1, 2018, through June 30, 2019.

AGENCY PRESENTATION: **OFFICE OF DRUG POLICY**

PRESENTATION: **JARED TATRO**

CARRIED: ORIGINAL MOTION

Moved by Sen. Ward-Engelking, for the Office of Drug Policy, beginning with the FY 2019 Base, reduce \$8,400 for benefit costs, reduce \$100 for statewide cost allocation, and add \$13,400 for the change in employee compensation. Also included are the following line items: \$14,900 from the General Fund on a onetime basis to cover the two months of personnel costs that will be needed between the distribution of the federal grants as explained in line item 1; and add a line item for \$120,000 onetime with \$60,000 from the Federal Grant Fund and \$60,000 from the Millennium Income Fund for opioid prevention and education work in Idaho's hospitals. The totals for this motion for FY 2019 are 6.00 FTP, \$339,300 from the General Fund, \$84,500 from dedicated funds, and \$4,399,700 from federal funds for a grand total of \$4,823,500, seconded by Rep. King.

AYES: 16

NAYS: 2

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.

In response to committee questions, **JARED TATRO, LSO**, stated the opioid prevention program is new and will go into four hospitals, but not sure exactly which four hospitals in the State.

SUBSTITUTE MOTION:

SUBSTITUTE MOTION

Moved by Sen. Martin, for the Office of Drug Policy, beginning with the FY 2019 Base, reduce \$8,400 for benefit costs, reduce \$100 for statewide cost allocation, and add \$13,400 for the change in employee compensation. Also included are the following line items: \$14,900 from the General Fund on a onetime basis to cover the two months of personnel costs that will be needed between the distribution of the federal grants as explained in line item 1; and add a line item for \$120,000 onetime with \$60,000 from the Federal Grant Fund for opioid prevention and education work in Idaho's hospitals. The totals for this motion for FY 2019 are 6.00 FTP, \$339,300 from the General Fund, \$84,500 from dedicated funds, and \$4,399,700 from federal funds for a grant total of \$4,823,500,

AYES: 5

NAYS: 13

ABSENT/EX: 2

The majority having failed to vote in the affirmative, the motion has failed.

AGENCY PRESENTATION:

CREATION OF A TECHNOLOGY INFRASTRUCTURE STABILIZATION FUND

PRESENTATION:

PAUL HEADLEE: Reviews the new RS and the revisions to the Technology Infrastructure Stabilization Fund.

CARRIED:

ORIGINAL MOTION

Move by Rep. Bell, to RS, print and introduce DRJCH004, which creates the Technology Infrastructure Stabilization Fund and appropriates and transfers \$22,000,000 from the General Fund to the newly created Technology Infrastructure Stabilization Fund for FY 2019, with a DO PASS recommendation, seconded Sen. Martin.

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.

ADJOURNED:

There being no further business, Senator Keough adjourned the meeting at 8:54 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:30 A.M.
Room C310
Monday, February 19, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	PUBLIC SCHOOL SUPPORT	Robyn Lockett, Principal Analyst
LBB 1-11	Administrators	
LBB 1-15	Teachers	
LBB 1-19	Operations	
LBB 1-25	Children's Programs	
LBB 1-29	Facilities	
LBB 1-33	Central Services	
LBB 1-39	Education Services for the Deaf and the Blind	
	SELF-GOVERNING AGENCIES	
LBB 5-63	Commission on Hispanic Affairs	Jill Randolph, Analyst
	OFFICE OF THE GOVERNOR	
LBB 6-53	Commission for the Blind and Visually Impaired	

Senate Reconvenes: 10:30

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 19, 2018

TIME: 8:00 A.M.

PLACE: Room C310

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

LSO STAFF PRESENT: Robyn Lockett, Principal Analyst and Jill Randolph, Analyst

ABSENT/ EXCUSED: Senator Lee

CONVENED: **Chairman Bell** called the meeting to order at 8:30 a.m.

AGENCY PRESENTATION: **Public School Support**

LSO STAFF PRESENTATION: **Robyn Lockett, Principal Budget & Policy Analyst** gave an overview on the Public School Support budget, which includes seven divisions with intent language.

CARRIED: **Original Motion**
Administrators Division
Moved by **Mortimer**, seconded by **Ward-Engelking**, to move for the Administrators Division of the Public School Support Program, beginning with the FY 2019 base, to include \$2,704,200 for a 3% base salary increase and \$404,100 for nondiscretionary adjustments. The nondiscretionary adjustments include an increase of \$953,300 for salaries and benefits based on a projected increase of 165 support units and a decrease of \$549,200 for the decrease in the statewide education/experience index and a reduction in unemployment insurance costs. There are no line items included in this motion. The grand total for this motion for FY 2019 is \$93,724,700 from the general fund.
Ayes: 19
Keough, Bair, Mortimer, Martin, Souza, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Patano (Malek), Anderson, Dixon, King, Wintrow
Nays: 0
Ab/Ex: 1 — Senator Lee
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 Mortimer** stated that this motion results in a 3.4% increase from the general fund.

UNANIMOUS CONSENT: On request by **Senator Mortimer**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

DIVISION OF ADMINISTRATORS FOR FISCAL YEAR 2019

Be It Enacted by the Legislature of the State of Idaho:

SECTION 4. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004E. DISTRICT'S SALARY-BASED APPORTIONMENT. Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

(1) To determine the apportionment for instructional staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year.

(2) If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall receive two thousand dollars (\$2,000) per year for five (5) years from the year in which national board certification was earned. The district staff allotment shall be increased by two thousand dollars (\$2,000) for each national board certified instructional staff member who earned national board certification; provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase shall be those who have been recognized as national board certified teachers as of July 1 of each year.

(3) To determine the apportionment for pupil service staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. If the district does not employ any pupil service staff, the district's pupil service staff average salary shall equal the district's instructional staff average salary for purposes of calculating pupil service salary-based apportionment. The amount so determined shall be multiplied by the district staff allowance for pupil service staff determined pursuant to section 33-1004(3), Idaho Code. Full-time pupil service staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. The resulting amount is the district's salary-based apportionment for pupil service staff. No full-time pupil service staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year.

(4) To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. If the district does not employ any administrative staff, the district administrative index shall equal the statewide average index for purposes of calculating

administrative salary-based apportionment. The district administrative staff index shall be multiplied by the base salary of thirty-six thousand one hundred eighty-six dollars (+\$36,186). The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(4), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

(5) To determine the apportionment for classified staff, multiply twenty thousand four hundred twenty-one dollars (\$20,421) by the district classified staff allowance determined as provided in section 33-1004(5), Idaho Code. The amount so determined is the district's apportionment for classified staff.

(6) The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections (1), (2), (3), (4) and (5) of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

CARRIED:

Original Motion
Teachers Division

Moved by **Ward-Engelking**, seconded by **Horman**, moved for the Teachers Division of the FY 2019 Public School Support Program, beginning with the FY 2019 base, an increase of \$42,491,100 of nondiscretionary adjustments. This includes \$41,667,200 for educational instructors for year four of the five-year phase-in of the career ladder compensation system. Also included is \$372,000 for leadership awards and premiums for the additional full-time equivalent instructional and pupil service positions and \$451,900 for additional high school math and science requirements. Also included are the following line items: \$2,000,000 for college and career advisors and mentors and \$600,000 for professional development. The totals for this motion for FY 2019 are \$955,079,600 from the General Fund and \$15,000,000 from federal funds for a grand total of \$970,079,600.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Senator Lee

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**.

**UNANIMOUS
CONSENT:**

On request by **Senator Ward-Engelking**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

DIVISION OF TEACHERS FOR FISCAL YEAR 2019

Be It Enacted by the Legislature of the State of Idaho:

SECTION 4. PROFESSIONAL DEVELOPMENT. It is the intent of the Legislature that of the moneys appropriated in Section 3 of this act, \$17,850,000 shall be distributed for professional development that supports instructors and pupil services staff to increase student learning, mentoring, and collaboration. Professional development efforts should be measurable, provide the instructors and pupil services staff with a clear understanding of their progress, be incorporated into their performance evaluations and, to the extent possible, be included in the school district or charter school continuous improvement plans required by Section 33-320, Idaho Code. Funding shall be distributed

by a formula prescribed by the Superintendent of Public Instruction and the Superintendent of Public Instruction shall track usage and effectiveness of professional development efforts at the state and local levels.

SECTION 5. DEFINITION. It is the intent of the Legislature that, for the purposes of this act, the term "distributed" means moneys that are transferred to school districts and public charter schools, with no funds withheld for any other contract or administrative costs. SECTION 6. COLLEGE AND CAREER ADVISORS AND STUDENT MENTORS PROGRAM. It is the intent of the Legislature that the College and Career Advisors and Student Mentors Program have an independent, external evaluation. The results of the evaluation shall be reported to the Joint Finance- Appropriations Committee and the Senate and House Education committees no later than February 1, 2019, on the program design, uses of funds, program effectiveness, and any other relevant matters.

CARRIED:

Original Motion
Operations Division

Moved by **Horman**, seconded by **Mortimer**, to move for the Operations Division for the FY 2019 Public School Program, beginning with the FY 2019 Base, an increase of \$4,316,900 for a 3% base salary increase and a net increase of \$10,556,600 for nondiscretionary adjustments due to enrollment growth. The endowment adjustment includes a decrease of \$3,276,000 ongoing from the General Fund and an increase of \$3,276,000 ongoing from dedicated funds. Also included in my motion are the following line items: \$10,500,000 from the General Fund for classroom technology and infrastructure for line item #3. Line item #6 increases the ongoing discretionary funding for health insurance by \$7,209,300. Line item #7 increases the ongoing discretionary funding by \$4,034,000. Line item #14 increases district IT staffing by \$500,000 ongoing from the General Fund. The totals for this motion for FY 2019 are \$632,440,200 from the General Fund and \$55,325,600 from dedicated funds for a grand total of \$687,765,800.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Senator Lee

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 spoke on classroom technology in line item #3, this year completes the state wide wireless contract and any left over dollars will be distributed to the districts and they will be free to continue to make their own arrangements for wireless. Line item #6 and #7 increases discretionary funding to \$27,481 per support unit, which is a 2.7% increase over the current year. The \$4,034,000, in line item 7 is discretionary funds and is tied to the 2017 Consumer Price Index (CPI), and is an increase of 1.7%

CARRIED:

Original Motion
Cash Transfer

Moved by **Horman**, seconded by **Mortimer**, to move to appropriate and the State Controller shall transfer \$32,000,000 from the general fund to the public education stabilization fund for fiscal year 2019.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Senator Lee

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**.

**UNANIMOUS
CONSENT:**

On request by **Representative Horman**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

DIVISION OF OPERATIONS FOR FISCAL YEAR 2019

SECTION 4. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004E. DISTRICT'S SALARY-BASED APPORTIONMENT. Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

(1) To determine the apportionment for instructional staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year.

(2) If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall receive two thousand dollars (\$2,000) per year for five (5) years from the year in which national board certification was earned. The district staff allotment shall be increased by two thousand dollars (\$2,000) for each national board certified instructional staff member who earned national board certification; provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase shall be those who have been recognized as national board certified teachers as of July 1 of each year.

(3) To determine the apportionment for pupil service staff, take the amounts indicated on the career ladder table plus the amounts associated with the additional education allocation amounts pursuant to section 33-1004B, Idaho Code, and calculate the weighted average. If the district does not employ any pupil service staff, the district's pupil service staff average salary shall

equal the district's instructional staff average salary for purposes of calculating pupil service salary-based apportionment. The amount so determined shall be multiplied by the district staff allowance for pupil service staff determined pursuant to section 33-1004(3), Idaho Code. Full-time pupil service staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. The resulting amount is the district's salary-based apportionment for pupil service staff. No full-time pupil service staff member shall be paid less than the minimum dollar amount on the career ladder residency compensation rung pursuant to section 33-1004B, Idaho Code, for the applicable fiscal year.

(4) To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. If the district does not employ any administrative staff, the district administrative index shall equal the statewide average index for purposes of calculating administrative salary-based apportionment. The district administrative staff index shall be multiplied by the base salary of thirty-five thousand one hundred thirty-two dollars (\$35,132). The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(4), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff. (5) To determine the apportionment for classified staff, multiply twenty-one thousand six-hundred sixty-five dollars (\$21,665) by the district classified staff allowance determined as provided in section 33-1004(5), Idaho Code. The amount so determined is the district's apportionment for classified staff.

(6) The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections (1), (2), (3), (4) and (5) of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

SECTION 5. Notwithstanding any law to the contrary, for the period July 1, 2018, through June 30, 2019, it is estimated that the appropriation of state funds to the Public Schools Educational Support Program/Division of Operations will result in total discretionary funds of \$27,481 per support unit. The \$27,481 is further divided into two distributions: \$15,769 per support unit is to be used at the discretion of the school district or charter school and \$11,712 per support unit is to be used to offset the employer costs of health, vision, and dental insurance offered to its employees. If the distribution provided for health, vision, and dental insurance is in excess of the individual school district's or charter school's actual costs, the excess funds may then be used at the school district's or charter school's discretion. Further, the Superintendent of Public Instruction shall work with the Legislative Services Office and the Division of Financial Management to determine the information that the State Department of Education shall collect on school district and charter school health, vision, and dental insurance costs, including, but not limited to, actual insurance premium costs and premium percentage increases.

SECTION 6. Of the moneys appropriated in Section 3 of this act, \$8,000,000 shall be distributed for public school information technology staff costs. Such moneys shall be distributed pursuant to a formula, with a minimum distribution per school district and public charter school, determined by the Superintendent of Public Instruction.

SECTION 7. CLASSROOM TECHNOLOGY. Of the moneys appropriated in Section 3 of this act, \$36,500,000 shall be distributed for classroom technology,

classroom technology infrastructure, wireless technology infrastructure and instructional management systems that assist teachers and students in effective and efficient instruction or learning. Funding shall be distributed based on a formula prescribed by the Superintendent of Public Instruction. Moneys so distributed shall be used to implement and operate an instructional management system of each district's choice that meets the individual learning needs and progress of all students. An instructional management system must include individual student learning plans, monitoring of interventions, integration with a district's Student Information System (SIS), and analysis of student and classroom levels of learning. Furthermore, the Superintendent of Public Instruction shall verify that districts are using funds to purchase an instructional management system that is compliant with these standards.

SECTION 8. DEFINITION. For the purposes of this appropriation, the term "distributed" means moneys that are transferred to school districts and public charter schools with no funds withheld for any other contract or administrative costs.

SECTION 9. TRANSFER. For the period July 1, 2018, through June 30, 2019, the State Department of Education is hereby granted the authority to transfer appropriations among the Administrators, Teachers, Operations, Children's Programs, and Facilities Divisions of the Public Schools Educational Support Program budget, in any amount necessary, to comply with the public school funding provisions of appropriations and Idaho Code. Additionally, appropriations may be transferred from the Central Services Division to the other divisions of the Public Schools Educational Support Program.

SECTION 10. PUBLIC EDUCATION STABILIZATION FUND TRANSFER. There is hereby appropriated and the State Controller shall transfer \$32,000,000 from the General Fund to the Public Education Stabilization Fund on or after July 1, 2018, or as soon thereafter as practicable.

CARRIED:

Original Motion

Childrens Programs

Moved by **Miller**, seconded by **Ward-Engelking**, moved for the Children's Programs of the FY 2019 Public School Support Program, beginning with the FY 2019 base, an increase of nondiscretionary adjustments from the General Fund of \$8,666,500. This includes \$666,500 for the Idaho Digital Learning Academy and \$8,000,000 for an increase in the Advanced Opportunities Program. Also included are the following line items: \$1,000,000 ongoing from the General Fund for Limited English Proficiency and \$1,740,300 for Literacy Proficiency. The totals for this motion for FY 2019 are \$56,904,700 from the General Fund, \$4,024,900 from dedicated funds, and \$249,115,000 from federal funds for a grand total of \$310,044,600.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Lee

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 that the Mastery-based System Development is contingent upon a bill passing on the house side.

**UNANIMOUS
CONSENT:**

On request by **Representative Miller**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

DIVISION OF CHILDREN'S PROGRAMS FOR FY 2019

SECTION 4. IDAHO DIGITAL LEARNING ACADEMY. The Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state appropriated funds for the period July 1, 2018, through June 30, 2019, to achieve the following: (1) Tuition charged by IDLA to Idaho school districts and charter schools shall not exceed \$75.00 per enrollment. (2) Provide remedial coursework for students failing to achieve proficiency in one (1) or more areas of Idaho's standards-based tests. (3) Pursuant to State Board of Education rule, IDAPA 08.02.03, provide advanced learning opportunities for students. (4) Pursuant to State Board of Education rule, IDAPA 08.02.03, work with institutions of higher education to provide dual credit coursework. The preceding list shall not be construed as excluding other instruction and training that may be provided by the Idaho Digital Learning Academy.

SECTION 5. TOBACCO, CIGARETTE AND LOTTERY DISTRIBUTION. Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 3 of this act, up to \$4,024,900 from available tobacco, cigarette, and lottery income tax revenue funds accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, and 63-3067, Idaho Code, for the period July 1, 2018, through June 30, 2019, shall be distributed to school districts and charter schools through a combination of a base amount of \$2,000 plus a prorated amount based on the prior year's average daily attendance. Such funds shall be used to develop and implement school safety improvements and/or to facilitate and provide substance abuse prevention programs in the public school system.

SECTION 6. REMEDIAL COURSEWORK. Of the moneys appropriated in Section 3 of this act, \$4,715,000 shall be distributed for remedial coursework for students failing to achieve proficiency on Idaho's standards-based achievement tests in dollar amounts determined by the Superintendent of Public Instruction. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the Senate and House Education committees by no later than February 1, 2020, on the uses of funds and effectiveness of the programs and efforts.

SECTION 7. ENGLISH PROFICIENCY. Pursuant to Section 33-1617, Idaho Code, of the moneys appropriated in Section 3 of this act, \$4,820,000 shall be distributed for support of programs for students with non-English or limited-English proficiency, as follows: (1) The Superintendent of Public Instruction shall distribute \$4,370,000 to school districts pro rate, based on the population of limited-English proficient students under criteria established by the department. (2) The Superintendent of Public Instruction shall distribute \$450,000 for a competitive grant program to assist school districts in which the population of English language learners must meet Annual Measurable Achievement Objectives (AMAOs) in math or reading, as defined by federal law. This amount shall be distributed annually to school districts in three-year grant cycles, contingent on appropriation and the ability of grantees to meet program objectives. (3) The Superintendent of Public Instruction shall develop the program elements and objectives governing the use of these funds and include a program evaluation component. The purpose of these funds is to

improve student English language skills to allow for better access to the educational opportunities offered in public schools. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the Senate and House Education committees by no later than February 1, 2020, on the program design, uses of funds and program effectiveness.

SECTION 8. GIFTED AND TALENTED. Of the funds appropriated in Section 3 of this act, \$1,000,000 shall be distributed by the Superintendent of Public Instruction for professional training and screening for gifted and talented students and instructors. Funding will be distributed based on a formula prescribed by the Superintendent of Public Instruction that includes a base amount and an amount based on the number of identified gifted and talented students.

SECTION 9. DIGITAL CONTENT. Of the funds appropriated in Section 3 of this act, \$950,000 shall be distributed by the Superintendent of Public Instruction to school districts and charter schools to purchase digital content and curriculum of their choice. Funding will be distributed based on a formula prescribed by the Superintendent of Public Instruction that includes a base amount and an amount based on the number of mid-term support units.

SECTION 10. ADVANCED OPPORTUNITIES COURSES. It is the intent of the Legislature that the Superintendent of Public Instruction shall compile information concerning the numbers of students enrolling in advanced opportunities courses according to the provisions of Chapter 16, Title 33, Idaho Code, whether coursework is successfully completed, and expenditures for fiscal year 2019. As nearly as possible, the report shall contain information about enrollment of this student population in post-high school education. A report containing such information shall be posted on the website of the State Department of Education no later than December 31, 2020.

SECTION 11. PUBLIC SCHOOL INCOME FUND TRANSFER TO COMMISSION ON HISPANIC AFFAIRS. There is hereby appropriated and the State Controller shall transfer in accordance with Section 63-2552A(3), Idaho Code, on July 1, 2018, or as soon thereafter as practicable, \$80,000 from the Public School Income Fund to the Commission on Hispanic Affairs Miscellaneous Revenue Fund to be used for substance abuse prevention efforts in collaboration with the State Department of Education.

SECTION 12. PUBLIC SCHOOL INCOME FUND TRANSFER TO IDAHO STATE POLICE. There is hereby appropriated and the State Controller shall transfer in accordance with Section 63-2552A(3), Idaho Code, on July 1, 2018, or as soon thereafter as practicable, \$200,000 from the Public School Income Fund to the Idaho State Police Miscellaneous Revenue Fund for the purpose of increasing toxicology lab capacity in Forensic Services.

SECTION 13. DEFINITION. For the purposes of this appropriation, the term "distributed" means moneys that are transferred to school districts, public charter schools, and the Idaho Digital Learning Academy, with no funds withheld for any other contract or administrative costs.

SECTION 14. LITERACY INTERVENTION PROGRAMS. It is the intent of the Legislature that the Literacy Intervention Program(s) have an independent, external evaluation. The results of the evaluation shall be reported to the Joint Finance-Appropriations Committee and the Senate and House Education committees no later than February 1, 2019, on the program design, uses of funds, program effectiveness, and any other relevant matters.

SECTION 15. MASTERY-BASED EDUCATION PROGRAM. It is the intent of the Legislature that the Mastery-Based Education Program have an

independent, external evaluation. The results of the evaluation shall be reported to the Joint Finance-Appropriations Committee and the Senate and House Education committees no later than February 1, 2019, on the program design, uses of funds, program effectiveness, and any other relevant matters.

CARRIED:

Original Motion
Facilities Division

Moved by **Mortimer**, seconded by **Horman**, to move for the Facilities Division of the FY 2019 Public School Support Program, beginning with the FY 2019 base, nondiscretionary increases of \$4,969,100 from the general fund and \$90,000 from dedicated funds. There are no line items in this motion. The totals for this motion for FY 2019 are \$22,186,500 from the General Fund and \$31,359,200 from dedicated funds for a grand total of \$53,545,700.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Senator Lee

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 Mortimer discussed the following:

1. An increase of \$77,500 from the General Fund and \$487,500 from the Idaho Lottery dividend for the school facilities maintenance match requirement;
2. A decrease of \$397,500 for the Bond Levy Equalization Program from dedicated sources, resulting in a overall General Fund increase of \$3,082,000 for the program; and
3. An increase of \$1,809,600 from the General Fund for charter school facilities.

**UNANIMOUS
CONSENT:**

On request by **Senator Mortimer**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

DIVISION OF FACILITIES for FY 2019

SECTION 2. TRANSFER. Of the moneys appropriated to the Public Schools Educational Support Program/Division of Facilities, the amount necessary to fund the provisions of Section 33-906, Idaho Code, is hereby transferred and appropriated to the Bond Levy Equalization Fund. If the funding appropriated in Section 1 of this act is insufficient to meet the requirements of Section 33-906, Idaho Code, the difference shall be withdrawn and paid from the Public Education Stabilization Fund, notwithstanding any other provision of law to the contrary.

SECTION 3. DISTRIBUTION TO THE GENERAL FUND. Notwithstanding the provisions of Section 63-2520(b)(4), Idaho Code, the amount of revenue distributed to the General Fund shall be \$10,387,800 for the period July 1, 2018, through June 30, 2019.

SECTION 4. TRANSFER FOR PUBLIC SCHOOLS EDUCATIONAL SUPPORT PROGRAM. Of the moneys appropriated in Section 1 of this act, there is hereby appropriated and the State Controller shall transfer \$11,798,700 from the General Fund to the Public School Income Fund to be expended for the Public Schools Educational Support Program, Division of Facilities for the period July 1, 2018, through June 30, 2019.

CARRIED:

Original Motion
Central Services

Moved by **Horman**, seconded by **Ward-Engelking**, moved for the Division of Central Services for the FY 2019 Public School Support Program, beginning with the FY 2019 base, the following two line items: an increase of \$1,300,000 ongoing from the general fund for content and curriculum in line item #6 and an increase of \$1,341,500 ongoing from the general fund for student achievement assessments in line item #9. The grand total for this motion for FY 2019 is \$14,475,300 from the general fund.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Senator Lee

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 discussed the following items:

1. Mastery-based bill awaiting action on the House side.
2. Literacy Intervention committee has requested an external independent evaluation of the pilot program.
3. Content and Curriculum reflects additional licenses for English Language learning software and other certifications available to students.
4. Student Achievement Assessments.
5. Wireless Infrastructure has reached the five year period and those funds will be distributed to the different districts.

**UNANIMOUS
CONSENT:**

On request by **Representative Horman**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

DIVISION OF CENTRAL SERVICES FOR FISCAL YEAR 2019

Be It Enacted by the Legislature of the State of Idaho:

SECTION 4. P R O G R A M S U P P O R T . Of the moneys appropriated in Section 3 of this act, up to \$2,775,300 shall be expended for the support of literacy programs, intervention services for non-Title I schools that fail to achieve proficiency on Idaho's standards-based achievement tests, math initiative programs and regional math labs, and evaluation of the programs for students with non-English or limited-English proficiency. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee by no later than February 1, 2020, on the uses of funds and effectiveness of the programs and efforts.

SECTION 5. S T U D E N T A S S E S S M E N T S . Of the moneys appropriated in Section 3 of this act, the Superintendent of Public Instruction may expend up to \$3,100,000 for the development or administration of student assessments, including a college entrance exam for grade 11 students, an exam for grade 10 students that provides preparation for the college entrance exam,

and end-of-course exams for high school science subjects.

SECTION 6. PROFESSIONAL DEVELOPMENT. Of the moneys appropriated in Section 3 of this act, the Superintendent of Public Instruction may expend up to \$2,700,000 for professional development, teacher training, and to track usage and effectiveness of professional development efforts at the state and local levels.

SECTION 7. CONTENT AND CURRICULUM - DIGITAL CONTENT.

Of the moneys appropriated in Section 3 of this act, up to \$4,100,000 may be expended for the purchase of content and curriculum that includes up to \$650,000 to provide a statewide approach for credit recovery and an alternative pathway to graduation, up to \$1,200,000 for adaptive math instruction, and up to \$2,250,000 for research-based programs to assist with the instruction of students with non-English or limited-English proficiency.

SECTION 8. YEAR-END RECONCILIATION. If the funds appropriated and transferred to the Public School Income Fund and the funds appropriated from the General Fund in Section 1 of this act exceed the actual expenditures for the specified purposes, the difference shall be included in the year-end reconciliation used to calculate funding available to meet the requirements of Section 33-1018, Idaho Code, notwithstanding any other provisions of law to the contrary. If the funding amounts specified in Section 5 of this act are insufficient to meet the actual expenditures, the difference shall be included in the year-end reconciliation used to calculate funding available to meet the requirements of Section 33-1018, Idaho Code, notwithstanding any other provisions of law to the contrary.

SECTION 9. CONTENT AND CURRICULUM - TECHNOLOGY.

Of the funds appropriated in Section 3 of this act, an amount not to exceed \$1,300,000 may be expended by the Superintendent of Public Instruction to contract for services that provide technology education opportunities and/or information technology certifications to students, including faculty, that prepare students for college, career, or the workplace. Funding shall be awarded for projects that include three (3) or more of the following components: (1) Certification of skills and competencies; (2) Professional development for teachers; (3) Integration with curriculum standards; (4) Online access to research-based content and curriculum; or (5) Instructional software for classroom use. The Superintendent of Public Instruction shall provide a report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee by February 1, 2019, regarding the number and type of certificates earned by students and faculty.

SECTION 10. DEFINITION. For the purposes of this act, the term "distributed" means moneys that are transferred to school districts and public charter schools with no funds withheld for any other contract or administrative costs. The term "expended" means moneys that pay for the cost of contracts that provide services to school districts, public charter schools or students, or that pay for the State Department of Education's cost of administering the programs for which the moneys are allocated.

SECTION 11. DISTRIBUTIONS. Of the moneys appropriated in Section 3 of this act, none shall be distributed or expended for a statewide wireless contract or for wireless technology infrastructure.

CARRIED:

Original Motion

Education Services for the Deaf and the Blind

Moved by **Miller**, seconded by **Ward-Engelking** for the Idaho Educational Services for the Deaf and the Blind, beginning with the FY 2019 base, a reduction of \$197,900 from the General Fund for benefit costs, an increase of \$178,100 from the General Fund for replacement items, an increase of \$92,800 from the General Fund for change in employee compensation, and an increase in \$7,000 in dedicated funds for endowment adjustments. Also included are the following line items: \$185,900 from the General Fund for career ladder equivalence for line item #1, \$5,000 from the General Fund for a hydraulic snowplow attachment for line item #2, and \$25,000 from the General Fund for portable auditory response testing for line item #3. The totals for this motion for FY 2019 are \$10,454,900 from the General Fund, \$301,000 from dedicated funds, and \$223,500 from federal funds for a grand total of \$10,979,400.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Senator Lee

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 that this motion is a 0.8% increase from the General Fund and 0.9% increase for all funds.

AGENCY

PRESENTATION:

Self-Governing Agencies

Commission on Hispanic Affairs

LSO

PRESENTATION:

Jill Randolph, Budget & Policy Analyst

Jill Randolph gave an overview on the Commission on Hispanic Affairs budget stating that there were three line item requests for FY 2019, they are:

1. Statewide outreach efforts in the amount of \$25,000
2. Overhead costs
3. Fund shift and reduction

CARRIED:

Original Motion

Commission on Hispanic Affairs

Moved by **Ward-Engelking**, seconded by **Wintrow**, moved for the Commission on Hispanic Affairs, beginning with the FY2019 Base, a reduction of \$4,300 for benefit costs, an increase of \$100 for statewide cost allocation, and an increase of \$5,200 for change in employee compensation. Also included are two line items: \$25,000 for statewide outreach efforts and a reduction of \$8,100 in the federal grant fund. The totals for this motion for FY 2019 are 3.00 FTP, \$208,200 from the General Fund, \$107,400 from dedicated funds, and \$34,900 from federal funds, for a grand total of \$350,500.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Lee

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:

The Change in Employee Compensation number in this motion is higher than the Governor's recommendation by \$400 to account for the increase to the base from the FY 2018 supplemental for \$26,000 in personnel costs.

Senator Ward-Engelking stated for the record that she serves on the Hispanic board.

**AGENCY
PRESENTATION:**

Office of the Governor

**LSO
PRESENTATION:**

Jill Randolph gave an overview on the Commission for the Blind and Visually Impaired. The commission has one budgeted program and FY 2019 there was one line item request for IT/Telecommunication.

CARRIED:

Original Motion

Commission for the Blind and Visually Impaired

Moved by **Wintrow**, seconded by **Martin**, moved for the Commission for the Blind and Visually Impaired, beginning with the FY 2019 base, a reduction of \$59,100 for benefit costs, an increase of \$6,000 for replacement items, a decrease of \$20,100 for statewide cost allocation, and an increase of \$71,300 for change in employee compensation.

Also included is one line item: \$1,700 for IT/telecommunications upgrades. The totals for this motion for FY 2019 are 41.12 FTP, \$1,473,800 from the general fund, \$327,800 from dedicated funds, and \$3,184,800 from federal funds for a grant total of \$4,986,400.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Lee

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 Wintrow** stated this is a simple budget and is recommended by the **Governor**.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 9:40 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 20, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	IDAHO BOARD OF LAND COMMISSIONERS	
LBB 4-21	Endowment Fund Investment Board	Rob Sepich, Analyst
	DEPARTMENT OF PARKS AND RECREATION	
LBB 4-43	Lava Hot Springs Foundation	
	OFFICE OF THE GOVERNOR	
LBB 6-99	Office of Species Conservation	
	DEPARTMENT OF AGRICULTURE	
LBB 5-13	Soil and Water Conservation Commission	
	DEPARTMENT OF JUVENILE CORRECTIONS	
LBB 3-77		Jared Hoskins, Principal Analyst
	SELF-GOVERNING AGENCIES	
LBB 5-109	State Appellate Public Defender	

Senate Reconvenes: 10:30

House Reconvenes: 10:30

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 20, 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, Patano(Malek), Anderson, Dixon, King, Wintrow

ABSENT/EXCUSED: None

CONVENED: Senator Keough convened the meeting at 8:01 A.M.

AGENCY PRESENTATION: **BOARD OF LAND COMMISSIONERS: ENDOWMENT FUND INVESTMENT BOARD**

LSO STAFF PRESENTATION: **ROB SEPICH**

CARRIED: ORIGINAL MOTION
Moved by Sen. Bair, for the Department of Lands, the Endowment Fund Investment Board, beginning with the FY 2019 Base, a reduction of \$5,100 for benefit costs, an increase of \$2,000 for replacement items, a decrease of \$3,700 for statewide cost allocation, and an increase of \$14,400 for change in employee compensation. The totals for this motion for FY 2019 are 3.70 FTP and \$722,700 from dedicated funds, 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.

CONSENT: On request by Sen. Bair, granted by unanimous consent to include the two sections of intent language as shown below. The first section provides continuous appropriation authority for consulting fees, bank custodial fees, and portfolio-related external costs. The second section recognizes the transfers the Land Board approved for FY 2019 and used by JFAC to set the various agency budgets.

SECTION 3. CONTINUOUS APPROPRIATION AUTHORITY. The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, custodial fees, investment manager fees, and other portfolio-related external costs for the period July 1, 2018, through June 30, 2019.

SECTION 4. TRANSFERS. It is the intent of the legislature that for fiscal year 2019, the Endowment Fund Investment Board shall transfer \$78,206,400

as follows: \$50,325,600 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$1,447,200 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$5,754,000 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$4,410,000 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$2,193,600 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$4,826,400 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; \$5,024,400 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and \$4,225,200 from the University Earnings Reserve Fund to the University Income Fund.

AGENCY **DEPARTMENT OF PARK AND RECREATION: LAVA HOT SPRINGS**
PRESENTATION: **FOUNDATION**
PRESENTATION: **ROB SEPICH**
CARRIED: **ORIGINAL MOTION**

Moved by Rep. Anderson, for the Department of Parks and Recreations, Lava Hot Springs Foundation, beginning with the FY 2019 base, a reduction of \$12,800 for benefit costs, an increase of \$120,000 for replacement items, a decrease of \$7,900 for statewide cost allocation, and an increase of \$23,000 for change in employee compensation. Also included are the following line items: \$50,000 for onetime Pavillion construction costs in line item 1; and \$30, 000, onetime, for a feasibility study on constructing a permanent restroom in the park. The totals for this motion for FY 2019 are 15.80 FTP, and \$2,312,300 from dedicated funds, seconded by Sen. Nye.

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 **OFFICE OF THE GOVERNOR: OFFICE OF SPECIES**
PRESENTATION: **CONSERVATION**
PRESENTATION: **ROB SEPICH**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Miller, for the Office of the Governor, Office of Species Conservation, beginning with the FY 2019 Base, a reduction of \$16,600 for benefit cots, and an increase \$27,100 for change in employee compensation. Also included are the following line items: 1.0 FTP and \$82,000 for line item 1 to hire a financial officer; 0.37 for line item 2 to increase a federally funded employee to full time for salmon and steelhead work; line item 3 for a net zero object transfer of \$75,000 from operating expenditures to personnel costs; \$6,000 for IT and Telecommunications related items in line item 4; and \$15,000 for wildlife policy work as recommended in line item 5. The totals for this motion for FY 2019 are 14.00 FTP, \$1,397,200 from the General Fund, \$15,000 fro, dedicated funds, and \$12,832,800 from federal funds for a grand total of \$14,245,000, seconded by Sen. Bair.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:
PRESENTATION:
CARRIED:**

**DEPARTMENT OF AGRICULTURE: SOIL AND WATER
CONSERVATION COMMISSION
ROB SEPICH**

ORIGINAL MOTION

Moved by Rep. Miller, for the Department of Agriculture for the Soil and Water Conservation Commission, beginning with the FY 2019 Base, a reduction of \$25,000 for benefit cots, an increase of \$700 for inflationary adjustments, an increase of \$1,800 for replacement items, a decrease of \$1,200 for statewide cost allocation, and an increase of \$34,600 for change in employee compensation. Also included are the following line items: 3.00 FTP and \$185,400, ongoing, for line item 2 to hire federally funded field office specialists; 1.00 FTP and \$85,000, ongoing, for line item 3 to hire a federally funded sagebrush restoration specialist; and lastly line item 4 including \$7,800 for IT and Telecommunications related items. The totals for this motion for FY 2019 are 21.75 FTP, \$2,659,200 from the General Fund, \$376,100 from dedicated funds, and \$289,100 from federal funds for a grand total of \$3,324,400, seconded by Sen. Crabtree.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT: On request by Rep. Miller, granted by unanimous consent to include the section of intent language as shown below.
SECTION 3. TRUSTEE AND BENEFIT PAYMENTS DISTRIBUTION. It is the intent of the Legislature that \$100,000 of the amount appropriated in Section 1 of this act for trustee and benefit payments is to be distributed equally between the fifty (50) soil and water conservation districts in addition to the amounts authorized under Section 22-2727, Idaho Code.

AGENCY PRESENTATION: **DEPARTMENT OF JUVENILE CORRECTIONS**

PRESENTATION: **JARED HOSKINS**

CARRIED: ORIGINAL MOTION

Moved by Sen. Martin, for the Department of Juvenile Corrections, beginning with the FY 2019 Base, a reduction of \$581,800 for benefit costs, an increase of \$424,100 for replacement items, an increase of \$25,300 for statewide cost allocation, and an increase of \$657,400 for change in employee compensation. Also included are the following line items: \$15,700 for instructor pay; 1.00 FTP and \$74,300 for a clinician at the Juvenile Corrections Center-Nampa; the net-zero program transfer of \$186,100 in General Fund personnel costs from Institutions to Administration; and \$8,700 for IT and telecommunications. The totals for this motion for FY 2019 are 414.00 FTP, \$41,771,200 from the General Fund, \$7,312,300 from dedicated funds, and \$3,020,700 from federal funds for a grand total of \$52,104,200, seconded by Rep. Burtenshaw.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

AGENCY PRESENTATIONS: **SELF-GOVERNING AGENCIES: STATE APPELLATE PUBLIC**

DEFENDER

PRESENTATIONS: **JARED HOSKINS**

CARRIED:

ORIGINAL MOTION

Moved by Sen. Agenbrood, for the State Appellate Public Defender, beginning with the FY 2019 Base, a reduction of \$32,800 for benefit costs, an increase of \$12,500 for inflationary adjustments, an increase of \$10,800 for replacement items, and an increase of \$60,000 for change in employee compensation. Also included are the following line items: 1.00 FTP and \$51,700 for a legal assistant, of which \$2,200 is onetime; and \$5,000 for hearing travel costs. The totals for this motion for FY 2019 are 24.00 FTP and \$2,948,100 from the General Fund, seconded by Rep. Youngblood.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT:

On request by Sen. Agenbrood, granted by unanimous consent that the legislative intent language, as shown below, regarding outside counsel costs and capital representation costs be accepted as part of the State Appellate Public Defender's FY 2019 appropriation bill.

SECTION . OUTSIDE COUNSEL COSTS. Of the amount appropriated in Section 1 of this act, \$207,500 from the General Fund, or so much thereof as is necessary, shall be used solely to pay outside counsel for noncapital appeals in which a conflict of interest is identified and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, capital representation costs and the operating, personnel and capital outlay costs of the Office of the State Appellate Public Defender Program. Any remaining unexpended and unencumbered amounts not so used shall revert to the General Fund. SECTION . CAPITAL REPRESENTATION COSTS. Of the amount appropriated in Section 1 of this act, \$94,900 from the General Fund, or so much thereof as is necessary, shall be used solely for costs directly related to the provision of representation in capital cases and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, outside counsel costs of noncapital appeals and the operating, personnel and capital outlay costs of the Office of the State Appellate Public Defender Program. Such costs may include, but are not limited to, consultation with experts; travel, lodging, and per diem for expert and lay witnesses; depositions; investigation; employee travel associated with witness interviews; court reporting and transcription services; expert witness fees; outside counsel in the event of a conflict of interest; and preparation of trial exhibits. Any remaining unexpended and unencumbered amounts not so used shall revert to the General Fund.

ADJOURNED:

There being no further business, Senator Keough adjourned the meeting 8:27 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 21, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	STATE BOARD OF EDUCATION	
LBB 1-47	Agricultural Research & Extension	Janet Jessup, Analyst
LBB 1-93	Career-Technical Education	
LBB 1-77	State Board of Education	
	OFFICE OF THE GOVERNOR	
LBB 6-103	STEM Action Center	
	OFFICE OF THE GOVERNOR	
LBB 6-61	Office of Energy and Mineral Resources	Maggie Smith, Analyst
LBB 5-51	PUBLIC UTILITIES COMMISSION	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 21, 2018

TIME: 8:00 A.M.

PLACE: Room C310

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

LSO STAFF PRESENT: Janet Jessup and Maggie Smith, Budget & Policy Analysts

ABSENT/EXCUSED: Wintrow

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

AGENCY PRESENTATION: **State Board of Education**

CARRIED: **Original Motion**
Agricultural Research & Extension

Moved by **Burtenshaw** seconded by **Mortimer** to for the State Board of Education, Agricultural Research & Extension Service, beginning with the FY 2019 Base, a reduction of \$427,100 for benefit costs, an increase of \$127,900 for replacement items, and an increase of \$694,000 for change in employee compensation. The totals for this motion for FY 2019 are \$31,307,100 from the General Fund and \$24,000 from dedicated funds for a grand total of \$31,331,100. This motion provides exemptions to budget laws that will allow funds to be transferred between object codes; and consistent with other higher education budgets, there is no FTP cap.

Ayes: 18
Keough, Bair, Mortimer, Martin, Souza, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell Youngblood, Miller, Burtenshaw, Horman, Patano (Malek), Anderson, Dixon, and King

Nay: 0

Ab/Ex: 2
Senator Lee
Representative Wintrow

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**.

UNANIMOUS CONSENT: On request by **Representative Horman**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Division of Career-Technical Education.

CARRIED: **Original Motion**
Supplemental

Moved by **Mortimer**, seconded by **Horman**, moved for a fiscal year 2018 supplemental appropriation to the Division of Career-Technical Education to direct that an amount not to exceed \$598,900, appropriated for Fiscal Year 2018 for the purpose of establishing a dental hygiene program at the College of Western Idaho, be re-purposed for a practical nursing program at the College of Western Idaho.

Ayes: 19

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

Nay: 0

Ab/Ex: 1

Representative Wintrow

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

Career and Technical Education

Moved by **Mortimer**, seconded by **Horman**, for the State Board of Education, Division of Career and Technical Education, beginning with the FY 2019 Base, a reduction of \$803,800 for benefit costs, an increase of \$1,700 for statewide cost allocation, an increase of \$22,700 for replacement items, and an increase of \$1,072,800 for change in employee compensation. Also included are the following line items: 2.00 FTP and \$176,900 for the CTE Middle School Quality Program; \$300,000 for CTE Secondary Incentive Funding; 12.30 FTP and \$1,683,300 for Postsecondary Expansion; \$750,000 for Workforce Training Centers; \$178,000 for Program Alignment; \$70,000 for Online CTE Course Development; \$82,000 for Standard Alignment for Trades; \$0 for a Reorganization Correction within the agency; a decrease of 17.00 FTP and \$1,111,100 for the shift of funding to the College of Eastern Idaho; \$500 for IT/Telecommunications; and \$100,000 for Adult Education. The totals for this motion for FY 2019 are 580.26 FTP, \$66,397,900 from the General Fund, \$634,800 from dedicated funds, and \$8,930,500 from federal funds for a grand total of \$75,963,200. This motion includes carry-over authority of dedicated and federal funds and provides exceptions to budget laws that will allow funds to be transferred between object codes for the Post-Secondary Program only. Consistent with other higher education budgets, there is no FTP cap.

Ayes: 19

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

Nay: 0

Ab/Ex: 1

Representative Wintrow

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 Mortimer** stated line item #3, Postsecondary Capacity Expansion, is increased from the Governor's recommendation because the people who worked on the budget felt it was important to include both the first and second priorities of the postsecondary capacity expansion. He continued that there is a waiting list for those positions and there are jobs waiting.

UNANIMOUS CONSENT: On request by **Senator Mortimer**, granted by unanimous consent, to accept the intent language as shown...

INTENT LANGUAGE: FY 2019 — Division for Career and Technical Education, Appropriation Intent Language

SECTION 3. LEGISLATIVE INTENT. In addition to the appropriation made in Section 1, Chapter 310, Laws of 2017, and any other appropriation provided for by law, there is hereby directed that an amount not to exceed \$598,900, appropriated for Fiscal Year 2018 for the purpose of establishing a dental hygiene program at the College of Western Idaho, be re-purposed to support a practical nursing program at the College of Western Idaho.

SECTION 4. LEGISLATIVE INTENT. An emergency existing therefor, which emergency is hereby declared to exist, the provisions of Section 3 of this act shall be in full force and effect on and after passage and approval.

SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that the cash balance of the Seminars and Publication Fund (0401-00), not to exceed \$90,900, be transferred to the Division of Human Resources Fund (0475-12) within the Division of Human Resources.

CARRIED: **Original Motion**
State Board of Education

Moved by **Horman** seconded by, **Ward-Engelking** move for the Office of the State Board of Education, beginning with the FY 2019 base, a reduction of \$39,300 for benefit costs, an increase of \$4,000 for inflationary adjustments, an increase of \$14,400 for replacement items, a decrease of \$45,200 for statewide cost allocation, and an increase of \$79,200 for change in employee compensation. Also included are following line items: add \$11,000 for IT/Telecommunications as requested in line item 1; add \$125,000 for Accreditation for Psychology Internships as requested in line item 2; add \$80,000 for the Graduate Medical Education Council in line item 3; add \$250,000 for a Systems Integration Consultant as described in line item 4; add 3.00 FTP and \$413,800 for the Transfer of Career Information System (CIS) to the Board of Education in line item 5; and add \$6,125,000 for the annual lease payments from the Idaho National Laboratory in line item 7. The totals for this motion for FY 2019 are 34.25 FTP, \$6,374,900 from the General Fund, \$6,846,200 from dedicated funds, and \$2,740,100 from federal funds for a grand total of \$15,961,200

Ayes: 19

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

Nay: 0

Ab/Ex: 1

Representative Wintrow

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 discussed line items #1 IT/Telecommunications, line item #4 Systems Integration Consultant, line item #5 Transfer CIS to Board of Education, line item #7 Idaho National Laboratory (INL) lease payments.

Senator Lee declared Rule 38–H potential conflict, she works for a community college that is registered as a private not for profit school under the office of the State Board of Education.

**UNANIMOUS
CONSENT:**

On request by **Representative Horman**, granted by unanimous consent, to accept the standard intent language as shown...

**INTENT
LANGUAGE:**

FY 2019 — Office of the State Board of Education, Standard Intent Language SECTION 3. LEGISLATIVE INTENT. There is hereby appropriated to the Office of the State Board of Education any unexpended and unencumbered balance of moneys in the Federal Grant Fund as appropriated or reappropriated for fiscal year 2018, to be used for nonrecurring expenditures, for the period July 1, 2018, through June 30, 2019.

SECTION 4. LEGISLATIVE INTENT. There is hereby reappropriated to the Office of the State Board of Education any unexpended and unencumbered balance of moneys in the Public Charter School Authorizers Fund as appropriated or reappropriated for fiscal year 2018, to be used for nonrecurring expenditures, for the period July 1, 2018, through June 30, 2019.

**UNANIMOUS
CONSENT:**

On request by **Representative Horman**, granted by unanimous consent, to accept the non-standard intent language as shown...

**INTENT
LANGUAGE:**

FY 2019 — Office of the State Board of Education, Non-Standard Intent Language

SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that the President of State Board of Education shall provide a written report to the Joint Finance- Appropriations Committee, the Senate Education Committee, and the House Education Committee on the utilization of dual credit by students in Idaho high schools. The Board shall provide a history for the state funding for dual credit enrollment, data regarding the short-term achievement of students engaged in dual credit enrollment, and the costs incurred by institutions of higher education providing dual credits with the opportunity for input from said institutions. Reporting to the Legislature should occur no later than February 1, 2019 and shall be formatted in such a manner that allows consistent comparison across all institutions.

SECTION 6. LEGISLATIVE INTENT. The State Board of Education shall provide an annual update to the Joint Finance and Appropriations Committee of all sublease rent payments made and any amount due and outstanding related to Senate Concurrent Resolution No. 105 (2017).

**AGENCY
PRESENTATION:**

Office of the Governor

CARRIED:

Original Motion
STEM Action Center

Moved by **Mortimer**, seconded by **Ward-Engelking**, moved for the STEM Action Center, beginning with the FY 2019 base, a reduction of \$5,600 for benefit costs, an increase of \$1,200 for statewide cost allocation, and an increase of \$10,200 for change in employee compensation. Also included are the following line items: add 1.00 FTP and \$85,100 for a financial officer position as recommended in line item 1; add 1.00 FTP for a senior research analyst as discussed in line item 2; and \$1,800 for IT/Telecommunications as recommended in line item 4. The totals for this motion for FY 2019 are 6.00 FTP, \$2,575,900 from the General Fund and \$2,100,700 from dedicated funds for a grand total of \$4,676,600.

Ayes: 18

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

Nay: 1

Ab/Ex: 1

Representative Wintrow

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

STEM Action Center

Moved by **Mortimer**, seconded by **Horman**, for the appropriation and transfer of \$2,000,000 from the General Fund to the STEM Education Fund for fiscal year 2019 as requested in line item 3.

Ayes: 18

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

Nay: 1

Ab/Ex: 1

Representative Wintrow

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 Mortimer stated that the third line item provides \$2,000,000 onetime from the General Fund to the STEM Education Fund for the Computer Science Initiative as recommended by the governor.

CARRIED:

Original Motion

Office of Energy and Mineral Resources

Moved by **Ward-Engelking**, seconded by **King**, move for the Office of Energy and Mineral Resources, beginning with the FY 2019 base, a reduction of \$11,300 for benefit costs, an increase of \$6,400 for replacement items, a reduction of \$4,900 for statewide cost allocation, and an increase of \$21,300 for change in employee compensation. The totals for this motion for FY 2019 are 8.00 FTP, \$893,100 from dedicated funds, and \$415,600 from federal funds for a grand total of \$1,308,700.

Ayes: 19

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

Nay: 0

Ab/Ex: 1

Representative Wintrow

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 Ward-Engelking stated the \$4,000 difference between the agency request and Governor's recommendation for statewide cost allocation is due to a decrease in fees for legislative audits, which were billed after the September 01, 2017 budget deadline.

**AGENCY
PRESENTATION:**

Public Utilities Commission

CARRIED:

Original Motion

Moved by **Dixon**, seconded by **Martin**, move for the Public Utilities Commission, beginning with the FY 2019 base, a reduction of \$70,800 for benefit costs, an increase of \$9,800 for inflationary adjustments, an increase of \$91,900 for replacements items, an increase of \$49,700 for statewide cost allocation, and an increase of \$109,300 for change in employee compensation. Also included is one line item: \$11,400 as recommended for the CEC for Commissioners. The totals for this motion for FY 2019 are 52.00 FTP, \$6,356,700 from dedicated funds, and \$325,900 from federal funds, for a grand total of \$6,682,600.

Ayes: 19

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

Nay: 0

Ab/Ex: 1

Representative Wintrow

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**.

**UNANIMOUS
CONSENT:**

On request by **Representative Dixon**, granted by unanimous consent to introduce, as a separate section of the Public Utilities Commission's FY 2019 original appropriation bill, amendments to Section 61-215, Idaho Code, as reflected on the screen, to increase the salaries of the Public Utilities Commissioners, with a do-pass recommendation.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the Committee at 8:36 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 22, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	OFFICE OF THE GOVERNOR	
LBB 6-65	Division of Financial Management	Paul Headlee, Division Manager
	LEGISLATIVE BRANCH	
LBB 6-119	Legislative Services Office	
LBB 6-123	Office of Performance Evaluations	
	IDAHO STATE POLICE	
LBB 3-89	Brand Inspection	Christine Otto, Analyst
LBB 3-93	Division of Idaho State Police	
LBB 3-103	Peace Officer Standards and Training	
LBB 3-109	Racing Commission	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 22, 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, Patano(Malek), Anderson, Dixon, King, Wintrow
ABSENT/EXCUSED: None
CONVENED: Chairman Keough convened the meeting at 8:00 A.M.
AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR: DIVISION OF FINANCIAL MANAGEMENT**
LSO STAFF PRESENTATION: **PAUL HEADLEE**
CARRIED: ORIGINAL MOTION
Moved by Rep. Anderson, for the Office of the Governor, Division of Financial Management, beginning with the FY 2019 Base, a reduction of \$20,200 for benefit costs and an increase of \$45,600 for change in employee compensation. Also included is one line item of \$5,000 from the General Fund for IT/Telecommunications. The totals for this motion for FY 2019 are 15.00 FTP, \$1,887,500 from the General Fund and \$71,200 from dedicated funds for a grand total of \$1,958,700, seconded by Sen. Bair.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:
PRESENTATION:
CARRIED:**

LEGISLATIVE BRANCH: LEGISLATIVE SERVICES OFFICE

PAUL HEADLEE

ORIGINAL MOTION

Moved by Sen. Bair, for the Legislative Branch, Legislative Services Office, beginning with the FY 2019 Base, a reduction of \$90,400 for benefit costs, an increase of \$12,00 onetime for replacement items, an increase of \$1,200 for statewide cost allocation, and an increase of \$166,700 for change in employee compensation. Also included is one line item of \$44,500 for Information Center and Copy Center staffing and operations costs. The totals for this motion for FY 2019 are 65.00 FTP, \$5,312,700 from the General Fund, and \$2,599,000 from dedicated funds for a total of \$7,911,700. This motion include an exemption to budget laws that will allow funds to be transferred between object codes; carryover from FY 2018 into FY 2019 of up to \$650,000 of personnel costs from the dedicated Professional Services Fund; and no FTP cap, seconded by Rep. Dixon.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:
PRESENTATION:
CARRIED:**

**LEGISLATIVE BRANCH: OFFICE OF PERFORMANCE
EVALUATIONS**

PAUL HEADLEE

ORIGINAL MOTION

Moved by Rep. King, for the Legislative Branch, Office of Performance Evaluations, beginning with the FY 2019 Base, a reduction of \$11,200 for benefit costs; \$2,300 for replacement items; an increase of \$200 for statewide cost allocation, and an increase of \$22,000 for change in employee compensation. The totals for this motion for FY 2019 are 8.00 FTP and \$899,500 from the General Fund. This motion includes an exemption to budget laws that will allow funds to be transferred between object codes and no FTP cap, seconded by Sen. Souza.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

AGENCY IDAHO STATE POLICE: BRAND INSPECTION

PRESENTATION:

PRESENTATION: CHRISTINE OTTO

CARRIED: ORIGINAL MOTION

Moved by Sen. Crabtree, for the Idaho State Police, Brand Inspection Division, beginning with the FY 2019 Base, a reduction of \$52,700 for benefit costs, an increase of \$171,400 for replacement items, a decrease of \$2,100 for statewide cost allocation, and an increase of \$60,500 for change in employee compensation. The totals for this motion for FY 2019 are 37.84 FTP, \$3,123,700 from dedicated funds, for a grand total of \$3,123, 700, seconded by Rep. Burtenshaw.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

AGENCY IDAHO STATE POLICE: DIVISION OF IDAHO STATE POLICE

PRESENTATION:

PRESENTATION: CHRISTINE OTTO

CARRIED:

ORIGINAL MOTION

Moved by Rep. Burtenshaw, for the Idaho State Police beginning with the FY 2019 Base, a reduction of \$718,900 for benefit costs, an increase of \$500 in inflationary adjustments, an increase of \$4,451,900 in replacement items, an increase of \$150,500 for statewide cost allocation, and an increase of \$1,157,800 for change in employee compensation. Also included are the following line items: Line item 1 consists of 7.00 FTP and \$1,239,800 for Patrol Officers; Line item 3 includes 1.00 FTP and \$220,900 for an executive Protection Officer; Line item 4 includes \$858,000 for LC/MS/MS instruments; Line item 6 includes \$44,500 for instrument maintenance; Line item 7 includes 3.00 FTP and \$346,300 for Forensic Scientists; Line item 8 includes \$44,500 for instrument maintenance; Line item 7 includes 3.00 FTP and \$346,300 for Forensic Scientists; Line item 8 includes \$762,600 for the purchase of the Watertower Lots; Line item 11 includes 1.00 FTP and \$64,200 for a Fleet Installation Technician; Line item 13 includes 1.00 FTP and \$79,800 for a BCI Section Supervisor; Line item 14 includes \$1,595,000 for the Sex Offender Registry System Update; Line item 15 includes \$104,900 for 9-1-1 CAMA Trunks; and line item 19 includes \$7,500 for IT/Telecommunication. The totals for this motion for FY 2019 are 531.34 FTP, \$32,772,200 from the General Fund, \$34,393,900 from dedicated funds, and \$8,215,900 from federal funds for a grand total of \$75,382,000, seconded by Sen. Agenbroad.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT:

On request by Rep. Burtenshaw, granted by unanimous consent, that the legislative intent language shown on the screen regarding a transfer be accepted as part of the FY 2019 appropriation bill for the Idaho State Police, as shown below:

INTENT LANGUAGE: There is hereby appropriated and the State Controller shall transfer in accordance with Section 63-2552A(3), Idaho Code, on July 1, 2018, or as soon thereafter as practicable, \$200,000 from the Public School Income Fund to the Idaho State Police Miscellaneous Revenue Fund for the purpose of increasing toxicology lab capacity in Forensic Services.

**AGENCY
PRESENTATION:
PRESENTATION:**

**IDAHO STATE POLICE: PEACE OFFICER STANDARD AND
TRAINING
CHRISTINE OTTO**

CARRIED:

ORIGINAL MOTION

Moved by Sen. Agenbroad, for the Idaho State Police, Peace Officer Standards and Training Academy Division, beginning with the FY 2019 Base, a reduction of \$40,500 for benefit costs, an increase of \$145,900 for replacement items, an increase of \$38,400 for statewide cost allocation, and an increase of \$57,800 in CEC . The totals for this motion for FY 2019 are 28.67 FTP, \$4,557,100 from dedicated funds, \$257,900 from federal funds for a grand total of \$4,815,000, 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:**

IDAHO STATE POLICE: RACING COMMISSION

PRESENTATION:

CHRISTINE OTTO

CARRIED:

ORIGINAL MOTION

Moved by Sen. Martin, for the Idaho State Police, Racing Commission Division, beginning with the FY 2019 Base, a reduction of \$1,700 for benefit cos, ,a reduction of \$9,000 for statewide cost allocation, and an increase of \$4,400 for change in employee compensation. The totals for this motion for FY 2019 are 3.00 FTP, \$427,900 from dedicated funds, for a grand total of \$427,900, 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.

INTENT LANGUAGE;

CONSENT:

On request by Sen. Martin, granted by unanimous consent, that the legislative intent language as shown below regarding transfers be accepted as part of the FY 2019 appropriation bill for the Idaho State Police.

INTENT LANGUAGE: PUBLIC SCHOOL INCOME FUND TRANSFER.

Notwithstanding any other provision of law to the contrary, the State Controller shall transfer to the Public School Income Fund amounts appropriated in Section 1 of this act from the Pari-mutuel Distributions Fund that are associated with balances of the Breed Distribution Account and are otherwise allocated for distribution to the Idaho Thoroughbred Association. On July 1, 2018, or as soon thereafter as practicable, upon notification from the Idaho State Racing Commission that said amounts are available, the State Controller shall transfer

up to \$29,300 of the Idaho Thoroughbred Association's allocation to the Public School Income Fund.

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 8:39 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 23, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
BUDGET CORRECTIONS		
LBB 1-33	Public School Support - Division of Central Services	Robyn Lockett, Principal Analyst
LBB 5-63	Commission on Hispanic Affairs	Jill Randolph, Analyst
STATE BOARD OF EDUCATION		
LBB 1-103	Idaho Public Television	Jill Randolph, Analyst
SELF-GOVERNING AGENCIES		
LBB 5-77	Commission for Libraries	
LBB 2-107	STATE INDEPENDENT LIVING COUNCIL	
DEPARTMENT OF HEALTH AND WELFARE		
LBB 2-51	Mental Health Services	Jared Tatro, Principal Analyst
LBB 2-57	Psychiatric Hospitalization	
LBB 2-79	Substance Abuse Treatment and Prevention	
LBB 2-3	CATASTROPHIC HEALTH CARE PROGRAM (CAT)	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 23, 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 8:00 a.m.

UNANIMOUS CONSENT: On request by **Representative Horman**, granted by unanimous consent to reopen the fiscal year 2019 budget for the Division of Central Services in the Public School Support Program.

CARRIED: Original Motion
Public School Support — Division of Central Services
Moved by **Horman**, seconded by **Mortimer**, to clarify that of the \$1,341,500 appropriated from the General Fund for the Division of Central Services for the FY 2019 Public School Support Program, for student achievement assessments in line item #9, \$500,000 shall be ongoing and \$841,500 shall be onetime.
Ayes: 19
Keough, Bair, Mortimer, Martin, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow
Nays: 0
Ab/Ex: 1 — Senator Souza
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 **Senator Ward-Engelking**, granted by unanimous consent, to reopen the fiscal year 2019 budget for the Commission on Hispanic Affairs.

CARRIED: Amended Motion
Budget Corrections
Commission on Hispanic Affairs
Moved by **Ward-Engelking**, seconded by **Miller**, for the Commission on Hispanic Affairs for fiscal year 2019 an increase of \$100 from the Federal Grant Fund for the Fund Shift and Reduction in line item #3.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Souza

CARRIED:

Original Motion

State Board of Education

Idaho Public Television

Moved by **Mortimer**, seconded by **Horman**, for Idaho Public Television, beginning with the FY 2019 Base, a reduction of \$85,300 for benefit costs, an increase of \$921,300 for replacement items, a decrease of \$5,100 for statewide cost allocation, and an increase of \$111,500 for change in employee compensation. Also included are the following line items: Line item #2 for 1.00 FTP and \$76,500 for an additional FCC engineer. Line item #4 for \$74,100 for an Office of Special Educational Rehabilitation Service Grant. Line item #5 for 1.00 FTP and \$125,000 for the Idaho Experience Grant. Line item #6 for 1.00 FTP for the American Graduate Grant. The totals for this motion for FY 2019 are 68.48 FTP, \$2,585,300 from the General Fund, \$6,522,900 from dedicated funds, and \$340,400 from federal funds for a grand total of \$9,448,600.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Souza

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:

Self-Governing Agencies

Commission for Libraries

Moved by **Martin**, seconded by **Mortimer**, for the Commission for Libraries, beginning with the FY 2019 Base, a reduction of \$53,600 for benefit costs, an increase of \$19,200 for replacement items, an increase of \$600 for statewide cost allocation, and an increase of \$64,100 for the change in employee compensation. Also included are two line items. Line item #1 for \$200,000 onetime from the General Fund for the Talking Book Service. Line item #3 for \$9,500 for IT/telecommunications upgrades. The totals for this motion for FY 2019 are 37.50 FTP, \$4,193,000 from the General Fund, \$70,000 from dedicated funds, and \$1,637,700 from federal funds for a grand total of \$5,900,700.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Souza

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 **Senator Martin**, granted by unanimous consent, to include the following section of intent language for the Commission for Libraries for FY 2019:

**INTENT
LANGUAGE:**

SECTION 3. TALKING BOOK SERVICE COSTS. Of the amount appropriated in Section 1 of this act, \$200,000 from the General Fund, or so much therefore as is necessary, shall be used solely to pay personnel costs and operating expenditures of the Talking Book Service in the event that the Library Services and Technology Act grant funding is eliminated. Any remaining unexpended and unencumbered amounts not used shall revert to the General Fund.

CARRIED:

Original Motion

State Independent Living Council

Moved by **Wintrow**, seconded by **Martin**, for the State Independent Living Council, beginning with the FY 2019 Base, a reduction of \$5,600 for benefit costs, an increase of \$700 for inflationary adjustments, and an increase of \$9,400 for change in employee compensation. Also included are two line items. Line item #1 for \$6,600 for a Title VII grant administrative fee. Line item #2 for \$1,300 for IT/telecommunications upgrades. The totals for this motion for FY 2019 are 4.00 FTP, \$223,700 from the General Fund, \$356,400 from dedicated funds, and \$117,700 from federal funds for a grand total of \$697,800.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Senator Souza

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**.

DISCUSSION:

Representative Wintrow stated this is recommended by the Governor and is a maintenance budget.

CARRIED:

Original Motion

Department of Health and Welfare

Mental Health Services

Moved by **Lee**, seconded by **Malek**, move for the Department of Health and Welfare, Division of Mental Health Services, beginning with the FY 2019 Base, reduce \$408,900 for benefit costs, reduce \$17,500 for statewide cost allocation, and add \$603,800 for the change in employee compensation. Also included are the following line items: \$2,567,500 for partial funding on the remaining three community crisis centers as recommended in line item 2; and reduce \$681,600 for the Jeff D lawsuit settlement implementation as explained in line item 7, with the dedicated funding being appropriated from the Technology Infrastructure Stabilization Fund. The totals for this motion for FY 2019 are 308.23 FTP, \$42,072,200 from the General Fund,

\$876,600 from dedicated funds, and \$10,188,500 from federal funds for a grand total of \$53,137,300.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Souza

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 **Senator Lee**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

GENERAL FUND TRANSFERS. As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funds budgeted in the trustee and benefit payments expense class shall not be transferred to any other expense classes during fiscal year 2019. PROGRAM INTEGRITY. Notwithstanding any other provision of law to the contrary, it is the intent of the Legislature that the Department of Health and Welfare shall be required to provide those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

CARRIED:

Original Motion

Department of Health and Welfare

Psychiatric Hospitalization

Moved by **Wintrow**, seconded by **Agenbroad**, move for the Department of Health and Welfare for the Psychiatric Hospitalization Division, beginning with the FY 2019 Base, reduce \$520,800 for benefit costs; add \$124,000 for inflationary adjustments; add \$608,200 for replacement items, which are to be determined by the hospital administrators; reduce \$27,400 for statewide cost allocation; add \$45,200 for annualizations; add \$757,400 for the change in employee compensation; shift \$7,600 from federal funds to the General Fund for nondiscretionary adjustments related to the changes in the FMAP; and shift \$375,500 from the General Fund to the dedicated endowment funds. Also included is line item 57 to reduce \$295,700 as recommended by the Governor, for funds that were added in FY 2018 for contractual beds at the Idaho Department of Correction. The totals for this motion for FY 2019 are 392.35 FTP, \$23,054,700 from the General Fund, \$11,010,800 from dedicated funds, and \$4,684,700 from federal funds for a grand total of \$38,750,200.

Ayes: 19

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

Nayes: 0

Ab/Ex: 1 — Senator Souza

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**.

DISCUSSION:

Representative Wintrow stated this motion includes all JFAC adjusted items, provides funding for inflationary adjustments and replacement items with funding amounts as recommended by the Governor, but with project discretion given to the hospital administrators. Finally, this motion includes the Governor's recommendation to move \$295,700 from this budget to the Department of Correction's budget. Funding for line item 18 regarding the pay increases for the two hospital medical directors, will be considered upon passage of H431, which is currently in the Senate Commerce and Human Resources Committee. The bill passed the House 53-17-0 on 02/14/2018.

**UNANIMOUS
CONSENT:**

On request by **Representative Wintrow**, granted by unanimous consent, to accept the intent language as shown...

**INTENT
LANGUAGE:**

Health and Welfare Requests the Following Budget Law Exemption SECTION . Notwithstanding the provisions of Section 67-3511(2), Idaho Code, funding may be transferred into the Community Hospitalization budget in excess of ten percent (10%) of the appropriation from within the Department of Health and Welfare.

CARRIED:

Original Motion

Department of Health and Welfare

Substance Abuse Treatment and Prevention

Moved by **Agenbroad**, seconded by **King**, move for the Department of Health Welfare for the Substance Abuse Treatment and Prevention Program, beginning with the FY 2019 Base, reduce \$21,900 for benefit costs, and add \$31,500 for the change in employee compensation. Also included are the following line items: add \$256,000 for provider rate increases as requested in line item 14; add \$1,955,000 onetime for the opioid crisis grant as explained in line item 29; and add \$160,000 from the Idaho Millennium Income Fund for tobacco permit fees for the purpose outlined in line item 52. The totals for this motion for FY 2019 are 16.00 FTP, \$2,733,200 from the General Fund, \$1,341,100 from dedicated funds, and \$13,132,000 from federal funds for a grand total of \$17,206,300.

Ayes: 18

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

Nayes: 0

Ab/Ex: 2 — Senator Souza and Representative Youngblood

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**.

DISCUSSION: **Senator Agenbroad** stated this motion includes all JFAC adjusted items and provides funding for all requested line items with two modifications. The first modification relates to the opioid crisis grant and provides a onetime appropriation instead of the requested ongoing, since the grant will end during FY 2019. The second modification is for the tobacco permit fees. The policy bill failed in committee and as a result, a funding shortfall was not filled and this motion provides that funding from the Millennium Income Fund, which aligns with how this program has been partially funded since 2003.

CARRIED: **Catastrophic Health Care Program (CAT)**
Moved by **Bair**, seconded by **King**, move for the Catastrophic Health Care Program, beginning with the FY 2018 estimated expenditures, reduce \$7,999,500 from the FY 2019 base, then reduce \$300 for statewide cost allocation. The totals for this motion for FY 2019 are \$9,999,700 from the General Fund.

Ayes: 18

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

Nays: 0

Ab/Ex: 3 — Senator Souza and Representative Youngblood

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**.

DISCUSSION: **Senator Bair** stated historically this is an agency that has needed to be adjusted either up or down with supplementals.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the Committee at 8:54 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 26, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 3-55	JUDICIAL BRANCH	Jared Hoskins, Principal Analyst
	SELF-GOVERNING AGENCIES	
LBB 5-97	Public Defense Commission	
LBB 6-27	ATTORNEY GENERAL	
	STATE BOARD OF EDUCATION	
LBB 1-119	Superintendent of Public Instruction	Robyn Lockett, Principal Analyst
	OFFICE OF THE GOVERNOR	
LBB 6-75	Division of Human Resources	
LBB 6-127	LIEUTENANT GOVERNOR	Maggie Smith, Analyst
LBB 6-153	STATE TREASURER	

Senate Reconvenes: 10:30

House Reconvenes: 10:30

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 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

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 27, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	BUDGET CORRECTION	
	Intent Language Regarding the Use of Millennium Funds	Jared Tatro, Principal Analyst
	BOARD OF LAND COMMISSIONERS	
LBB 4-25	Department of Lands	Rob Sepich, Analyst
LBB 4-47	DEPARTMENT OF WATER RESOURCES	
LBB 4-35	DEPARTMENT OF PARKS AND RECREATION	
	STATE BOARD OF EDUCATION	
LBB 1-53	Colleges and Universities	Janet Jessup, Analyst
LBB 1-111	Special Programs	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

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

Nayes: 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

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 28, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	OFFICE OF THE GOVERNOR	
LBB 6-85	Military Division	Christine Otto, Analyst
	SELF-GOVERNING AGENCIES	
LBB 5-57	Division of Building Safety	
LBB 5-103	Regulatory Boards	
	DEPARTMENT OF HEALTH AND WELFARE	
LBB 2-37	Division of Medicaid	Jared Tatro, Principal Analyst
LBB 2-83	Division of Welfare	
LBB 2-67	Public Health Services	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 28, 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, Widmyer(Malek), Anderson, Dixon, King, Wintrow
ABSENT/EXCUSED: None
CONVENED: Senator Keough convened the meeting at 8:00 A.M.
AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR: MILITARY DIVISION**
LSO STAFF PRESENTATION: **CHRISTINE OTTO**
CARRIED: ORIGINAL MOTION

Moved by Rep. Youngblood, for the Military Division, beginning with the FY 2019 Base, a reduction of \$430,700 for benefit costs, an increase of \$2,700 for contract inflation, an increase of \$665,800 for replacement items, and an increase of \$717,300 for change in employee compensation. Also included are the following line items: Line item 5 includes \$98,500 for Youth ChallenNGe. Line item 8 includes \$28,000 for emergency data routers. Line item 9 includes 13.00 FTP and \$979,700 for family support positions. Line item 10 includes \$273,400 for the Idaho Starbase Program. Line item 11 includes \$31,000,000 for a training facility at the Orchard Combat Training Center (OCTC). Line item 12 includes 6.00 FTP and \$767,500 for CFMO positions. Line item 13 includes 3.00 FTP and \$245,600. Line item 14 includes 3.00 FTP and \$221,400 for ITAM positions. Line item 15 includes 2.00 FTP and \$699,700 for RTLP positions. Line item 16 includes 1.00 FTP and \$73,400 for Telecommunications specialist. Line item 17 includes 6.00 FTP and \$342,400 for security patrol specialists. The totals for this motion for FY 2019 are 370.80 FTP, \$7,069,900 from the General Fund, \$6,257,400 from dedicated funds, and \$91,644,600 from federal funds for a grant total of \$104,971,900, seconded by Sen. Ward-Engelking.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT: On request of Rep. Youngblood, granted by unanimous consent, that the legislative intent language, as shown below, regarding continuous appropriation be accepted as part of the the FY 2019 appropriation bill for the Military Division.

SECTION _CONTINUOUS APPROPRIATION. The Military Division is hereby granted continuous appropriation authority for the Idaho Office of Emergency Management's Miscellaneous Revenue Fund for the period of July 1, 2018, through June 30, 2019, for the purpose of covering incurred costs arising out of hazardous substance incidents.

AGENCY PRESENTATION: **SELF-GOVERNING AGENCIES: DIVISION OF BUILDING SAFETY**

PRESENTATION: **CHRISTINE OTTO**

CARRIED: ORIGINAL MOTION

Moved by Rep. Dixon, for the Division of Building Safety, beginning with the FY 2019 Base, a reduction of \$191,300 for benefit costs, an increase of \$18,700 for inflation; an increase of \$641,000 for replacement items; an increase of \$14,600 for statewide cost allocation, and an increase of \$267,400 for change in employee compensation. Also included are the following lien items: line item 1 includes 6.00 FTP and \$148,600 for onetime capital outlay as explained in the line item. Line item 5 includes \$82,000 for educational curriculum. Line item 7 includes \$10,000 for an SQL server update. Line item 8 includes \$12,100 to upgrade remote desktop server. Line item 9 includes \$20,000 for an MOU with the Public Utilities Commission. Line item 10 includes \$66,500 to implement the I-RIM Grant. The totals for this motion for FY 2019 are 147.00 FTP, \$239,600 from the General Fund, \$13,908,500 from dedicated funds, and \$156,100 from federal funds for a grant total of \$14,304,200, seconded by Sen. Crabtree.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT: On request by Rep. Dixon, granted by unanimous consent, that the legislative intent language, as shown below, regarding reappropriation be accepted as part of the FY 2019 appropriation bill for the Division of Building Safety.

SECTION _REAPPROPRIATION AUTHORITY: There is hereby reappropriated to the Division of Building Safety any unexpended and unencumbered balances appropriated to the Division of Building Safety from the State Regulatory Fund for the Trackit 9 Software System for fiscal year 2018, not to exceed \$100,000, to be used for nonrecurring expenditures related to the Trackit 9 System for the period July 1, 2018, through June 30, 2019.

**AGENCY
PRESENTATION:
PRESENTATION:
CARRIED:**

SELF-GOVERNING AGENCIES: REGULATORY BOARDS

CHRISTINE OTTO

ORIGINAL MOTION

Moved by Rep. King, for the Regulatory Boards, beginning with the FY 2019 Base, a reduction of \$96,200 for benefit costs, an increase of \$14,000 for inflationary adjustments, an increase of \$44,900 for replacement items, an increase of \$4,600 for statewide cost allocation, and an increase of \$113,700 for change in employee compensation. Also included are the following line items: line item 1 includes \$40,000 for attorney fees. Line item 2 includes 1.00 FTP \$102,600 for a deputy director of land surveying. Line item 3 includes \$14,700 for IT/Telecommunications. Line item 4 includes \$1,021,000 for a database upgrade. The totals for this motion for FY 2019 are 70.00 FTP, \$9,001,900 from dedicated funds, for a grand total of \$9,001,900, seconded by Sen. Martin.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:
PRESENTATION:
CARRIED:**

**DEPARTMENT OF HEALTH AND WELFARE: DIVISION OF
MEDICAID**

JARED TATRO

ORIGINAL MOTION

Moved by Rep. Wintrow, for the Department of Health and Welfare, Division of Medicaid, beginning with the FY 2019 Base, a reduction of \$277,300 for benefit costs, a decrease of \$4,700 for statewide cost allocation, an increase of \$8,088,700 for annualizations, an increase of \$411,500 for change in employee compensation, and an increase of \$132,162,600 for nondiscretionary adjustments. Also included are the following line items: Add \$2,00,000 for MMIS Independent Verification as explained in line item 6, with the state share being appropriated from the Technology Infrastructure Stabilization Fund. Add \$1,181,600 for the Jeff D Settlement Implementation as requested in line item 7. Add \$2,553,000 for Provider-Data Software Improvements as explained in line item 15, with the state share being appropriated from the Technology Infrastructure Stabilization Fund. Reduce \$1,126,700 for Infant Toddler Early Intervention Services that are being transferred to the Community Developmental Disability Services Program requested in line item 27. Add \$2,892,000 for Provider Enrollment Changes as explained in line item 22, with the state share being appropriated from the Technology Infrastructure Stabilization Fund. Add \$1,613,300 for the Children's DDA rate Change as explained in line item 38. Add \$5,202,500 for the Assisted Living Facilities rate change for Personal Care Services as explained in line item 39. Then add a line item for \$4,648,300 for Supported Living Provider Rate Increases as explained in supplemental 6. The totals for this motion for FY 2019 are 216.00 FTP,

\$584,121,400 from the General Fund, \$303,789,500 from dedicated funds, and \$1,557,739,600 from federal funds for a grand total of \$2,445,650,500, seconded by Sen. Bair.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT:

On request by Rep. Wintrow, granted by unanimous consent, to accept the standard intent language as shown below:

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medicaid Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Services Office and the Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for the trustee and benefit payments expenditure class in the Medicaid Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration and Medical Management Program, but shall not be transferred to any other budgeted programs or expenditure class within the Department of Health and Welfare during fiscal year 2019.

MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division shall provide a report to the Legislative Services Office and the Division of Financial Management, on progress in integrating managed care approaches into the state Medicaid system. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The report shall be submitted no later than December 31, 2018.

REPORT ON FLEXIBLE RECEIPT AUTHORITY. The Medicaid Division shall provide a report annually, at time of budget submission, to the Legislative Services Office and the Division of Financial Management that describes the need for having additional dedicated receipt authority built into the budget. The additional dedicated fund appropriation is not to be considered when calculating the estimated need for ongoing Medicaid costs, but rather to be held in reserve and used in lieu of General Funds when noncognizable receipts are received by

the department.

COST-SHARING REQUIREMENT. It is the intent of the Legislature that the Department of Health and Welfare shall implement cost-sharing in the Division of Medicaid, as required in Section 56-257, Idaho Code, to the maximum extent that is federally allowable, for the expanded population of children whose families' gross taxable income exceeds one hundred eighty-five percent (185%) but does not exceed three hundred percent (300%) of the federal poverty limit (FPL), for Medicaid-eligible services as identified in House Bill No. 43, as enacted by the First Regular Session of the Sixty-fourth Idaho Legislature.

On request by Rep. Wintrow, granted by unanimous consent, to accept the standard intent language as shown below:

NON-EMERGENCY MEDICAL TRANSPORTATION. It is the intent of the Legislature that, of the moneys appropriated in Section 1 of this act, \$200,000 shall be used solely for purposes of improving the Non-Emergency Medical Transportation (NEMT) program. This shall include, but is not limited to, the hiring of an outside entity to conduct an audit of the NEMT program; to support rate review activities for NEMT providers; and to develop and implement a training program that meets the needs of all provider types, the contracted broker, the Department of Health and Welfare, and most importantly the Idahoans who are participating in this program. The training program and rate review are to be developed in collaboration with relevant stakeholder groups including, but not limited to, NEMT providers and disability advocacy groups. The rate review shall be used to determine the costs of efficiently delivered, high quality NEMT services in a brokerage model to allow the Department of Health and Welfare to update provider rates under its contract with the NEMT broker and, as needed, request a line item for additional appropriation, which would remain subject to legislative approval. In addition, no later than December 30, 2018, and again on June 30, 2019, the Department of Health and Welfare shall provide to the Legislative Services Office and the Division of Financial Management a report that includes details on the implementation of the audit, training, rate review, and any other steps that have been taken by the department to improve the NEMT program. Any unexpended and unencumbered funds that have been appropriated for this purpose are to be reverted at the end of the fiscal year, or as soon thereafter as practicable.

**AGENCY
PRESENTATION:
PRESENTATION:**

**DEPARTMENT HEALTH AND WELFARE: DIVISION OF WELFARE
JARED TATRO**

CARRIED:

ORIGINAL MOTION

Moved by Sen. Souza, for the Department of Health and Welfare, Division of Welfare, beginning with the FY 2019 Base, a reduction of \$821,800 for benefit costs, a decrease of \$24,00 for statewide cost allocation, an increase of \$972,800 for change in employee compensation, and an increase of \$636,300 for non discretionary adjustments. Also included are the following line items: add \$8,000,000 for the third and final year of the child Support Enforcement System with \$2,720,000 from the Technology Infrastructure Stabilization Fund as explained in Line item 4. Then add \$2,000,000 for the SNAP Employment and Training Services program as requested in line item 5. Then transfer \$598,600 from personnel costs to operating expenditures as requested in line item 30. The totals for this motion for FY 2019 are 619.50 FTP, \$43,445,400 from the General Fund, \$8,089,600 from dedicated funds, and \$123,502,800 from federal funds for a grand total of \$175,037,800, seconded by Rep. King.
AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT:

On request by Sen. Souza, granted by unanimous consent, that the legislative intent language, as shown below.

ACTUAL AND FORECAST DETAIL REPORTING. The Division of Welfare shall deliver the Self- Reliance Programs Forecast biannually to the Legislative Services Office and Division of Financial Management. The report shall include monthly case load details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Advanced Premium Tax Credit (APTC), Aid to the Aged, Blind, and Disabled, Food Stamps, and Child Support programs. The forecast shall also include expenditure details for all of the named programs except Medicaid. The format of the report, and any additional information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management. The first report shall be submitted no later than December 31, 2018, and the second report shall be submitted no later than June 30, 2019.

**AGENCY
PRESENTATION:
PRESENTATION:**

**DEPARTMENT OF HEALTH AND WELFARE: PUBLIC HEALTH
SERVICES
JARED TATRO**

CARRIED:

ORIGINAL MOTION

Moved by Sen. Agenbroad, for the Department of Health and Welfare, Public Health Services Division, beginning with the FY 2019 Base, a reduction of \$315,000 for benefit costs, an increase of \$42,800 for replacement items, a decrease of \$11,800 for statewide cost allocation, and an increase of \$440,300 for change in employee compensation. Also included are the following line items: add 0.33 FTP and \$19,800 to convert the part time Rural Health Research Analyst to full time as requested in line item 17. Add 1.00 FTP and \$3,074,500 for the eWIC Implementation Project Grant as recommended in line item 19. Transfer \$120,000 from trustee and benefit payments to personnel costs as requested in line item 20. Add \$200,000 for Time Sensitive Emergencies as requested in line item 26. Add \$256,600 for Youth Suicide Prevention as recommended in line item 34. Add 1.00 FTP and \$71,600 for a clinical services position as requested in line item 42. And add \$149,800 for the Expanded Access Program as requested in line item 56. Then add a line item to transfer \$1,000,000 ongoing from trustee and benefit payments to operating expenditures, for the Ryan White Grant as explained in supplemental 8. The totals for this motion for FY 2019 are 237.01 FTP, \$8,272,600 from the General Fund, \$44,255,500 from dedicated funds and \$67,619,200 from federal funds for a grand total of \$120,147,300, seconded by Rep. King.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

CONSENT:

On request by Sen. Souza, granted by unanimous consent, that the legislative intent language, as shown below.

SUICIDE PREVENTION AND AWARENESS. It is the intent of the Legislature that the Department of Health and Welfare, Office of Suicide Prevention and Awareness Program, establish and submit a complete plan for suicide prevention in Idaho that includes measurable and prioritized outcomes for reducing suicides in Idaho. It is to be submitted to the Legislative Services Office no later than August 15, 2018. The coordination and implementation of the planning process is to be managed by a facilitator, which will be provided by the Suicide Prevention Coalition, and administrative support will be provided by the Department of Health and Welfare. The plan is to be developed in full collaboration with various stakeholder groups including but not limited to the Idaho Council on Suicide Prevention, Suicide Prevention Action Network, American Foundation for Suicide Prevention, Idaho Suicide Prevention Coalition, Veteran Service Organizations, Idaho Department of Education, and the Idaho Suicide Prevention Hotline. With the exception of the \$273,000 to support the Idaho Suicide Hotline, as appropriated in Section 1 of this act, the moneys appropriated to the Office of Suicide Prevention and Awareness Program are to be used in accordance with this plan. The Department of Health and Welfare is to develop and submit a budget request for the 2019 legislative

session that would fully implement this plan. Further, it is the intent of the Legislature that new funding for the Suicide Hotline be considered on an as requested basis and be subject to legislative approval..

ADJOURNED: There being no further business, Senator Keough adjourned at 08:56 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, March 01, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	OFFICE OF THE GOVERNOR	
LBB 6-43	Commission on Aging	Jill Randolph, Analyst
	SECRETARY OF STATE	
LBB 6-147		Maggie Smith, Analyst
	INDUSTRIAL COMMISSION	
LBB 5-31		
	SELF-GOVERNING AGENCIES	
	Medical Boards	
LBB 5-87		
	State Lottery	
LBB 5-83		

Senate Reconvenes: 10:00
House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 01, 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, Widmyer (Malek), Anderson, Dixon, King, Wintrow

ABSENT/ EXCUSED: None

LSO STAFF PRESENT: Maggie Smith, Jill Randolph

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

CARRIED: Original Motion
Office of the Governor
Commission on Aging

Moved by **Wintrow**, seconded by **Lee**, for the Commission on Aging, beginning with the FY 2019 Base, a reduction of \$18,200 for benefit costs, an increase of \$11,400 for replacement items, an increase of \$2,600 for statewide cost allocation, and an increase of \$29,800 for change in employee compensation. Also included are three line items. Line item #1 for \$50,000 for adult protection evaluation and program design. Line item #2 for \$3,800 for IT/telecommunications upgrades as recommended by the Office of the Chief Information Officer. Line item #3 for \$956,600 for an increase in area agencies on aging grants. The totals for this motion for FY 2019 are 13.00 FTP, \$4,597,900 from the General Fund and \$8,996,500 from federal funds, for a grand total of \$13,594,400.

Ayes: 18
Keough, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Widmyer (Malek), Anderson, Dixon, King, Wintrow

Nays: 0

Ab/Ex: 2 Senator Bair and Representative Horman

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**.

DISCUSSION: **Representative Wintrow**, stated she had met with the director of the commission, and the director is planning on doing a study on the aging population in adult protection using the \$50,000.

Original Motion
Secretary of State

Moved by **Anderson**, seconded by **Youngblood**, for the Secretary of State, beginning with the FY 2019 Base, a reduction of \$40,700 for benefit costs, an increase of \$5,600 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the Secretary of State, and an increase of \$50,100 for change in employee compensation.

Also included are the following line items: \$208,000 for Business Entities IT Maintenance for Line Item #1; \$60,000 for Additional Online Services for Line Item #3; \$300,000 for Elections Costs for Line Item #6; and \$7,600 for Conference Costs for the Commission on Uniform State Laws for Line Item #7. The totals for this motion for FY 2019 are 29.00 FTP, and \$3,763,800 from the General Fund.

DISCUSSION: **Representative Anderson** stated there was \$1,726,500 that was reappropriated, it was money allocated for a project that has not been completed, but should be done by the end of fiscal year 2018 and the money will be used at that point. He continued discussing the following line items: line item #1; business entities IT maintenance relates to the \$1,726,500 and to maintain it will cost \$208,000. Line item #2 for elections system upgrade, the idea was to install a system that would help provide security and convenience to the voters in regards to the elections. It is anticipated that the new system will cost approximately five million dollars for the first part and then there will be more general funds required next year. It will cost \$5,000,000 total, \$1.2 million requested this year, more general funds required next year. The \$250,000 requested in line item # 3, has been reduced \$60,000 by the governor's office, is for credit card expenses. Line item #4 is for a cybersecurity analyst, this was not chosen to be fund in this budget because there is an office of information technology in the governor's office that has been recently established and is in the stages of being consolidated and one of the goals is cybersecurity. Line item #5 is for a communications FTP which was not recommended by the governor or the committee. Line item #6 is for election costs, that is money that is expended every two years. Representative Anderson continued that line item #2 could be funded through the technology fund, that the committee has recently established, and the department could ask for a supplemental appropriation to get the funding.

Representative Miller, asked for clarification on the \$1.29 million. In response to committee question, **Representative Anderson** stated that the \$1.29 million dollars is for a new system and the intent of the Secretary of State's office is to issue an RFP for a new system, dealing with elections, and that would be done in the latter part of this year. He continued that the \$1.29 million is not what will be expended in the process but would be available to pay for the service when they get to that point.

Secretary of State **Lawrence Denney** stated that they need the \$1.29 million in place and in process to meet the 2020 deadline for the next presidential election. He continued that he doesn't feel they can go out for a RFP without a commitment of funds and asking for a supplemental is not a commitment of funds, so they would like the \$1.29 million up front, even though the money might not be spent in this fiscal year.

Co-chairman Keough asked for clarification from **Representative Miller** if the \$1.29 million would be taken out of the Technology Fund, he stated that is his understanding.

Substitute Motion

Moved by **Miller**, seconded by **Nye**, for the Secretary of State, beginning with the FY 2019 Base, a reduction of \$40,700 for benefit costs, an increase of \$5,600 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the Secretary of State, and an increase of \$50,100 for change in employee compensation.

Also included are the following line items: \$208,000 for Business Entities IT Maintenance for Line Item #1; \$60,000 for Additional Online Services, Line Item #2; \$1,290,000 for Elections System Upgrade Line Item #3; \$300,000 for Elections Costs for Line Item #6; and \$7,600 for Conference Costs for the Commission on Uniform State Laws for Line Item #7. The totals for this motion for FY 2019 are 29.00 FTP, \$3,763,800 in General Funds, dedicated fund of \$1,290,000 and total funds of \$5,053,800.

DISCUSSION: **Representative Miller** stated he felt the Secretary of State needs the \$1,290,000 to be able to move forward with the RFP.

Amended Substitute Motion

Moved by **Wintrow**, seconded by **King**, for the Secretary of State, beginning with the FY 2019 Base, a reduction of \$40,700 for benefit costs, an increase of \$5,600 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the Secretary of State, and an increase of \$50,100 for change in employee compensation.

Also included are the following line items: \$208,000 for Business Entities IT Maintenance for Line Item #1; \$60,000 for Additional Online Services, Line Item #2; \$1,290,000 for Elections System Upgrade Line Item #3; \$300,000 for Elections Costs for Line Item #4; \$96,000 Cybersecurity Analyst for Line Item #6; and \$7,600 for Conference Costs for the Commission on Uniform State Laws for Line Item #7. The totals for this motion for FY 2019 are 30.00 FTP, \$3,860,00 in General Funds, dedicated fund of \$1,290,000 and total funds of \$5,150,00

DISCUSSION **Representative Wintrow** stated that in the future, if the Cybersecurity position is not needed then it would be reviewed.

Security of State **Lawrence Denney** responded to committee questions; the elections system they have now is approximately twelve years old and this new system would bring them up-to-date.

Representative Youngblood stated this is an example of why the technology fund was established, there is \$28,000,000 in that fund and they are having to make critical decisions.

FAILED: **Amended Substitute Motion**

Ayes: 6

Keough, Crabtree, Miller, King, Wintrow

Nays: 13

Martin, Bair, Mortimer, Souza, Lee Agenbroad, Bell, Youngblood, Horman, Widmyer, Burtenshaw, Anderson, Dixon

Ab/Ex: 1 — Senator Ward-Engelking

The majority having failed to vote in the affirmative, the motion has failed.

FAILED:

Substitute Motion

Ayes: 8

Keough, Bair, Lee, Nye, Miller, Dixon, King, Wintrow

Nays: 11

Martin, Mortimer, Souza, Agenbroad, Crabtree, Bell, Youngblood, Horman, Widmyer, Burtenshaw, Anderson

Ab/Ex: 1 — Senator Ward-Engelking

The majority having failed to vote in the affirmative, the motion has failed.

CARRIED:

Original Motion

Ayes: 18

Keough, Martin, Bair, Mortimer, Souza, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Horman, Widmyer, Burtenshaw, Anderson, Dixon, King, Wintrow

Nays: 0

Ab/Ex: 2 — Senator Lee and Senator Ward-Engelking

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

Industrial Commission

Moved by **Wintrow**, seconded by **King**, for the Industrial Commission, beginning with the FY 2019 Base, a reduction of \$195,300 for benefit costs, an increase of \$123,200 for replacement items, an increase of \$16,900 for statewide cost allocation, and an increase of \$231,000 for change in employee compensation. Also included is one line item: \$11,100 as recommended for the CEC for Commissioners. The totals for this motion for FY 2019 are 138.25 FTP, \$15,981,100 from dedicated funds, and \$1,200,000 from federal funds for a grand total of \$17,181,100.

Ayes: 18

Keough, Mortimer, Martin, Souza, Bair, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Widmyer (Malek), Anderson, Dixon, King, Wintrow

Nays: 0

Ab/Ex: 2 Senator Lee and Senator Ward-Engelking

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**.

DISCUSSION:

Representative Wintrow stated Replacement items are requested for each of the four budgeted programs and include: computers, printers, and standard IT equipment; office furniture; and one vehicle. For statewide cost allocation, the \$3,000 difference between the agency request and the Governor's Recommendation is due to fees for Legislative Audits, which were billed after the budget submission deadline and as such were included in the Governor's Recommendation. The 3% CEC for the Commissioners was not requested by the agency, but was included in the Governor's Recommendation along with the 3% CEC for all state employees, and requires amending Section 72-503, Idaho Code, in which the Commissioners' salaries are set in statute. There is a second motion to follow.

**UNANIMOUS
CONSENT:**

On request by **Representative Wintrow**, granted by unanimous consent to introduce, as a separate section of the Industrial Commission's FY 2019 original appropriation bill, amendments to Section 72-503, Idaho Code, to increase the salaries of the Industrial Commissioners, with a do-pass recommendation.

INDUSTRIAL COMMISSION FOR FISCAL YEAR 2019 SECTION . That Section 72-503, Idaho Code, be, and the same is hereby amended to read as follows: 72-503. SALARY. Commencing July 1, 2017, the annual salary of each member of the industrial commission shall be one hundred four thousand twenty dollars (\$104,020). Industrial commissioner salaries shall be paid from sources set by the legislature. Each member of the industrial commission shall devote full time to the performance of his duties.

CARRIED:

Original Motion
Medical Boards

Moved by **King**, seconded by **Souza** for the Medical Boards, beginning with the FY 2019 Base, a reduction of \$67,600 for benefit costs, an increase of \$4,800 for inflationary adjustments, an increase of \$1,700 for replacement items, an increase of \$14,400 for statewide cost allocation, and an increase of \$88,100 for change in employee compensation. Also included are the following line items. For the Board of Medicine: \$10,000 for Cyber Insurance for a Contractor for Line Item #1; \$2,000 for Walls for the Front Desk Area for Line Item #4; and 1.00 FTP and \$84,300 for a Licensing Manager Position for Line Item #6. For the Board of Nursing: \$14,800 for IT/Telecommunications for Line Item #7. For the Board of Pharmacy: \$20,000 for Prescriber Report Cards for Line Item #8; and \$120,000 for a Contract with the Department of Health & Welfare. For the Board of Veterinary Medicine: \$105,000 for Online Licensing Software for Line Item #10. The totals for this motion for FY 2019 are 49.20 FTP, and \$6,466,800 from dedicated funds.

Ayes: 18

Keough, Mortimer, Martin, Souza, Bair, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Widmyer (Malek), Anderson, Dixon, King, Wintrow

Nays: 0

Ab/Ex: 2 Senator Lee and Senator Ward-Engelking

DISCUSSION:

Representative King stated there were a few added items and the licensing manager position is needed due to a 96% increased in physicians and 60% in physician assistants to be licensed.

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
State Lottery

Moved by **Souza**, seconded by **Martin** for the State Lottery, beginning with the FY 2019 Base, a reduction of \$62,300 for benefit costs, an increase of \$40,600 for replacement items, a reduction of \$6,300 for statewide cost allocation, and an increase of \$83,100 for change in employee compensation. The totals for this motion for FY 2019 are 45.00 FTP and \$6,057,700 from dedicated funds.

Ayes: 17

Keough, Mortimer, Souza, Bair, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Widmyer (Malek), Anderson, Dixon, King, Wintrow

Nays: 1 Senator Martin

Ab/Ex: 2 Senator Lee and Senator Ward-Engelking

**UNANIMOUS
CONSENT:**

On request by **Senator Souza**, granted by unanimous consent to include the legislative intent language, as shown, in the FY 2019 original appropriation bill for the State Lottery.

**INTENT
LANGUAGE:**

Intent Language for the Idaho State Lottery

SECTION __. LEGISLATIVE INTENT. It is the intent of the Legislature that amounts necessary to pay prizes, retailer commissions, advertising and promotional costs, and gaming supplier vendor fees based on sales shall be continuously appropriated to the Idaho State Lottery under the provisions of Section 67-7428, 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

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 02, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 3-3	DEPARTMENT OF CORRECTION	Jared Hoskins, Principal Analyst
LBB 3-7	Management Services	
LBB 3-15	State Prisons	
LBB 3-27	County and Out-of-State Placement	
LBB 3-31	Correctional Alternative Placement	
LBB 3-35	Community Corrections	
LBB 3-43	Community-Based Substance Abuse	
LBB 3-47	Medical Services	
LBB 3-51	Commissions of Pardons and Parole	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 02, 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, Widmyer(Malek), Anderson, Dixon, King, Wintrow

**ABSENT/
EXCUSED:** None

CONVENED: Senator Keough convened the meeting at 8:03 A.M.

AGENCY PRESENTATION: **DEPARTMENT OF CORRECTIONS: MANAGEMENT SERVICES**

LSO STAFF PRESENTATION: **JARED HOSKINS**

CARRIED: ORIGINAL MOTION
Moved by Sen. Agenbroad, for the Department of Correction, Management Services, beginning with the FY 2019 Base, a reduction of \$192,100 for benefit costs; an increase of \$4,400 for inflationary adjustments; an increase of \$236,800 in onetime operating expenditures for replacement items, of which \$113,100 is from the General Fund and \$123,700 is from the Inmate Labor Fund, with discretion to the director as to which items to replace; an increase of \$75,100 for statewide cost allocation; and an increase of \$275,800 for change in employee compensation. Also included are the following line items: line item 1, which includes \$7,016,000 in onetime operating expenditures from the Technology Infrastructure Stabilization Fund for replacement of the offender management system, year 1 of 3; and line item 13, which includes \$230,000 in onetime capital outlay from the Penitentiary Endowment Income Fund for data storage. The totals for this motion for FY 2019 are 142.00 FTP, \$14,239,100 from the General Fund and \$8,706,500 from dedicated funds, for a grand total of \$22,945,600, seconded by Rep. Youngblood.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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 the Offender Management System Replacement Plan be accepted as part of the Department of Correction's FY 2019 appropriation bill for Management Services.

SECTION _ . OFFENDER MANAGEMENT SYSTEM REPLACEMENT PLAN.
In accordance with Section 1, Article VIII, of the Constitution of the state of Idaho, it is the intent of the Legislature that, of the amount appropriated in Section 1 of this act, \$7,016,000 from the Technology Infrastructure Stabilization Fund is the first of three annual onetime appropriations for the department's offender management system replacement plan, subject to the availability of funds and satisfactory project implementation. On or before September 1 of each year, the department shall report to the Legislature regarding the specific efforts made to replace its offender management system; the outcomes of those efforts; an estimate of the annual appropriation amount needed to continue those efforts; and a plan on how the department will continue to make efforts to replace the offender management system.

AGENCY DEPARTMENT OF CORRECTIONS: STATE PRISONS
PRESENTATION:

LSO STAFF JARED HOSKINS
PRESENTATION:

CARRIED: ORIGINAL MOTION
Moved by Rep. Youngblood, for the Department of Correction, State Prisons, beginning with the FY 2019 Base, a reduction of \$1,982,400 for benefit costs; an increase of \$164,600 for inflationary adjustments; an increase of \$2,223,800 in onetime operating expenditures for replacement items, of which \$488,400 is from the General Fund, \$609,400 is from the Inmate Labor Fund, \$325,400 is from the Miscellaneous Revenue Fund, and \$800,600 is from the Penitentiary Endowment Income Fund, with discretion to the director as to which items to replace; a reduction of \$139,000 for statewide cost allocation; an increase of \$32,800 for annualizations; and an increase of \$2,269,000 for change in employee compensation. Also included are the following line items: line item 2, which includes 3.00 FTP and \$338,500 for facility expansions; line item 15, which includes \$660,300 for a common fare no-touch menu; line item 16, which includes 2.00 FTP and a net-zero Federal Grant Fund object transfer of \$84,700 from operating expenditures to personnel costs for instructional assistants; line item 17, which includes \$91,500 for a recreation area slab and cover; line item 18, which includes \$381,000 for catering units; and line items 19, which includes \$37,000 for a recreation area at the South Boise Women's Correctional Center. The totals for this motion for FY 2019 are 1,425.50 FTP, \$107,662,200 from the General Fund, \$11,903,000 from dedicated funds, and \$1,085,000 from federal funds, for a grant total of \$120,650,200, seconded by Sen. Agenbroad.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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 DEPARTMENT OF CORRECTIONS: COUNTY AND OUT-OF-STATE
PRESENTATION PLACEMENTS**

**LSO STAFF JARED HOSKINS
PRESENTATION:**

CARRIED: ORIGINAL MOTION

Moved by Rep. Youngblood, for the Department of Correction, County and Out-of-State Placement, beginning with the FY 2019 Base, beginning with the FY 2019 Base, the addition of line item 21, which includes \$8,690,800 for population-driven costs, with the expectation that funds appropriated for such purposes shall not be transferred out of this division. The totals for this motion for FY 2019 are 0.00 FTP and \$21,178,500 from the General Fund, 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.

**AGENCY DEPARTMENT OF CORRECTIONS: CORRECTIONAL ALTERNATIVE
PRESENTATION PLACEMENT**

**LSO STAFF JARED HOSKINS
PRESENTATION:**

CARRIED: ORIGINAL MOTION

Moved by Rep. Burtenshaw, for the Department of Correction, Correctional Alternative Placemnt, beginning with the FY 2019 Base, the addition of line item 23, which includes \$192,000 for population-driven costs, with the expectation that funds appropriated for such purposes shall not be transferred out of this division. The total for this motion for FY 2019 are 0.00 FTP, \$9,786,500 from the General Fund and \$200,000 from dedicated funds, for a grant total of \$9,986,500, 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.

**AGENCY DEPARTMENT OF CORRECTIONS: COMMUNITY CORRECTIONS
PRESENTATION:**

**LSO STAFF JARED HOSKINS
PRESENTATION:**

CARRIED: ORIGINAL MOTION

Moved by Sen. Agenbroad, for the Department of Correction, Community Corrections, beginning with the FY 2019 Base, a reduction of \$566,300 for benefit costs; an increase of \$92,300 for inflationary adjustments; an increase of \$629,700 in onetime operating expenditures for replacement items, of which \$221,700 is from the General Fund, \$273,100 is from the Inmate Labor Fund, and \$134,900 is from the Miscellaneous Revenue Fund, with the discretion to the director as to which items to replace; a reduction of \$42,900 for statewide cost allocation; an increase of \$51,300 for annualizations; and an increase of \$676,200 for change in employee compensation. Also included are the following line items: line item 2, which includes 4.00 FTP and \$549,900 for facility expansions; line item 15, which includes \$27,800 for the common fare no-touch menu; and line item 27, which includes 6.00 FTP and \$561,700 for the Maximizing State Reforms Federal Grant. The totals for this motion for FY 2019 are 417.35 FTP, \$23,394,700 from the General Fund, \$10,176,500 from dedicated funds, and \$562,500 from federal funds for a grand total of \$34,133,700, 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.

**AGENCY DEPARTMENT OF CORRECTIONS: COMMUNITY-BASED SUBSTANCE
PRESENTATION ABUSE TREATMENT**

**LSO STAFF JARED HOSKINS
PRESENTATION:**

CARRIED: ORIGINAL MOTION

Moved by Rep. Wintrow, for the Department of Correction, Community-Base Substance Abuse Treatment, beginning with the FY 2019 Base, a reduction of \$25,100 for benefit costs; a reduction of \$1,900 for statewide cost allocation; and an increase of \$34,000 for change in employee compensation. Also included are the following line items: line item 4, which includes \$1,859,200 in ongoing trustee and benefit payments from the Idaho Millennium Income Fund; and line item 24, which includes \$218,900 in ongoing trustee and benefit payments from the Idaho Millennium Income Fund for a substance use disorder services (SUDS) provider rate increase. The total for this motion for FY 2019 are 18.00 FTP, \$7,828,300 from the General Fund and \$2,078,100 from dedicated funds, for a grand total of \$9,906,400,

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 DEPARTMENT OF CORRECTIONS: MEDICAL SERVICES
PRESENTATION:**

**LSO STAFF JARED HOSKINS
PRESENTATION:**

CARRIED: ORIGINAL MOTION

Moved by Rep. Burtenshaw, for the Department of Correction: Medical Services, beginning with the FY 2019 Base, the addition of line item 6, which includes \$295,700 in ongoing operating expenditures from the General Fund for the mental health unit at the Idaho Maximum Security Institution; and line item 22, which includes \$1,987,400 for population-driven costs, with the expectation that funds appropriated for such purposes shall not be transferred out of this division. The totals for this motion for FY 2019 are 0.00 FTP, \$49,681,900 from the General Fund and \$135,000 from dedicated funds, for a grand total of \$49,816,900, seconded by Sen. Agenbroad.

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 DEPARTMENT OF CORRECTIONS: COMMISSIONS OF PARDONS AND
PRESENTATION PAROLE**

**LSO STAFF JARED HOSKINS
PRESENTATION:**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Youngblood, for the Department of Correction, Commissions of Pardons and Parole, beginning with the FY 2019 Base, a reduction of \$51,500 for benefit costs, a reduction of \$100 for statewide cost allocation, and an increase of \$60,200 for change in employee compensation. Also included are the following line items: line item 1, which includes \$47,500 for office lease costs; and line item 2, which includes \$23,700 for commissioner pay. The totals for this motion for FY 2019 are 37.00 FTP, \$3,317,400 from the General Fund and \$70,700 from dedicated funds, for a grand total of \$3,388,100, seconded by Sen. Agenbroad.

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.

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 8:41 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, March 05, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 4-9	DEPARTMENT OF FISH AND GAME	Rob Sepich, Analyst
LBB 4-3	DEPARTMENT OF ENVIRONMENTAL QUALITY	
	DEPARTMENT OF HEALTH AND WELFARE	
LBB 2-75	Service Integration	Jared Tatro, Principal Analyst
LBB 2-13	Child Welfare	
LBB 2-19	Services for the Developmentally Disabled	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, March 05, 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 8:00 a.m.

CARRIED: Original Motion
Department of Fish and Game

Moved by **Bair**, seconded by **Miller** for the Department of Fish and Game, beginning with the FY 2019 Base, a reduction of \$862,300 for benefit costs, an increase of \$4,600,100 for replacement items, an increase of \$25,100 for statewide cost allocation, and an increase of \$1,174,200 for change in employee compensation. Also included are line items 1 through 6 and 8 through 12 as recommended by the Governor. Line item 7 adds \$120,000 onetime for fish habitat rehabilitation. Line item 13 adds 4.00 FTP and \$2,235,000 to transfer operation of the Hagerman National Fish Hatchery from the US Fish and Wildlife Service. The totals for this motion for FY 2019 are 569.00 FTP, \$0 from the General Fund, \$61,298,500 from dedicated funds, and \$51,405,800 from federal funds for a grand total of \$112,704,300.

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 so ordered by **Chairman Bell**.

CARRIED: Original Motion
Department of Environmental Quality

Moved by **Dixon**, seconded by **Burtenshaw**, for the Department of Environmental Quality, beginning with the FY 2019 Base, a reduction of \$535,700 for benefit costs, an increase of \$620,600 for replacement items, an increase of \$89,500 for Statewide Cost Allocation, and an increase of \$842,300 for change in employee compensation. Also included are the following line items: 4.00 FTP and a net increase of \$546,000 for the Idaho Pollutant Discharge Elimination System buildup. \$5,500,000 for the first of three annual payments from the Volkswagen Settlement. A net reduction of \$100,000 in federal funds and an object shift from operating expenditures to personnel costs to maintain a presence in the Kellogg area. \$1,500,000 from the Water Pollution Control Fund to be transferred to the Environmental Remediation Fund. The totals for this motion for FY 2019 are 386.00 FTP, \$20,411,700 from the General Fund, \$17,267,600 from dedicated funds, and \$28,940,800 from federal funds for a grand total of \$66,620,100.

DISCUSSION: **Representative Dixon** stated this motion represents a 2.2% overall decrease in all funds, primarily due to reductions in federal funds. The overall FTP count is increased by 4.00 due to the approval of fifth year of funding for the Idaho Pollutant Discharge Elimination System amounting to \$546,000 from the General Fund. Line item 2 provides appropriation for the department to utilize Idaho's first distribution of the \$17.3 million trust resulting from the settlement with the Volkswagen Auto Group over cheating on diesel emissions. Line item 3 reduces federal appropriation by \$100,000 and moves appropriation from operating expenditures to personnel costs to meet the obligations for cleanup of the Coeur d'Alene basin contaminated by mining. The fourth line item incorporates the transfer of \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation Fund to provide the state's 10% match requirement for Superfund projects in the Coeur d'Alene Basin. These annual transfers are anticipated each year for the next 16 years as we build up the match for cleanup of the Coeur d'Alene Basin.

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 so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by **Representative Dixon**, granted by unanimous consent to approve the standard intent language for Sections 3-6 as follows for the Department of Environmental Quality for fiscal year 2019.

INTENT LANGUAGE:

Standard Intent Language for DEQ budget:

Section 3: CASH TRANSFER FOR WASTE REMEDIATION. There is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund through monthly installments or as practicable for the period July 1, 2018, through June 30, 2019, to be used for Superfund cleanup projects in the Coeur d'Alene Basin.

Section 4: REMEDIATION PROJECT REPORTING REQUIREMENTS. It is the intent of the Legislature that moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection

Agency. The Department of Environmental Quality shall file an annual report with the Governor, Legislature, and Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.
Section 5: USES OF THE WATER POLLUTION CONTROL FUND. It is the intent of the Legislature that the appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

Section 6: AGRICULTURAL BEST MANAGEMENT PRACTICES. It is the intent of the Legislature that \$500,000 of the ongoing General Fund moneys appropriated to the Water Quality Program for trustee and benefit payments in Section 1 of this act be used for a statewide grant program to support implementation of agricultural Best Management Practices (BMPs) in high-priority watersheds throughout Idaho. The department is to administer this funding through existing BMP grant procedures and personnel. Funding is to be used by farmers and ranchers to modify their agricultural practices in order to improve water quality and help meet the objectives of Total Maximum Daily Loads (TMDLs).

UNANIMOUS CONSENT: On request by, **Representative Dixon**, granted by unanimous consent to approve the new intent language as follows for the Department of Environmental Quality for fiscal year 2019.

INTENT LANGUAGE: New Intent Language for DEQ budget:
Section 7: REAPPROPRIATION. There is hereby reappropriated to the Department of Environmental Quality any unexpended and unencumbered balances appropriated to the Department of Environmental Quality for Agricultural Best Management Practices for fiscal year 2018, in an amount not to exceed \$500,000 from the General Fund, to be used for nonrecurring expenditures related to Agricultural Best Management Practices for the period July 1, 2018, through June 30, 2019.

CARRIED: Original Motion
Department of Health and Welfare
Service Integration
Moved by **Wintrow**, seconded by **Souza** for the Department of Health and Welfare, Service Integration Program, beginning with the FY 2019 Base, a reduction of \$48,700 for benefit costs, a decrease of \$1,300 for statewide cost allocation, and an increase of \$55,400 for change in employee compensation. The totals for this motion for FY 2019 are 35.00 FTP, \$736,500 from the General Fund, \$69,500 from dedicated funds, and \$5,261,500 from federal funds for a grand total of \$6,067,500.

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 so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by, **Representative Wintrow**, granted by unanimous consent to accept the language as follows.

INTENT LANGUAGE: HEAD START APPROPRIATION FROM TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS. At a minimum, the Department of Health and Welfare is directed to maintain Head Start appropriations paid from federal Temporary Assistance for Needy Families funds at the same level as was paid to the Head Start Program in fiscal year 2007.

DISCUSSION: **Senator Lee** stated there is a significant amount of dollars left in the adult mental health budget that will not be used for FY 2018. There is a need to address child welfare in the prevention areas. This would be a transfer from adult mental health to child welfare and those dollars would be used to support and expand the home visiting program.

UNANIMOUS CONSENT: On request by, **Senator Lee**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Department of Health and Welfare.

CARRIED: Original Motion
Mental Health Services and Child Welfare
Adult Mental Health and Child Welfare
Supplemental

Moved by **Lee**, seconded by **King**, for the Department of Health and Welfare for fiscal year 2018, all from the Cooperative Welfare (General) Fund, the transfer of \$1,600,000 from the Adult Mental Health Program in trustee and benefit payments to the Child Welfare Program in operating expenditures, onetime, for a net department impact of zero.

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 so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by, **Senator Lee**, granted by unanimous consent to accept the intent language as follows:

INTENT LANGUAGE: Transfer and Allocation Intent Language, Child Welfare Division
HOME VISITATION PROGRAM. It is the intent of the Legislature that \$1,600,000 of the moneys appropriated in Section _ of this act be used for the home visitation program through contract with each of the Public Health Districts of Idaho. The Health Districts currently provide these services using other fund sources, but those fund sources come with stringent requirements, which leads to a disparity of services not being provided in all of Idaho's counties. This funding would allow each health district to provide home visitation services in all of Idaho's forty-four counties. The families that will receive these services are often involved in the foster care system, the behavioral health system, and judicial system. In fiscal year 2017, there were 2,714 children in foster care statewide, which is a 6% increase over fiscal year 2016, and a 13.6% increase since fiscal year 2013. Further, for three of the last five years, more children have entered foster care than have left the system. In fiscal year 2017, the difference was 184 more children entering than exiting. The department attributes a significant portion of the increase to the nationwide opioid crisis and

parental substance use addictions. The moneys received by the Health Districts are not to be considered as state-aid as determined in Section 39-425, Idaho Code, nor are the moneys to be allocated through a board of trustee formula according to Section 39-411, Idaho Code. The allocation of these funds was based on how much each district is currently providing for comparable services from other fund sources in comparison to the other health districts. Further, it is the intent of the Legislature that the Public Health Districts be allowed to reallocate these moneys between districts, but only upon unanimous concurrence of the Board of Directors for the Public Health Districts. The moneys appropriated in Section _ of this act are to be fully distributed to each Public Health District upon enactment of this legislation, as follows:

Public Health District 1 \$313,300
Public Health District 2 \$254,500
Public Health District 3 \$328,000
Public Health District 4 \$170,400
Public Health District 5 \$211,400
Public Health District 6 \$168,600
Public Health District 7 \$153,800

CARRIED:

Original Motion

Department of Health and Welfare, Child Welfare

Moved by **Lee**, seconded by **King** for the Department of Health and Welfare, Child Welfare Division, beginning with the FY 2019 Base, a reduction of \$528,300 for benefit costs, a decrease of \$23,300 for statewide cost allocation, an increase of \$481,100 for annualizations, an increase of \$744,200 for change in employee compensation, and a shift of \$18,200 from federal funds to the General Fund for nondiscretionary adjustments related to changes in the Medicaid match rate. Also included is \$7,800,000 for year three of the Child Welfare System as explained in line item 3, with the state match coming from the Technology Infrastructure Stabilization Fund. The totals for this motion for FY 2019 are 404.80 FTP, \$23,454,100 from the General Fund, \$4,697,100 from dedicated funds, and \$48,768,300 from federal funds for a grand total of \$76,919,500.

DISCUSSION:

Senator Lee stated this motion includes all JFAC adjusted items and funding for line item 3 for year three of five, to replace the child welfare information system. The state share includes money from the newly created technology fund to be used as the state share.

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 so ordered by **Chairman Bell**.

**UNANIMOUS
CONSENT:**

On request by, **Senator Lee**, granted by unanimous consent to accept the intent language as follows:

**INTENT
LANGUAGE:**

Intent Language for Health and Welfare, Child Welfare Division
EDUCATIONAL NEEDS. It is the intent of the Legislature that the Department of Health and Welfare is responsible for the educational needs of school-age children placed in its custody by the courts for either child protective or mental health issues. If the Department of Health and Welfare places a child in a licensed residential treatment facility that includes a nonpublic accredited school, and it is determined by the Department of Health and Welfare that it is in the best interest of the child to be educated at the residential treatment facility, then it is the responsibility of the Department of Health and Welfare to pay for such education, per student, per educational day. This intent language does not preclude other Idaho state agencies from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this language is included within existing department base appropriations.

CARRIED:

Original Motion
Department of Health and Welfare
Services for the Developmentally Disabled

Moved by **Agenbroad**, seconded by **Wintrow** for the Department of Health and Welfare, Services for the Developmentally Disabled Division, beginning with the FY 2019 Base, a reduction of \$393,400 for benefit costs, an increase of \$94,000 for replacement items that are to be determined by the SWITC administrator, a decrease of \$24,600 for statewide cost allocation, an increase of \$505,800 for change in employee compensation, and a transfer of \$10,100 from federal funds to the General Fund for nondiscretionary adjustments. Also included are the following line items: For line item 27, add \$1,129,800 for the Infant Toddler Early Intervention Services that are being transferred from Medicaid. Then transfer 2.00 FTP and \$147,800 from SWITC to the Community Developmental Disability Services Program as requested in line item 41. The totals for this motion for FY 2019 are 304.71 FTP, \$13,616,700 from the General Fund, \$1,371,300 from dedicated funds, and \$17,795,100 from federal funds for a grand total of \$32,783,100.

DISCUSSION:

Senator Agenbroad stated this motion includes all JFAC adjusted items, adds \$94,000 for replacement items and alteration and repair projects, which are to be determined by the institution based on need. Also added are both requested line items.

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 so ordered by **Chairman Bell**.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned at 8:43 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, March 06, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	INTENT LANGUAGE CORRECTION	
LBB 1-93	Career Technical Education	Janet Jessup, Analyst
	STATE BOARD OF EDUCATION	
LBB 1-67	Community Colleges	
LBB 1-83	Health Education Programs	
	DEPARTMENT OF ADMINISTRATION	
LBB 6-17	Bond Payment Program	Robyn Lockett, Principal Analyst
LBB 6-13	Capitol Commission	
LBB 6-21	Permanent Building Fund	

Senate Reconvenes: 10:00

House Reconvenes: 10:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 06, 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 8:02 A.M.
AGENCY PRESENTATION: **INTENT LANGUAGE CORRECTION: CAREER TECHNICAL EDUCATION**
LSO STAFF PRESENTATION: **JANET JESSUP**
CONSENT: On request of Rep. Horman, granted by unanimous consent, to reopen the fiscal year 2019 budget for the Division of Career Technical Education.

On request of Rep. Horman, granted by unanimous consent, that the following adjusted legislative intent language, as shown below, regarding a transfer of a cash balance be accepted as part of the Division of Career Technical Education's FY 2019 appropriation bill, in lieu of previously accepted language.

Adjusted Language: TRANSFER OF A CASH BALANCE. There is hereby appropriated and the State Controller shall transfer \$90,900 from the Seminars and Publications Fund within the Division of Career Technical Education, or the balance thereof, to the Division of Human Resources Fund within the Division of Human Resources on July 1, 2018, or as soon thereafter as practicable, for the period July 1, 2018, through June 30, 2019.

Previously Accepted Language: LEGISLATIVE INTENT. It is the intent of the Legislature that the cash balance of the Seminars and Publication Fund (0401-00), not to exceed \$90,900, be transferred to the Division of Human Resources Fund (0475-12) within the Division of Human Resources.

AGENCY PRESENTATION: **STATE BOARD OF EDUCATION: COMMUNITY COLLEGES**
LSO STAFF PRESENTATION: **JANET JESSUP**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Horman, for the State Board of Education, Community Colleges, beginning with the FY 2019 Base, a reduction of \$529,800 for benefit costs and an increase of \$766,700 for change in employee compensation. Also included is an enrollment workload adjustment increase of \$795,300 the following line items: add \$307,700 for computer science program at NIC in line item 5; add \$1,111,100 for administrative costs transferred from Career-Technical Education in line item 10; add \$3,902,700 to expand instruction capabilities at CEI in line item 11; add \$200,000 in dedicated funds to expand administration at CEI in line item 12; and add \$385,000 onetime for benefit cost offset for NIC and CSI in line item 13, seconded by Sen. Mortimer.

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.

SUBSTITUTE MOTION:

SUBSTITUTE MOTION

Moved by Sen. Ward-Engleking, for the State Board of Education, Community Colleges, beginning with the FY 2019 Base, a reduction of \$529,800 for benefit costs and an increase of \$766,700 for change in employee compensation. Also included is an enrollment workload adjustment increase of \$795,300 the following line items: add \$194,700 for Weekend College at CSI in line item 2, add \$307,700 for computer science program at NIC in line item 5; add \$207,300 for additional staff to support student retention at CWI in line item 9; add \$1,111,100 for administrative costs transferred from Career-Technical Education in line item 10; add \$3,902,700 to expand instruction capabilities at CEI in line item 11; add \$200,000 in dedicated funds to expand administration at CEI in line item 12; and add \$385,000 onetime for benefit cost offset for NIC and CSI in line item 13, seconded by Rep. King.

AYES: 9

NAYS: 10

ABSENT/EX: 1

A majority having not voted in the affirmative the motion has failed.

AGENCY PRESENTATION:

STATE BOARD OF EDUCATION: HEALTH EDUCATION PROGRAMS

LSO STAFF PRESENTATION:

JANET JESSUP

CARRIED:

ORIGINAL MOTION

Moved by Sen Mortimer, State Board of Education, Division of Health Education, beginning with the FY 2019 Base, a reduction of \$33,600 for benefit costs, an increase of \$559,100 for inflationary adjustments, and an increase of \$83,900 for change in employee compensation. Also included are the following line items: 4.35 FTP and \$802,200 for WWAMI's 18-month curriculum in line item 1; \$87,600 for year 3 of the build-out of seats at the University of Utah Medical School in line item 2; \$82,200 for residency costs in the Psychiatry Education Program in line item 5; \$405,000 to create the Eastern Idaho Medical Residency program in line item 6; and \$465,000 to create the Bingham Internal Medicine residency program in line item 7, seconded by Sen. Martin.

SUBSTITUTE MOTION:

SUBSTITUTE MOTION

Moved by Rep. Horman, for the State Board of Education, Division of Health Education, beginning with the FY 2019 Base, a reduction of \$33,600 for benefit costs, an increase of \$559,100 for inflationary adjustments, and an increase of \$83,900 for change in employee compensation. Also included are the following line items: add 4.35 FTP and \$802,200 for the WWAMI, 18-month curriculum buildout as requested in line item 1. Add \$87,600 for the third year buildout at the University of Utah School of Medicine as requested in line item 2. Add \$565,000 for the Family Medical Residency program to provide \$35,000 per resident in line item 3. Add \$77,500 for the Boise Internal Medicine Residencies to provide program to provide \$35,000 per resident in line item 4. Add \$240,000 for the Psychiatry Education program to provide \$60,000 per resident in line item 5. Add \$455,000 for the Eastern Idaho Residencies program to provide \$35,000 per resident in line item 6. Add \$525,000 for the Bingham Internal Medicine residencies program to provide \$35,000 per resident in line item 7, seconded by Sen. Ward-Engelking.

AYES: 17

NAYS: 2

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:

DEPARTMENT OF ADMINISTRATION: BOND PAYMENTS

LSO STAFF PRESENTATION:

ROBYN LOCKETT

CARRIED:

ORIGINAL MOTION

Moved by Sen. Martin, for the Bond Payment Program at the Department of Administration, beginning with the FY 2018 appropriation, a reduction of \$426,000 for a bond that was paid off, for an FY 2019 Base of \$11,877,000 with no other adjustments. The totals for this motion for FY 2019 are \$4,330,000 from the General Fund and \$7,547,000 from dedicated funds for a grand total of \$11,877,000, seconded by Rep. Dixon.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

DEPARTMENT OF ADMINISTRATION: CAPITOL COMMISSION

**LSO STAFF
PRESENTATION:**

ROBYN LOCKETT

CARRIED:

ORIGINAL MOTION

Moved by Sen. Martin, for the Capitol Commission at the Department of Administration, \$2,342,000 from dedicated funds for the Idaho State Capitol Commission for FY 2019, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Martin, that there is hereby appropriated to the Department of Administration for the Capitol Commission, and that the State Controller shall transfer, \$250,000 from the Capitol Maintenance Reserve Fund to the Capital Commission Operating Fund, on July 1, 2018, or as soon thereafter as practicable, for the period July 1, 2018, through June 30, 2019, seconded by Rep. King.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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: DEPARTMENT OF ADMINISTRATION: PERMANENT BUILDING FUND
LSO STAFF PRESENTATION: ROBYN LOCKETT
CARRIED: ORIGINAL MOTION

Moved by Rep. Burtenshaw, for the Department of Administration, Division of Public Works, beginning with the FY 2019 Base, an increase of \$51,314,900 in dedicated funds for statewide building alteration and repair projects. Also included are the following line items: \$1,220,000 for the Department of Correction Waste Water Lagoon Upgrade, \$830,000 for the College of Southern Idaho Canyon Building Remodel, \$250,000 for the Division of Military's MWR Facility, \$700,000 for the New Public Safety Communications Site, \$9,114,200 for the Department of Correction Community Reentry Center, \$10,000,000 for the College of Western Idaho Nampa Health Sciences Building, \$3,000,000 for the Agricultural Research & Extension Services Nuclear Seed Potato Facility, and \$1,342,900 for three facility expansions at the Department of Correction. The total for this motion for FY 2019 is \$77,772,000 onetime from dedicated funds, seconded by Sen. Ward-Engelking.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

CARRIED: ORIGINAL MOTION
Moved by Rep. Burtenshaw, that there is hereby appropriated and that the State Controller shall transfer \$44,114,200 from the General Fund to the Permanent Building Fund for FY 2019, seconded by Sen. Ward-Engelking.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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, to include the following sections of legislative intent language in the Permanent Building Fund's FY 2019 appropriation bill to ensure that clear direction is provided on the use of the cash for the College of Western Idaho Nampa Health Sciences Building, as well as other standard intent language.

TIMING OF THE USE OF PERMANENT BUILDING FUNDS FOR SPECIFIC PROJECTS. The appropriation of \$10,000,000 for the College of Western Idaho in the Permanent Building Fund shall be expended only after the College of Western Idaho president has secured pledges for the institution's portion of the project costs for the Nampa Health Sciences Building. Verification of such pledges shall be confirmed by a signed attestation letter from the president of the College of Western Idaho to the Division of Public Works in the Department of Administration.

ALLOCATION OF FUNDS FOR SPECIFIC PROJECTS. Moneys appropriated in Section 1 of this act, or so much thereof as in each case may be necessary, shall be used for the purpose of paying the cost of any land, building, or equipment, or the rebuilding, renovation, or repair of buildings, installations, facilities, or structures at the places, institutions, and agencies, or their successors, including those listed in this section. The Permanent Building Fund Advisory Council is hereby authorized and directed to anticipate revenues accruing to the Permanent Building Fund for the purpose of undertaking the construction, renovation, repair, and acquisitions therein authorized, without delay, and to determine the priority of construction pursuant to which the work hereunder will be undertaken.

UTILIZATION OF MATCHING FUNDS. It is the intent of the Legislature that the moneys appropriated in this act may be made available for matching any allocation of moneys now in existence or hereafter made available by agencies of the United States and/or private donations; and it is further the express intention of the Legislature to authorize the Division of Public Works to expend, for the purpose of paying the cost of any land, building, or equipment, or the rebuilding, renovation, or repair of buildings, moneys appropriated for public works to various agencies as part of the respective agency operating budgets provided the express approval by the Permanent Building Fund Advisory Council is granted to make application for such moneys in each instance.

REALLOCATION OF PROJECT SAVINGS. It is the intent of the Legislature that the Division of Public Works may have the flexibility to allocate any savings or unused appropriation from any project to any other requested and funded project. The reallocation of such appropriation must be approved by the Permanent Building Fund Advisory Council prior to the funds being spent

ADJOURNED:

There being no further business, Senator Keough adjourned the meeting at 8:54 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, March 07, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	IDAHO TRANSPORTATION DEPARTMENT	Christine Otto, Analyst
LBB 5-127	Transportation Services	
LBB 5-135	Motor Vehicles	
LBB 5-141	Highway Operations	
LBB 5-147	Contract Construction and Right-of-Way Acquisition	
	OFFICE OF THE GOVERNOR	
LBB 6-95	Public Employee Retirement System (PERSI)	Maggie Smith, Analyst
LBB 6-33	STATE CONTROLLER	
	OFFICE OF THE GOVERNOR	
LBB 6-79	State Liquor Division	
	STATE BOARD OF EDUCATION	
LBB 1-127	Division of Vocational Rehabilitation	Jill Randolph, Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 07, 2018

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Martin, Lee, Agenbroad, Crabtree, Ward-Engelking, and Nye

Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, and King

ABSENT/ EXCUSED: Senator Souza and Representative Wintrow

LSO STAFF PRESENT: Christine Otto, Maggie Smith, and Jill Randolph

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

CARRIED: **Original Motion**
Transportation Services

Moved by **Dixon**, seconded by **Crabtree** for the Idaho Transportation Department, in the Transportation Services Division, beginning with the FY 2019 Base, a reduction of \$256,000 for benefit costs, an increase of \$1,417,200 in replacement items, an increase of \$61,100 for statewide cost allocation, and an increase of \$461,000 for change in employee compensation. Also included are the following line items: line item 7 includes \$200,000 for an increase to the Idaho Airport Aid Program; line item 8 includes \$210,000 to replace the maintenance shop at the Smiley Creek Airport; line item 10 includes \$1,225,000 for a Target Operating Model for Technology; line item 11 includes \$310,000 for the Configuration Management Database; line item 12 includes \$350,000 for an increase in federal funding; and line item 14 includes \$2,000,000 from which \$525,000 will come from the State Aeronautics Fund and \$1,475,000 will come from the State Highway Fund for the purchase of a replacement aircraft. The totals for this motion for FY 2019 are 209.00 FTP, \$35,714,300 from dedicated funds, and \$1,735,700 from federal funds for a grand total of \$37,450,000.

DISCUSSION: **Representative Dixon** stated this motion includes all JFAC adjusted items and adds \$1,417,200 in replacement items. Additionally, this motion adds six line items. Line item 14, for a replacement aircraft, is being funded with \$525,000 from the State Aeronautics Fund and \$1,475,000 is being transferred onetime from the Highway Operations Division. Line item 8 only includes funding for the Smiley Creek Airport. Funding for a new District 4 building was not included. All other line items are funded as requested. This motion has an overall increase of 0.2%.

Ayes: 18
Keough, Bair, Mortimer, Martin, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King

Nays: 0

Ab/Ex: 2 — Senator Souza and Representative Wintrow

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 Dixon**, granted by unanimous consent, that the legislative intent language, as follows, regarding re-appropriation be accepted as part of the FY 2019 appropriation bill for the Idaho Transportation Department.

INTENT LANGUAGE: Intent Language for Idaho Airport Aid
SECTION_. RE-APPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances to the Idaho Transportation Department from State Aeronautics Fund as trustee and benefit payments for Airport Development Grants for fiscal year 2018 to be used for nonrecurring expenditures related to Airport Development Grants for the period July 1, 2018, through June 30, 2019.

CARRIED: **Original Motion**
Motor Vehicles

Moved by **Crabtree**, seconded by **Dixon**, for the Idaho Transportation Department, Motor Vehicles Division, beginning with the FY 2019 Base, a reduction of \$308,800 for benefit costs, an increase of \$625,400 in replacement items, an increase of \$7,300 for statewide cost allocation, and an increase of \$362,900 for change in employee compensation. Also included are the following line items: line item 4 includes \$250,000 for a DMV VoIP System upgrade; line item 5 includes \$203,500 for DMV County Equipment; and line item 6 includes \$28,300 for software for the DMV computers. The totals for this motion for FY 2019 are 237.00 FTP, \$34,000,500 from dedicated funds, and \$3,600,000 from federal funds, for a grand total of \$37,600,500.

Ayes: 18

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

Nays: 0

Ab/Ex: 2 — Senator Souza and Representative Wintrow

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**
Highway Operations

Moved by **Youngblood**, seconded by **Crabtree** for the Idaho Transportation Department, in the Highway Operations Division, beginning with the FY 2019 Base, a reduction of \$1,519,200 for benefit costs, an increase of \$19,031,100 in replacement items; a reduction of \$233,400 for statewide cost allocation, and an increase of \$2,445,300 for change in employee compensation. Also included are the following line items: line item 2 includes \$500,000 for behavioral safety funding; line item 3 includes \$744,200 for highway operation equipment; line item 9 includes \$2,350,000 for the purchase of a new TAMS system; line item 13 includes \$526,100 for a FAST Act increase; and add a line item to reduce \$1,475,000 of excess personnel costs, onetime, from the State Highway Fund. The totals for this motion for FY 2019 are 1,202.00 FTP, \$158,810,100 from dedicated funds, and \$35,356,400 from federal funds for a grand total of \$194,166,500

DISCUSSION: **Representative Youngblood** stated line item 15 temporarily reduces the appropriation for excess personnel costs in the Highway Operation Division by transferring the appropriation to the Transportation Services Division to replace an aircraft.

Ayes: 18

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

Nays: 0

Ab/Ex: 2 — Senator Souza and Representative Wintrow

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**
Contract Construction and Right-of-Way Acquisition

Moved by **Dixon**, seconded by **Crabtree** for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Division, beginning with the FY 2019 Base, the addition of line item 1 to include an increase of \$46,731,500 for excess revenue and receipts. The totals for this motion for FY 2019 are \$154,425,500 from dedicated funds, and \$277,172,100 from federal funds, for a grand total of \$431,597,600.

DISCUSSION: **Representative Dixon** stated this line item is for spending authority from excess funds derived from fuel taxes and registrations.

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 Dixon**, granted by unanimous consent, that the legislative intent language, as follows, be accepted as part of the FY 2019 appropriation bill for the Idaho Transportation Department.

INTENT LANGUAGE: SECTION_. RE-APPROPRIATION AUTHORITY. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Highway Fund, Strategic Initiatives Program Fund, and the Transportation Expansion and Congestion Mitigation Fund for the Contract Construction and Right-of-Way Acquisition Division for fiscal year 2018 to be used for nonrecurring expenditures for the Contract Construction and Right-of-Way Acquisition Division for the period July 1, 2018, through June 30, 2019. SECTION_. CONTINUOUSLY APPROPRIATED MONEYS. It is the intent of the Legislature that all moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purpose of those funds. SECTION_. GATEWAY VISITOR CENTERS TRANSFER. There is hereby appropriated and the State Controller shall transfer \$25,000 from the State Highway Fund within the Idaho Transportation Department to the Tourism and Promotion Fund within the Department of Commerce on July 1, 2018, or as soon thereafter as practicable, for the period July 1, 2018, through June 30, 2019, for the purpose of providing the matching fund support for the Gateway Visitor Centers. SECTION_. BOND PAYMENT AUTHORIZATION. The federal GARVEE bond payment for fiscal year 2019 is approximately \$52,500,000. It is

hereby appropriated and the Idaho Transportation Board is hereby authorized to transfer up to \$4,800,000 from within the State Highway Fund to the GARVEE Debt Service Fund to pay the state match as required for federal funds committed to pay the annual scheduled debt service for fiscal year 2019.

CARRIED:

Original Motion
Public Employee Retirement System (PERSI)

Moved by **Anderson**, seconded by **Burtenshaw** for the Public Employee Retirement System, beginning with the FY 2019 Base, a reduction of \$93,700 for benefit costs, an increase of \$317,700 for replacement items, an increase of \$38,900 for statewide cost allocation, and an increase of \$130,300 for change in employee compensation. Also included is one line item: 1.00 FTP and \$76,300 to hire a Purchasing Agent. The totals for this motion for FY 2019 are 68.00 FTP, and \$8,111,700 from dedicated funds.

Ayes: 18

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

Nays: 0

Ab/Ex: 2 — Senator Souza and Representative Wintrow

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 Anderson**, granted by unanimous consent, to include the intent language as follows.

**INTENT
LANGUAGE:**

SECTION __. CONTINUOUS APPROPRIATION. Notwithstanding Section 59-1311(4)(d), Idaho Code, moneys appropriated in Section 1 of this act for the Portfolio Investment Program are for administrative costs of the Portfolio Investment Program as provided in Section 59-1311(3), Idaho Code. Amounts necessary to pay all other investment expenses related to the Portfolio Investment Program are perpetually appropriated to the Public Employee System Board as provided in Section 59-1311(4)(a), (b) and (c), Idaho Code.

CARRIED:

Original Motion
State Controller

Moved by **Anderson**, seconded by **Crabtree** for the State Controller, beginning with the FY 2019 Base, a reduction of \$135,400 for benefit costs, an increase of \$60,300 for replacement items, an increase of \$6,400 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the State Controller, and an increase of \$213,200 for change in employee compensation. Also included is one line item: \$3,000,000 to Redistribute Computer Service Center Costs. The totals for this motion for FY 2019 are 95.00 FTP, \$10,945,000 from the General Fund, and \$7,866,500 from dedicated funds, for a grand total of \$18,811,500.

DISCUSSION:

Senator Mortimer stated he has concerns about the \$3,000,000 in line item 1. He realizes the position the committee is in and the lack of “customers” in the controller’s office is an ongoing cost that is created. Senator Mortimer continued, he is hopeful this is short lived and knows the department is working on a new computer system. He continued the \$3,000,000 needs to be reduced in the near future and there are significant discussions within the next twelve months to figure out how to reduce the ongoing expense.

Ayes: 17

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

Nays: 0

Ab/Ex: 3 — Senator Souza and Representative Wintrow 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 so ordered by **Chairman Bell**.

**UNANIMOUS
CONSENT:**

On request by **Representative Anderson**, granted by unanimous consent to include the intent language as follows.

**INTENT
LANGUAGE:**

SECTION __. INDIRECT COST RECOVERY. The moneys assessed by the Division of Financial Management in accordance with Section 67-3531, Idaho Code, for State Controller services shall be placed in the Indirect Cost Recovery Fund. SECTION __. DEDICATED FUND RE-APPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the State Controller for the Computer Service Center Program for fiscal year 2018, to be used for nonrecurring expenditures in that program for the period July 1, 2018, through June 30, 2019.

MOTION:

Original Motion
State Liquor Division

Moved by **Agenbroad**, seconded by **King** for the State Liquor Division, beginning with the FY 2019 Base, a reduction of \$332,600 for benefit costs, an increase of \$117,400 for inflationary adjustments, an increase of \$276,700 for replacement items, an increase of \$6,400 for statewide cost allocation, and an increase of \$272,600 for change in employee compensation. Also included are the following line items: \$525,800 to Relocate or Remodel Seven Stores for Line Item #1; 4.00 FTP and \$738,100 for Two New Liquor Stores for Line Item #2; \$138,100 for Additional Labor for Liquor Stores for Line Item #3; \$24,000 for Warehouse Improvements for Line Item #4; 1.00 FTP and \$131,100 to Restore a Deputy Director Position for Line Item #5; \$6,000 for Online Training Resources for Line Item #6; \$36,000 for Furnishings for Newly Built Office Space for Line Item #7; \$99,800 for Software Enhancements for Line Item #8; \$64,600 for Warehouse Career Ladder Restructuring for Line Item #9; and \$12,800 to Add Sunday Hours of Operation to Three Stores for Line Item #10. The totals for this motion for FY 2019 are 229.00 FTP, and \$21,423,700 from dedicated funds.

DISCUSSION:

Senator Agenbroad spoke specifically about the two new liquor stores. He continued the state has responsibly managed the consumption in Idaho, evidence being well below the national average and have not saturated the market with stores. Store numbers have not increased since 2008 and because increased population the agency would like to open two new stores. The two new stores are expected to provide 100% return in the first two years and the stores are funded by dedicated funds.

Representative King stated liquor distributions come back to the state, county and cities.

**SUBSTITUTE
MOTION:**

Substitute Motion
State Liquor Division

Moved by **Martin**, seconded by **Mortimer** for the State Liquor Division, beginning with the FY 2019 Base, a reduction of \$332,600 for benefit costs, an increase of \$117,400 for inflationary adjustments, an increase of \$276,700 for replacement items, an increase of \$6,400 for statewide cost allocation, and an increase of \$272,600 for change in employee compensation. Also included are the following line items: \$525,800 to Relocate or Remodel Seven Stores for Line Item #1; \$138,100 for Additional Labor for Liquor Stores for Line Item #3; \$24,000 for Warehouse Improvements for Line Item #4; 1.00 FTP and \$131,100 to Restore a Deputy Director Position for Line Item #5; \$6,000 for Online Training Resources for Line Item #6; \$36,000 for Furnishings for Newly Built Office Space for Line Item #7; \$99,800 for Software Enhancements for Line Item #8; \$64,600 for Warehouse Career Ladder Restructuring for Line Item #9; The totals for this motion for FY 2019 are 225.00 FTP, and \$20,672,800 from dedicated funds.

DISCUSSION: **Senator Martin** stated there are approximately 40 liquor stores in the Treasure Valley and 20 in the greater Boise metro area. He continued that he supports the move, remodel or expansion of stores, but does not support the two new stores or the additional hours on Sunday.

CARRIED: **Vote on Substitute Motion**

Ayes: 10

Bair, Mortimer, Martin, Lee, Bell, Miller, Burtenshaw, Horman, Anderson, Malek
Nays: 8— Keough, Agenbroad, Crabtree, Ward-Engelking, Nye, Youngblood, Dixon, King

Ab/Ex: 2 — Senator Souza and Representative Wintrow

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**.

Representative Malek requested a recess, **Co-chairman Keough** stated there are rules regarding reconsideration and an opportunity to do that according to the JFAC rules. Co-chairman Keough read rule #12 as follows: Reconsideration: Any member of the Joint Committee may move to reopen a budget previously established by the Joint Committee prior to the time an appropriation measure has been finally acted upon by the houses into which it is originally introduced, and any member may likewise move to reopen consideration of an appropriation request for which funding has been denied. A two-thirds affirmative roll call vote of the quorum present is necessary to reopen.

CARRIED: **Original Motion**

Reopen Liquor Division Budget

Moved by **Malek**, seconded by **Dixon** to reopen the Liquor Division Budget for FY 2019.

Ayes: 12

Keough, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Youngblood, Miller, Horman, Malek, Dixon, King

Nays: 6

Martin, Bair, Mortimer, Bell, Burtenshaw, Anderson,

Ab/Ex: 2 — Senator Souza and Representative Wintrow

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**.

**ORIGINAL
MOTION:**

**Original Motion
State Liquor Division**

Moved by **Agenbroad**, seconded by **King** for the State Liquor Division, beginning with the FY 2019 Base, a reduction of \$332,600 for benefit costs, an increase of \$117,400 for inflationary adjustments, an increase of \$276,700 for replacement items, an increase of \$6,400 for statewide cost allocation, and an increase of \$272,600 for change in employee compensation. Also included are the following line items: \$525,800 to Relocate or Remodel Seven Stores for Line Item #1; 4.00 FTP and \$738,100 for Two New Liquor Stores for Line Item #2; \$138,100 for Additional Labor for Liquor Stores for Line Item #3; \$24,000 for Warehouse Improvements for Line Item #4; 1.00 FTP and \$131,100 to Restore a Deputy Director Position for Line Item #5; \$6,000 for Online Training Resources for Line Item #6; \$36,000 for Furnishings for Newly Built Office Space for Line Item #7; \$99,800 for Software Enhancements for Line Item #8; \$64,600 for Warehouse Career Ladder Restructuring for Line Item #9; and \$12,800 to Add Sunday Hours of Operation to Three Stores for Line Item #10. The totals for this motion for FY 2019 are 229.00 FTP, and \$21,423,700 from dedicated funds.

**SUBSTITUTE
MOTION:**

**Substitute Motion
State Liquor Division**

Moved by **Martin**, seconded by **Mortimer** for the State Liquor Division, beginning with the FY 2019 Base, a reduction of \$332,600 for benefit costs, an increase of \$117,400 for inflationary adjustments, an increase of \$276,700 for replacement items, an increase of \$6,400 for statewide cost allocation, and an increase of \$272,600 for change in employee compensation. Also included are the following line items: \$525,800 to Relocate or Remodel Seven Stores for Line Item #1; \$138,100 for Additional Labor for Liquor Stores for Line Item #3; \$24,000 for Warehouse Improvements for Line Item #4; 1.00 FTP and \$131,100 to Restore a Deputy Director Position for Line Item #5; \$6,000 for Online Training Resources for Line Item #6; \$36,000 for Furnishings for Newly Built Office Space for Line Item #7; \$99,800 for Software Enhancements for Line Item #8; \$64,600 for Warehouse Career Ladder Restructuring for Line Item #9; The totals for this motion for FY 2019 are 225.00 FTP, and \$20,672,800 from dedicated funds.

FAILED:

Vote on Substitute Motion

Ayes: 9

Martin, Bair, Mortimer, Lee, Bell, Miller, Horman, Burtenshaw, Anderson

Nays: 9

Keough, Agenbroad, Crabtree, Ward-Engelking, Nye, Youngblood, Malek, Dixon, King

Ab/Ex: 2 — Senator Souza and Representative Wintrow

FAILED:

Vote on Original Motion

Ayes: 8

Keough, Agenbroad, Crabtree, Youngblood, Malek, Dixon, King

Nays: 10

Martin, Bair, Mortimer, Lee, Nye, Bell, Miller, Horman, Burtenshaw, Anderson

Ab/Ex: 2 — Senator Souza and Representative Wintrow

**ORIGINAL
MOTION:**

**Original Motion
State Liquor Division**

Moved by **Keough**, seconded by **Dixon** for the State Liquor Division, beginning with the FY 2019 Base, a reduction of \$332,600 for benefit costs, an increase of \$117,400 for inflationary adjustments, an increase of \$276,700 for replacement items, an increase of \$6,400 for statewide cost allocation, and an increase of \$272,600 for change in employee compensation. Also included are the following line items: \$525,800 to Relocate or Remodel Seven Stores for Line Item #1; 4.00 FTP and \$738,100 for Two New Liquor Stores for Line Item #2; \$138,100 for Additional Labor for Liquor Stores for Line Item #3; \$24,000 for Warehouse Improvements for Line Item #4; 1.00 FTP and \$131,100 to Restore a Deputy Director Position for Line Item #5; \$6,000 for Online Training Resources for Line Item #6; \$36,000 for Furnishings for Newly Built Office Space for Line Item #7; \$99,800 for Software Enhancements for Line Item #8; \$64,600 for Warehouse Career Ladder Restructuring for Line Item #9. The totals for this motion for FY 2019 are 229.00 FTP, and \$21,410,900 from dedicated funds.

SUBSTITUTE MOTION:

Substitute Motion
State Liquor Division

Moved by **Mortimer**, seconded by **Horman** for the State Liquor Division, beginning with the FY 2019 Base, a reduction of \$332,600 for benefit costs, an increase of \$117,400 for inflationary adjustments, an increase of \$276,700 for replacement items, an increase of \$6,400 for statewide cost allocation, and an increase of \$272,600 for change in employee compensation. Also included are the following line items: \$525,800 to Relocate or Remodel Seven Stores for Line Item #1; \$138,100 for Additional Labor for Liquor Stores for Line Item #3; \$24,000 for Warehouse Improvements for Line Item #4; 1.00 FTP and \$131,100 to Restore a Deputy Director Position for Line Item #5; \$6,000 for Online Training Resources for Line Item #6; \$36,000 for Furnishings for Newly Built Office Space for Line Item #7; \$99,800 for Software Enhancements for Line Item #8; \$64,600 for Warehouse Career Ladder Restructuring for Line Item #9; and \$12,800 to Add Sunday Hours of Operation to Three Stores for Line Item #10. The totals for this motion for FY 2019 are 225.00 FTP, and \$20,685,600 from dedicated funds.

AMENDED SUBSTITUTE MOTION:

Amended Substitute Motion
State Liquor Division

Moved by **Anderson**, seconded by **Miller** for the State Liquor Division, beginning with the FY 2019 Base, a reduction of \$332,600 for benefit costs, an increase of \$117,400 for inflationary adjustments, an increase of \$276,700 for replacement items, an increase of \$6,400 for statewide cost allocation, and an increase of \$272,600 for change in employee compensation. Also included are the following line items: \$525,800 to Relocate or Remodel Seven Stores for Line Item #1; 2.00 FTP and \$369,100 for One New Liquor Store for Line Item #2; \$138,100 for Additional Labor for Liquor Stores for Line Item #3; \$24,000 for Warehouse Improvements for Line Item #4; 1.00 FTP and \$131,100 to Restore a Deputy Director Position for Line Item #5; \$6,000 for Online Training Resources for Line Item #6; \$36,000 for Furnishings for Newly Built Office Space for Line Item #7; \$99,800 for Software Enhancements for Line Item #8; \$64,600 for Warehouse Career Ladder Restructuring for Line Item #9. The totals for this motion for FY 2019 are 227.00 FTP, and \$21,041,900 from dedicated funds.

FAILED: **Vote on Amended Substitute Motion**
Ayes: 9
Keough, Lee, Agenbroad, Ward-Engelking, Bell, Miller, Burtenshaw, Anderson, Dixon
Nays: 9
Martin, Bair, Mortimer, Crabtree, Nye, Youngblood, Horman, Malek, King
Ab/Ex: 2 — Senator Souza and Representative Wintrow

FAILED: **Vote on Substitute Motion**
Ayes: 4
Bair, Mortimer, Lee, Horman
Nays: 14
Keough, Martin, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Malek, Burtenshaw, Anderson, Dixon, King
Ab/Ex: 2 — Senator Souza and Representative Wintrow

CARRIED: **Vote on Original Motion**
Ayes: 11
Keough, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Malek, Burtenshaw, Dixon, King
Nays: 7
Martin, Bair, Mortimer, Lee, Miller, Horman, Anderson
Ab/Ex: 2 — Senator Souza and Representative Wintrow

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**
State Board of Education
Division of Vocational Rehabilitation

Moved by **King**, seconded by **Ward-Engelking** for the Division of Vocational Rehabilitation beginning with the FY 2019 Base, a reduction of \$217,400 for benefit costs, an increase of \$14,500 for inflationary adjustments, an increase of \$103,900 for replacement items, an increase of \$9,900 for statewide cost allocation, and an increase of \$271,100 for change in employee compensation. Also included are two line items. Line item #1 is for 0.50 FTP and \$48,700 for a community outreach coordinator for the Council for the Deaf and Hard of Hearing. Line item #2 is for 1.00 FTP and \$61,500 for a social security reimbursement coordinator for the Vocational Rehabilitation program. The totals for this motion for FY 2019 are 154.00 FTP, \$8,648,300 from the General Fund, \$2,112,600 from dedicated funds, and \$17,545,200 from federal funds for a grand total of \$28,306,100.

DISCUSSION: **Representative King** stated the Community Outreach Coordinator has been requested for about three years in a row and she asked the coordinator what he did that would support the half-of-person. Representative King explained that the coordinator does ongoing need assessment, data gathering, data analysis for the Council of the Deaf and Hard of Hearing, reviews regulations and legislation, develops, monitors and evaluates programs sponsored by the council. She continued that the replacement items were cut down and the social security reimbursement is to capture the federal funds. **Representative Anderson** asked if the coordinator had been cut to half why was the budget not cut, Representative King responded there were still office items and lease space needed.

Ayes: 18

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

Nays: 0

Ab/Ex: 2 — Senator Souza and Representative Wintrow

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 King**, granted by unanimous consent, to include the intent language as follows.

**INTENT
LANGUAGE:**

DIVISION OF VOCATIONAL REHABILITATION FOR FISCAL YEAR 2019
SECTION 3. P R O G R A M A N D O B J E C T T R A N S F E R S.

Notwithstanding the provisions of Section 67-3511, Idaho Code, of the amount appropriated in Section 1 of this act, funding provided for trustee and benefit payments in the Extended Employment Services Program shall not be transferred to any other budgeted program or expense class during fiscal year 2019. SECTION 4. P R O V I D E R R E V I E W A N D R E C O M M E N D A T I O N S.

It is the intent of the Legislature that the division administrator of the Division of Vocational Rehabilitation shall work with community rehabilitation providers to understand the impact that the level of fee for services set by the administrator has on the providers' ability to recruit and retain qualified workers who can deliver services in a safe and effective manner, and that the administrator shall report back to the Joint Finance-Appropriations Committee during the 2019 legislative session on the results of the review and any recommendations. SECTION 5. R E A P P R O P R I A T I O N . There is hereby reappropriated to the Division of Vocational Rehabilitation any unexpended and unencumbered balances appropriated to the Extended Employment Services in trustee and benefit payments for fiscal year 2018, in an amount not to exceed \$80,000 from the General Fund, to be used for a one-year rate increase to community rehabilitation providers for the period July 1, 2018, through June 30, 2019.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the Committee at 9:21 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, March 08, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 5-19	DEPARTMENT OF COMMERCE	Keith Bybee, Deputy Manager
LBB 5-43	DEPARTMENT OF LABOR/WORKFORCE DEVELOPMENT COUNCIL	
	DEPARTMENT OF REVENUE AND TAXATION	
LBB 6-139	Idaho State Tax Commission	
	SELF-GOVERNING AGENCIES	
LBB 5-69	Idaho State Historical Society	Jill Randolph, Analyst
	OFFICE OF THE GOVERNOR	
LBB 6-49	Commission on the Arts	
	TRAILER APPROPRIATIONS	
	Department of Juvenile Corrections Trailer Appropriation to H399 for Rule of 80/Direct Care Staff	Jared Hoskins, Principal Analyst
	Department of Correction Trailer Appropriation to H533 for County Jails Rate Increase	
	Department of Health and Welfare Trailer Appropriation to H431 for the State Hospitals Medical Directors Salaries	Jared Tatro, Principal Analyst
	Department of Environmental Quality Trailer Appropriation to S1260 Lake and River Committee Membership	Rob Sepich, Analyst
	BUDGET CORRECTION	
	Department of Parks and Recreation	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 08, 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, Hale(Wintrow)

ABSENT/EXCUSED: None

CONVENED: Senator Keough convened the meeting at 8:03 A.M.

AGENCY PRESENTATION: **DEPARTMENT OF COMMERCE**

LSO STAFF PRESENTATION: **KEITH BYBEE**

CARRIED: ORIGINAL MOTION
Moved by Rep. Anderson, for the Department of Commerce, beginning with the FY 2019 Base, a reduction of \$59,800 for benefit costs, an increase of \$9,100 for replacement items, an increase of \$6,300 for statewide cost allocation, and an increase of \$93,600 for change in employee compensation. Also included is line item 1 for \$3,455,400 for tourism and promotion enhancement. The totals for this motion for FY 2019 are 43.00 FTP, \$5,800,900 from the General Fund, \$20,244,100 from dedicated funds, and \$16,269,000 from federal funds for a grand total of \$42,314,000, seconded by Sen. Nye.

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: **DEPARTMENT OF LABOR**

LSO STAFF PRESENTATION: **KEITH BYBEE**

CARRIED:

ORIGINAL MOTION

Moved by Sen. Martin, for the Department of Labor, beginning with the FY 2019 Base, a reduction of \$743,500 for benefit costs, an increase of \$424,500 for replacement items, an increase of \$60,400 for statewide cost allocation, and an increase of \$1,339,300 for change in employee compensation. Also included are the following line items: line item 1 for \$201,600 for additional IT infrastructure. Line item 2 for \$111,800 for building maintenance and repairs. Line item 3 reduces 6.00 FTP and \$810,000 moving Career Information Systems to the state Board of Education. Finally, line item 4 reduces 12.42 FTP and \$9,074,400 sending the Workforce Development Council to the Office of the Governor as a standalone agency. The totals for this motion for FY 2019 are 681.58 FTP, \$342,200 from the General Fund, \$17,520,100 from dedicated funds, and \$70,332,600 from federal funds for a grand total of \$88,194,300, seconded by Rep. Miller.

SUBSTITUTE MOTION:

SUBSTITUTE MOTION

Moved by Sen. Mortimer, for the Department of Labor, beginning with the FY 2019 Base, a reduction of \$743,500, for benefit costs, an increase of \$505,900 for replacement items, an increase of \$60,400 for statewide cost allocation, and an increase of \$1,339,300 for change in employee compensation. Also included are the following line items; Line items 1 for \$201,600 for additional IT infrastructure. Line item 2 for \$111,800 for building maintenance and repairs. Line item 3 reduces 6.00 FTP and \$810,000 moving Career Information Systems to the State Board of Education. Finally, line item 4 reduces 12.42 FTP and \$9,074,400 sending the Workforce Development Council to the Office of the Governor as a standalone agency. The totals for this motion for FY 2019 are 681.58 FTP, \$342,200 from the General Fund, \$17,601,500 from dedicated funds, and \$70,332,600 from federal funds for a grand total of \$88,276,300, seconded by Rep. King.

AYES: 14

NAYS: 4

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:

WORKFORCE DEVELOPMENT COUNCIL

LSO STAFF PRESENTATION:

KEITH BYBEE

CARRIED:

ORIGINAL MOTION

Moved by Sen. Mortimer, for the Workforce Development Council one line item creating a new budgeted division in the office of the Governor for 5.00 FTP and \$8,553,100. The total for this motion for FY 2019 are 5.00 FTP, \$8,410,700 from dedicated funds and \$142,400 from federal funds for a grand total of \$8,553,100, 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:**

**DEPARTMENT OF REVENUE AND TAXATION: IDAHO STATE TAX
COMMISSION**

**LSO STAFF
PRESENTATION:**

KEITH BYBEE

CARRIED:

ORIGINAL MOTION

Moved by Rep. Youngblood, for the State Tax Commission, beginning with the FY 2019 Base, a reduction of \$621,900 for benefit costs, an increase of \$422,300 for replacement items, an increase of \$192,300 for statewide cost allocation, and an increase of \$782,200 for change in employee compensation. Also included are the following items: 1.00 FTP and \$71,200 for an automated systems coordinator in line item 1. Line item 2 for 3.00 FTP and \$171,100 for additional tax compliance positions. Line item 4 for \$46,000. Line item 5 for \$14,000 for the tax commissioner 3% CEC. The totals for this motion for FY 2019 are 459.00 FTP, \$36,154,600 from the General Fund, \$7,587,600 from dedicated funds and \$8,000 from federal funds for a grand total of \$43,750,200, seconded by Sen. Agenbroad.

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 of Rep. Youngblood, granted by unanimous consent, to introduce, a s a separate section of the State Tax Commission’s FY 2019 original appropriation bill, amendments to Section 63–102, Idaho Code, as shown below, to increase the salaries of the State Tax Commissioners, with a DO-PASS recommendation.

Section 3. 63-102. Organization – Chairman – Compensation – Quorum – Hearings. (1) A member of the state tax commission shall be appointed by the governor, to serve at his pleasure, as chairman. Each member of the state tax commission shall devote full time to the performance of duties. Commencing on July 1, 2017, the annual salary for members of the state tax commission shall be ninety-nine thousand seventy-seven dollars (\$99,077). (2) A majority of the state tax commission shall constitute a quorum for the transaction of business. The state tax commission may delegate to any member of the commission or to its employees, the power to make investigations and hold hearings at any place it may deem proper, and such other matters as will facilitate the operations of the commission. (3)The chairman of the state tax commission shall delegate to each commissioner the responsibility for policy management and oversight of one (1) or more of the taxes collected and/or activities supervised or administered by the commission. The state tax commission shall perform the duties imposed upon it by law and shall adopt all rules by majority decision. In any case in which the state tax commission sits as an appellate body upon an appeal from a tax decision from one (1) of the various administrative units subject to its supervision, the state tax commissioner charged with responsibility for policy management and oversight of the tax in controversy shall not vote upon the appeal but may advise the remaining members of the commission on the technical aspects of the problems before them. (4)The chairman shall be the chief executive officer and administrative head of the state tax commission and shall be responsible for, or may assign responsibility for, all personnel, budgetary and/or fiscal matters of the state tax commission.

On request of Rep. Youngblood, granted by unanimous consent, to include reappropriation authority for moving costs appropriated last year as shown below:

Section 4. REAPPROPRIATION AUTHORITY FOR MOVING EXPENSES. There is hereby reappropriated to the State Tax Commission any unexpended and unencumbered balances appropriated or reappropriated to the State Tax Commission from the General Fund for moving expenses for fiscal year 2018, in an amount not to exceed \$2,000,000, to be used for nonrecurring expenditures related to moving for the period July 1, 2018, through June 30, 2019.

**AGENCY
PRESENTATION:
LSO STAFF
PRESENTATION:**

**SELF-GOVERNING AGENCIES: IDAHO STATE HISTORICAL
SOCIETY
JILL RANDOLPH**

CARRIED:

ORIGINAL MOTION

Moved by Sen. Ward-Engelking, for the Idaho State Historical Society, beginning with the FY 2019 Base, a reduction of \$76,400 for benefit costs, an increase of \$14,000 for inflationary adjustments, an increase of \$280,000 for replacement items, of which \$153,000 is from the General Fund and \$127,000 is from the Economic Recovery Reserve Fund, an increase of \$11,000 for statewide cost allocation, an increase of \$354,100 for salary annualizations, and an increase of \$97,000 for the change in employee compensation. Also included is one line item. Line item 6 for \$18,100 for IT/Telecommunications upgrades, as recommended by the Office of the Chief Information Officer. The totals for this motion for FY 2019 are 55.00 FTP, \$4,042,400 from the General Fund, \$1,910,900 from dedicated funds and \$1,580,900 from federal funds for a grand total of \$7,534,200, seconded by Rep. Wintrow (Hale) .

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

**AGENCY
PRESENTATION:**

OFFICE OF THE GOVERNOR: COMMISSION ON THE ARTS

**LSO STAFF
PRESENTATION:**

JILL RANDOLPH

CARRIED:

ORIGINAL MOTION

Moved by Sen. Ward-Engelking, for the Commission on the Arts, beginning with the FY 2019 Base, a reduction of \$14,100 for benefit costs, an increase of \$800 for statewide allocation, and an increase of \$18,700 for the change in employee compensation. Also included are two line items. Line item 1 for \$3,800 for IT/Telecommunications upgrades. Line item 2 for \$25,000 for enhancement of grant funds. The totals for this motion for FY 2019 are 10.00 FTP, \$841,000 from the General Fund, \$106,300 from dedicated funds, and \$1,073,900 from federal funds, for grand total of \$2,021,200, seconded by Rep. Wintrow (Hale).

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairman Keough.

AGENCY PRESENTATION: **TRAILER APPROPRIATION BILLS: DEPARTMENT OF JUVENILE CORRECTIONS**
TRAILER APPROPRIATION TO H399 FOR RULE OF 80/DIRECT CARE STAFF

LSO STAFF PRESENTATION: **JARED HOSKINS**

CARRIED: ORIGINAL MOTION
Moved by Rep. Burtenshaw, for fiscal year 2019, for the Department of Juvenile Corrections, in the Institutions Program, an ongoing increase of \$35,400 in personnel costs from the General Fund, seconded by Sen. Ward-Engelking.

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: **TRAILER APPROPRIATION BILLS: DEPARTMENT OF CORRECTIONS**

TRAILER APPROPRIATION TO H533 FOR COUNTY JAILS RATE INCREASE

LSO STAFF PRESENTATION: **JARED HOSKINS**

CARRIED: ORIGINAL MOTION
Moved by Rep. Youngblood, for fiscal year 2019, for the Department of Correction, in the County and Out-of-State Placement Program, an ongoing increase of \$3,650,000 in operating expenditures from the General Fund, seconded by Sen. Agenbroad.

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: **TRAILER APPROPRIATION BILLS: DEPARTMENT OF HEALTH AND WELFARE**
TRAILER APPROPRIATION TO H431 FOR THE STATE HOSPITALS MEDICAL DIRECTORS SALARIES.

LSO STAFF PRESENTATION: **JARED TATRO**

CARRIED: ORIGINAL MOTION
Moved by Sen. Bair, for fiscal 2019, for the Department of Health and Welfare all from the Cooperative Welfare (General) Fund, for State Hospital South an additional \$32,700 in ongoing personnel costs and for State Hospital North an additional \$32,700 in ongoing personnel costs. The total for this motion is \$65,400 all ongoing, seconded by Sen. Lee.
AYES: 18

NAYS: 1

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: **TRAILER APPROPRIATION BILLS: DEPARTMENT OF ENVIRONMENTAL QUALITY**

TRAILER APPROPRIATION TO S1260 LAKE AND RIVER COMMITTEE MEMEBERSHIP

LSO STAFF PRESENTATION: **ROB SEPICH**

CARRIED: ORIGINAL MOTION
Moved by Rep. Dixon, for fiscal year 2019, for the Department of Environmental Quality, the addition of \$50,000 ongoing from the General Fund for added duties granted to the Lake Pend Oreille, Pend Oreille River, Priest Lake and Priest River Commission, seconded by Sen. Ward-Engelking.

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: **BUDGET CORRECTION: DEPARTMENT OF PARKS AND RECREATIONS**

**LSO STAFF
PRESENTATION:**

ROB SEPICH

CONSENT:

On request by Sen. Bair, granted by unanimous consent, to reopen the fiscal year 2019 budget for the Department of Parks and Recreation.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Bair, for the Department of Parks and Recreation, the addition of \$27,900 ongoing from the Parks and Recreation Fund to correct the Change in Employee Compensation (CEC), 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.

ADJOURNED:

There being for further business, Senator Keough adjourned the meeting at 8:59 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 09, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	DEPARTMENT OF HEALTH AND WELFARE	
LBB 2-29	Indirect Support Services	Jared Tatro, Principal Analyst
LBB 2-25	Independent Councils	
LBB 2-95	Licensing and Certification	
LBB 2-91	Healthcare Policy Initiatives	
	STATE TREASURER	
LBB 6-159	Idaho Millennium Fund	
LBB 5-3	DEPARTMENT OF AGRICULTURE	Rob Sepich, Analyst
	OFFICE OF THE GOVERNOR	
LBB 6-109	Wolf Depredation Control Board	
	BUDGET RECONSIDERATIONS	
LBB 6-147	Secretary of State	Maggie Smith, Analyst
LBB 3-85	Idaho State Police	Christine Otto, Analyst

House Reconvenes: 10:00 AM

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 09, 2018

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, and Nye

Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, and Hale(Wintrow)

**ABSENT/
EXCUSED:** None

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

CARRIED: **Original Motion**
Secretary of State
Reconsideration of FY 2019 Appropriation

Moved by **Anderson**, seconded by **Keough** to reopen the FY 2019 budget for the Secretary of State.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — 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 so ordered by **Chairman Bell**.

CARRIED: **Original Motion**
Secretary of State
Additional appropriation to Secretary of State

Moved by **Anderson**, seconded by **Crabtree** for the Secretary of State, in addition to the action taken by JFAC on March 1, 2018, an additional \$1,200,000 onetime be added to the FY 2019 original appropriation from the Technology Infrastructure Stabilization Fund.

DISCUSSION: **Representative Anderson** stated the committee had met with the Secretary of State. Representative Anderson continue it was always the committee's intent to appropriate the \$1.2 million and the question was if the committee could hold off and appropriate the funds next fiscal year through a supplemental appropriation, it appeared there was a conflict with the timing. Representative Anderson continued there was also a \$90,000 request, but the decision was to withhold funding and the cybersecurity position may come up later in the year.

Ayes: 20

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

**UNANIMOUS
CONSENT:**

On request by **Representative Anderson**, granted by unanimous consent, to accept the following intent language as part of the FY 2019 appropriation bill for the Secretary of State.

**INTENT
LANGUAGE:**

Legislative Intent Language

Section . ELECTIONS SYSTEM UPGRADE. It is the intent of the Legislature that the Secretary of State shall provide the Legislative Services Office with the necessary information on the elections system upgrade to allow the Legislature to make informed decisions regarding the amounts appropriated in Section 1 of this act, and any other future funding requests. Information provided shall address the merit, need, cost, compatibility, and maintenance of the elections system upgrade. Further, periodic updates and reports may be requested by the Legislative Services Office from the Secretary of State to be provided to the Joint Finance-Appropriations Committee.

CARRIED:

Original Motion

Department of Health and Welfare

Indirect Support Services

Moved by **Bair**, seconded by **King** for the Department of Health and Welfare, for Indirect Support Services, beginning with the FY 2019 Base, a reduction of \$379,900 for benefit costs; an increase of \$2,567,600 for replacement items with \$458,000 being appropriated from the Technology Infrastructure Stabilization Fund; an increase of \$588,000 for statewide cost allocation; and an increase of \$675,600 for change in employee compensation. Also included are the following line items: add \$989,400 for the Cisco Enterprise License Agreement as requested in line item 10. Then add \$1,067,400 for the additional State Controller Mainframe Costs as requested in line item 12. Then add 2.00 FTP and \$118,900 for new Criminal History Unit staff as requested in line item 16. Then add 1.00 FTP and \$60,800 for new Medicaid Program Integrity Unit staff as requested in line item 24. Then add 1.00 FTP and \$68,400 for new Fraud Analysis Staff as requested in line item 28. Then add \$700,000 for the Criminal History Unit Grant as explained in line item 50 with the state share being appropriated from the Technology Infrastructure Stabilization Fund. The totals for this motion for FY 2019 are 299.60 FTP, \$19,508,700 from the General Fund, \$4,072,400 from dedicated funds, and \$25,139,100 from federal funds for a grand total of \$48,720,200.

Ayes: 20

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

**UNANIMOUS
CONSENT:**

On request by **Senator Bair**, granted by unanimous consent, to accept the following intent language.

**INTENT
LANGUAGE:**

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medicaid Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Services Office and the Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

MEDICAID PROGRAM INTEGRITY COLLECTIONS. It is the intent of the Legislature that the Indirect Support Services Division provide reports biannually to the Legislative Services Office and the Division of Financial Management comparing the total costs from all funding sources used for the Medicaid Program Integrity Unit and the collections related to those efforts. The format of the report, and the type of information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report is to contain information from July 1, 2018, through December 31, 2018, and shall be submitted no later than January 15, 2019, and the second report shall include information from January 1, 2019, through June 30, 2019, as well as information for the entire year, and shall be submitted by June 30, 2019, or as soon thereafter as practicable.

PROGRAM TRANSFER REPORT. The Department of Health and Welfare, Indirect Support Services Division, shall provide to the Legislative Services Office and the Division of Financial Management three (3) reports, with each report providing information that compares the department budget, as appropriated, to the estimated expenditures of the department for each budget unit to include: transfers of FTP authority between and among budget units; transfers of appropriation, by fund, between and among budget units; and transfers of funds by expense class between and among budget units. The first report shall be submitted no later than December 1, 2018, the second report shall be submitted no later than March 1, 2019, and the third report shall be submitted by June 1, 2019.

VACANCY REPORT. On a monthly basis, the Department of Health and Welfare, Indirect Support Services Division, shall provide to the Legislative Services Office and the Division of Financial Management a staff vacancy report that compares filled positions to authorized positions for each budgeted program. The format of the report, and the type of information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

CARRIED:

Original Motion
Department of Health and Welfare
Independent Councils

Moved by **Lee**, seconded by **King** for the Department of Health and Welfare, for the Independent Councils, beginning with the FY 2019 Base, a reduction of \$14,000 for benefit costs, and an increase of \$21,900 for change in employee compensation. The totals for this motion for FY 2019 are 10.00 FTP, \$195,700 from the General Fund, \$555,800 from dedicated funds, and \$8,330,500 from federal funds for a grand total of \$9,082,000.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Hale(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 so ordered by **Chairman Bell**

CARRIED:

Original Motion

**Department of Health and Welfare
Licensing and Certification**

Moved by **Agenbroad**, seconded by **Malek** for the Department of Health and Welfare, Licensing and Certification Division, beginning with the FY 2019 Base, a decrease of \$83,800 for benefit costs, a decrease of \$700 for statewide cost allocation, and an increase of \$145,300 for change in employee compensation. Then add 2.00 FTP and \$171,200 for new assisted living facility surveyors as explained in line item 11. The totals for this motion for FY 2019 are 71.90 FTP, \$1,964,000 from the General Fund, \$818,400 from dedicated funds, and \$4,539,100 from federal funds for a grand total of \$7,321,500.

Ayes: 20

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

**UNANIMOUS
CONSENT:**

On request by **Senator Agenbroad**, granted by unanimous consent, to accept the following intent language.

**INTENT
LANGUAGE:**

REQUIRING BIENNIAL REPORTS ON FACILITY LICENSING AND CERTIFICATION. It is the intent of the Legislature that the Department of Health and Welfare, Licensing and Certification Program, provide biennial reports to the Legislative Services Office and the Division of Financial Management on the status of facility licensing and certifications as well as staff workload and caseload issues. For the past several years, the program has noted staffing issues related to retention, which in turn has created a large backlog of facility inspections and licensures. The format of the report, and the type of information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than December 31, 2018, and the second report shall be submitted no later than June 30, 2019.

CARRIED: **Original Motion**
Department of Health and Welfare
Healthcare Policy Initiatives

Moved by **Souza**, seconded by **King** for the Department of Health and Welfare, for the Healthcare Policy Initiatives Program, beginning with the FY 2019 Base, a reduction of \$10,300 for benefit costs, and an increase of \$17,200 for change in employee compensation. Then add \$5,000,000 for the final year of the SHIP Grant as requested in line item 9. The totals for this motion for FY 2019 are 7.60 FTP, \$251,500 from the General Fund, and \$17,693,900 from federal funds for a grand total of \$17,945,400.

DISCUSSION: **Representative Hale** declared Rule 38.

Ayes: 20

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

UNANIMOUS CONSENT: On request by **Senator Souza**, granted by unanimous consent, to accept the following intent language.

INTENT LANGUAGE:

REPORTING ON IMPLEMENTATION OF THE SHIP GRANT. On an annual basis, the Healthcare Policy Initiatives Program shall report the status of the State Healthcare Innovation Plan (SHIP) to the Legislative Services Office and the Division of Financial Management. The report shall include comments and suggestions from private insurers, private providers, and other active stakeholders on the process of moving from the current fee-for-service medical model to a capitated model of healthcare delivery. The report shall also include results of any performance metrics required by the grant, in addition to updates on potential solutions for the state of Idaho. This report shall be submitted no later than December 31, 2018.

CARRIED: **Original Motion**
State Treasurer
Idaho Millennium Fund

Moved by **King**, seconded by **Martin** for approval of the intent language for the Idaho Millennium Fund Program for FY 2019.

Ayes: 20

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

**INTENT
LANGUAGE:**

SECTION 1. Notwithstanding any other provision of law to the contrary, on June 30, 2019, or as soon thereafter as practicable, any remaining unexpended and unencumbered balance of moneys appropriated from the Idaho Millennium Income Fund shall be reverted to the Idaho Millennium Income Fund.

SECTION 2. Notwithstanding any other provision of law to the contrary, there is hereby appropriated on June 30, 2019, or as soon thereafter as practicable, the State Controller, at the request of the State Treasurer, shall transfer any remaining unexpended and unencumbered balance of moneys in the Idaho Millennium Income Fund to the Idaho Millennium Permanent Endowment Fund. Discussion: This motion reflects the recommendation of the Joint Legislative Millennium Fund Committee. The current estimated amount to be transferred to the Endowment Fund is about \$9.1 million.

CARRIED:

Original Motion
Department of Agriculture

Moved by **Burtenshaw**, seconded by **Bair** for the Department of Agriculture, beginning with the FY 2019 Base, a reduction of \$472,300 for benefit costs, an increase of \$1,022,900 for replacement items, an increase of \$44,000 for statewide cost allocation, and an increase of \$530,700 for change in employee compensation. Also included are the following five line items: 1.00 FTP and \$94,800 to hire a lab quality assurance manager. 2.00 FTP and \$260,600 to hire two dairy inspectors. \$26,000 to the Marketing Program to hire temporary staff to promote local food. 3.00 federally funded FTP to hire two inspectors and an administrative assistant as a result of the Food Safety Modernization Act. \$500,000 to build additional office space at the Idaho Food Quality Assurance Laboratory. The totals for this motion for FY 2019 are 217.00 FTP, \$11,846,900 from the General Fund, \$26,631,900 from dedicated funds, and \$6,336,500 from federal funds for a grand total of \$44,815,300.

DISCUSSION:

Representative Burtenshaw stated this was an overall decrease of .3% and **Director Gould** has done a tremendous job looking within her budget and taking care of the shifting needs in agriculture in the state of Idaho. He continued there are 3 FTP that come out of federal funds and there were no requests for additional funds, those funds were found in their budget to take care of those FTP's.

Ayes: 19

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

Nays: 0

Ab/Ex: 1 — Representative Bell

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 **Cochairman Keough**.

**UNANIMOUS
CONSENT:**

On request by **Representative Burtenshaw**, granted by unanimous consent, to accept the following intent language.

**INTENT
LANGUAGE:**

**Standard Intent Language for Idaho State Department of Agriculture (ISDA)
budget:**

SECTION 3. WATERCRAFT INSPECTION PROGRAM. It is the intent of the Legislature that the Idaho State Department of Agriculture (ISDA) maximize the use of the appropriation provided for the Watercraft Inspection Program to minimize the chances of spreading zebra mussels, quagga mussels, and other aquatic invasive species into Idaho waters. The department is encouraged to use roving inspection stations when appropriate and for expanded hours of coverage during holidays when boat transport traffic is likely to increase. It is also encouraged to use extra staffing on busy holiday weekends. The department shall gather data regarding the number of watercraft that are bypassing the stations and shall gather data regarding nighttime transport of watercraft across Idaho's borders. Furthermore, it is the intent of the Legislature that ISDA seek to secure federal funding to further enhance invasive species detection and prevention efforts. The ISDA shall report back to the Joint Finance-Appropriations Committee, the Senate Agricultural Affairs Committee and the House of Representatives Agricultural Affairs Committee, during the 2019 legislative session, the results of the data gathering, securement of federal funds and an operational review of the boat stations.

**ORIGINAL
MOTION:**

**Original Motion
Wolf Depredation Control Board**

Moved by **Crabtree** seconded by **Bair** the Idaho Wolf Depredation Control Board for fiscal year 2019, \$400,000 one-time from the General Fund to be transferred to the Wolf Control Fund Other Moneys Subaccount. There are no positions for this program.

DISCUSSION:

Senator Crabtree stated this money will serve as the state's match to contributions from the livestock industry and sportsmen to control wolves depredating livestock and wildlife. This transfer would bring the estimated total balance available for FY 2019 to \$1,239,200. For FY 2017 the Wolf Depredation Control Board expended \$461,900, funding 121 depredation investigations related to wolf complaints. Of these complaints, the board found 69% involved confirmed wolf depredations while 12% were definitively not caused by wolves and the remainder were either unknown or possible wolf depredations.

**SUBSTITUTE
MOTION:**

Moved by **King**, seconded by **Dixon** to make no general fund transfer to the Wolf Control Fund Other Moneys Subaccount for fiscal year 2019. There are no positions for this program.

DISCUSSION

Representative King stated there is \$744,000 in this fund and about \$400,000 is used during the year. She continued that she would like to see language, which has not passed in the Germane committee, stating they use no lethal methods as well as lethal methods to control the wolves.

FAILED:

Vote on Substitute Motion

Ayes: 2

King and Dixon

Nays: 17

Keough, Martin, Bair, Souza, Lee, Crabtree, Nye, Ward-Engelking, Youngblood, Miller, Horman, Malek Burtenshaw, Anderson, Hale (Wintrow)

Ab/Ex: 1 — Representative Bell

CARRIED: **Vote on Original Motion**
Ayes: 18
Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, Hale (Wintrow)
Nays: 1 — King
Ab/Ex: 1 — Representative Bell
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 **Cochairman Keough**.

CARRIED: **Original Motion**
Reopen the FY 2019 budget for the Idaho State Police
Moved by **Burtenshaw**, seconded by **Martin** to reopen the FY 2019 budget for the Idaho Sate Police.
Ayes: 19
Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, Hale (Wintrow)
Nays: 0
Ab/Ex: 1 — Representative Bell
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 **Cochairman Keough**.

CARRIED: **Original Motion**
Idaho State Police
Patrol — Watercraft Inspection Stations
Moved by **Burtenshaw**, seconded by **Bair** for fiscal year 2019, for the Idaho State Police, in the Patrol Program, an additional \$394,000 in ongoing personnel costs from the Miscellaneous Revenue Fund.
Ayes: 19
Keough, Martin, Bair, Mortimer, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Youngblood, Miller, Horman, Malek, Burtenshaw, Anderson, Dixon, Hale (Wintrow)
Nays: 0
Ab/Ex: 1 — Representative Bell
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 **Cochairman Keough**.

ADJOURN: There being no further business to come before the Committee, Co-chairman **Keough** adjourned the meeting at 8:54 a.m.

Representative Bell
Chair

Donna Warnock
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, March 14, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Administration Dept. of Administration	Robyn Lockett, Principal Analyst
	Office of the Governor Office of Information Technology Services	
	Executive Office of the Governor	Paul Headlee, Division Manager
	TRAILER APPROPRIATIONS	
	HCR41, HCR49, SCR134 Interim Committees	Paul Headlee, Division Manager
	H612, Tech. Infrastructure Stabilization Fund, Legislative Services Office	
	H465, Medicaid Dental Services	Jared Tatro, Principal Analyst
	H472, Rural Physicians Match	
	S1257, Public Defense Commission Members	Jared Hoskins, Principal Analyst
	H582, Judicial Salaries	
	H670, State Officer Salaries	Maggie Smith, Analyst
	SUPPLEMENTAL APPROPRIATION	
	Department of Water Resources, Transfer to the Water Management Fund	Rob Sepich, Analyst
	BUDGET RECONSIDERATION	
	Department of Environmental Quality	

CORRECTIONS

Reappropriation Language, Idaho Transportation
Department

Christine Otto, Analyst

Correct Effective Year, Idaho Tax Commission

Keith Bybee, Deputy
Division Manager

JFAC RULES

Proposed Amendments to Rules 9 and 11

Paul Headlee, Division
Manager

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 14, 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, Reed(Horman), Malek, Anderson, Dixon, King, Wintrow
ABSENT/ EXCUSED: None
CONVENED: Senator Keough convened the meeting at 8:01 A.M.
AGENCY PRESENTATION: **DEPARTMENT OF ADMINISTRATION**
LSO STAFF PRESENTATION: **ROBYN LOCKETT**
CARRIED: ORIGINAL MOTION

Moved by Sen. Martin, for the Department of Administration, beginning with the FY 2019 Base, a reduction of \$198,200 for benefit costs, an increase of \$64,700 for replacement items, an increase of \$33,600 for statewide cost allocation, and an increase of \$271,600 for the change in employee compensation. Also included are the following line items: line item 3 for \$275,000 for a Risk Management Information System; line item 4 for \$81, 600 and 1.00 FTP for a Project Manager in the Division of Public Works; line item 7 for removal of 28.00 FTP and \$3,930,300 to move the Information Technology Division out of the Department of Administration and into the Office of the Governor; line item 8 for \$719,400 for Information Technology Services; and line item 9 for \$100,000 onetime from the General Fund to fund House Concurrent Resolution 51. The totals for this motion for FY 2019 are 113.00 FTP, \$2,252,900 from the General Fund, and \$21,445,300 from dedicated funds for a grand total of \$23,698,200, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

ORIGINAL MOTION

Moved by Sen. Martin, that there is hereby appropriated and the State Controller shall transfer \$1,737,500 from the Permanent Building Fund to the Administrative and Accounting Services Fund on July 1, 2018, or as soon thereafter as practicable, for the Public Officials' Capitol Mall Facilities payment in the Division of Pubic Works that is due in fiscal year 2019, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

ORIGINAL MOTION

Moved by Sen. Martin, that there is hereby appropriated and the State Controller shall transfer \$13,140,000 from the continuously appropriated Group Insurance Account in the Department of Administration, to the General Fund, on July 1, 2018, or as soon thereafter as practicable, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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 of Sen. Martin, granted by unanimous consent, to include legislative intent language as shown below, in the Department of Administration's FY 2019 appropriation bill:

SECTION 5. PREMIUM HOLIDAYS. The director of the Department of Administration shall use excess reserves in the continuously appropriated Group Insurance Account in the Department of Administration in fiscal year 2019 for two (2) premium holidays for agencies and two (2) premium holidays for the employees. The Office of Group Insurance shall maintain the current health insurance program structure and benefit package for state employees and shall maintain the employer and employee cost-sharing split recommended by the Governor and the Legislature's Joint Change in Employee Compensation Committee for fiscal year 2019.

SECTION 6. REQUEST FOR PROPOSALS. Notwithstanding any other provision of law to the contrary, it is the intent of the Legislature that, upon passage and approval of this act, and through June 30, 2019, the Department

of Administration develop a request for proposals (RFP) for the selection of one or more administrators, including, but not limited to, carriers, third party administrators (TPAs), and/or vendors, to administer an array of employee healthcare benefit plans that begin on July 1, 2019, with the goal of reducing long-term costs of health care and providing an enhanced insurance program for state employees and their families, as follows:

- (1) The RFP shall be issued in conformance with the recommendations in the Final Report of the 2017 State Employee Group Insurance and Benefits Legislative Interim Committee (Final Report) and shall consider, but not be limited to, the following:
 - (a) Proposals to use the current hybrid fully-insured model or a self-funded model, or both;
 - (b) Proposals to use as many elements of value-based care and other Final Report recommendations as possible;
 - (c) Proposals that provide administrators with any one or any combination of the recommended programs in the Final Report;
 - (d) Proposals shall not be limited to statewide proposals but, instead, may include those that offer regional plan arrangements and/or other plan arrangements;
 - (e) Proposals that are based on the use of a self-funded model should include an analysis of Chapter 40, Title 41, Idaho Code, and a recommendation as to whether the state should exempt itself from the Chapter, as the state exempted all counties in 2001, considering costs, flexibility, potential liability, implementation, and other relevant factors.
- (2) The Legislature, or a committee or working group thereof, may review the results and award of the RFP for compliance, fairness, and thoroughness or in any other manner it deems fit. Based upon that review, the Legislature, or a committee or working group thereof, shall make its recommendations to the Joint Finance-Appropriations Committee and the Idaho Legislature during the First Regular Session of the Sixty-fifth Idaho Legislature.

On request of Sen. Martin, granted by unanimous consent, to reopen the fiscal year 2018 appropriation to the Department of Administration.

On request of Sen. Martin, granted by unanimous consent, to include legislative intent language as shown below, in the Department of Administration's FY 2018 appropriation bill:

SECTION 6. REQUEST FOR PROPOSALS. Notwithstanding any other provision of law to the contrary, it is the intent of the Legislature that, upon passage and approval of this act, and through June 30, 2019, the Department of Administration develop a request for proposals (RFP) for the selection of one or more administrators, including, but not limited to, carriers, third party administrators (TPAs), and/or vendors, to administer an array of employee healthcare benefit plans that begin on July 1, 2019, with the goal of reducing long-term costs of health care and providing an enhanced insurance program for state employees and their families, as follows:

- (1) The RFP shall be issued in conformance with the recommendations in the Final Report of the 2017 State Employee Group Insurance and Benefits Legislative Interim Committee (Final Report) and shall consider, but not be limited to, the following:
 - (a) Proposals to use the current hybrid fully-insured model or a self-funded model, or both;
 - (b) Proposals to use as many elements of value-based care and

other Final Report recommendations as possible;

(c) Proposals that provide administrators with any one or any combination of the recommended programs in the Final Report;

(d) Proposals shall not be limited to statewide proposals but, instead, may include those that offer regional plan arrangements and/or other plan arrangements;

(e) Proposals that are based on the use of a self-funded model should include an analysis of Chapter 40, Title 41, Idaho Code, and a recommendation as to whether the state should exempt itself from the chapter, as the state exempted all counties in 2001, considering costs, flexibility, potential liability, implementation, and other relevant factors.

(2) The Legislature, or a committee or working group thereof, may review the results and award of the RFP for compliance, fairness, and thoroughness or in any other manner it deems fit. Based upon that review, the Legislature, or a committee or working group thereof, shall make its recommendations to the Joint Finance-Appropriations Committee and the Idaho Legislature during the First Regular Session of the Sixty-fifth Idaho Legislature.

**AGENCY
PRESENTATION:
LSO STAFF
PRESENTATION:
CARRIED:**

**OFFICE OF THE GOVERNOR: OFFICE OF INFORMATION
TECHNOLOGY SERVICES**

ROBYN LOCKETT

ORIGINAL MOTION

Moved by Rep. Anderson, to the Office of Information Technology Services for FY 2019. Included are the following line items: line item 1 for 29.00 FTP and \$4,282,800 to create the office; line item 2 for 1.00 FTP and \$86,600 for an Information Technology Systems Analyst, Senior; line item 3 for \$175,300 for Domain Service Hardware; line item 4 for \$628,500 for Server and Storage Replacement; line item 5 for \$506,000 for Video Conference Bridge Replacement; and line item 6 for \$191,000 for Information Technology Functionality. The totals for this motion for FY 2019 are 30.00 FTP, \$1,594,400 from the General Fund, and \$4,275,800 from dedicated funds for a grand total of \$5,870,200, seconded by Sen. Martin.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:
LSO STAFF
PRESENTATION:**

**OFFICE OF THE GOVERNOR: EXECUTIVE OFFICE OF THE
GOVERNOR**

PAUL HEADLEE

CARRIED:

ORIGINAL MOTION

Moved by Rep. Dixon, for the Executive Office of the Governor, beginning with the FY 2019 Base, a reduction of \$30,100 for benefit costs, a reduction of \$500 for statewide costs allocation, an annualization of \$1,100, and an increase of \$49,900 for change in employee compensation. Also included are the following line items: line item 1, \$8,600 from the General Fund for IT/Telecommunication. Line item 2, \$25,000 onetime from dedicated funds for the Governor-Elect Transition. Line item 3, is a reduction of 1.00 FTP and \$180,900 from the General Fund to move the Director of Information Security to the newly created Office of Information Technology. Line item 4 adds \$200,000 onetime from the General Fund to purchase airtime for school safety public service announcements. The totals for this motion for FY 2019 are 21.00 FTP, \$2,396,200 from the General Fund and \$25,000 from dedicated funds for a grand total of \$2,421,200. This motion includes lump sum for the Executive Office of the Governor, seconded by Sen. Bair.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: LEGISLATIVE BRANCH

**TRAILER APPROPRIATIONS TO HCR41, HCR49, SCR134 INTERIM
COMMITTEES**

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE

CARRIED:

ORIGINAL MOTION

Moved by Sen. Bair, for the Legislature (Senate and House), the reappropriation of any unspent and unencumbered balances of the General Fund appropriated or reappropriated in Section 1 of Chapters 305, 330, and 333, Laws of 2017, for fiscal year 2018, to be used for interim committees, for the period of July 1, 2018 through June 30, 2019, seconded by Rep. Youngblood.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: LEGISLATIVE BRANCH

**TRAILER APPROPRIATIONS: H612 TECH. INFRASTRUCTURE
STABILIZATION FUND, LSO**

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE

CARRIED:

ORIGINAL MOTION

Moved by Rep. Anderson, for the Legislature Services Office, the addition of \$150,000 onetime from the Technology Infrastructure Stabilization Fund, seconded by Sen. Crabtree.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

**TRAILER APPROPRIATIONS BILLS: DEPARTMENT OF HEALTH
AND WELFARE**

TRAILER APPROPRIATIONS: H465, MEDICAID DENTAL SERVICES

**LSO STAFF
PRESENTATION:**

JARED TATRO

CARRIED:

ORIGINAL MOTION

Moved by Rep. King, for the Department of Health and Welfare, for the Basic Medicaid Plan Program, an additional \$1,100,000 from the Cooperative Welfare (General) Fund, and an additional \$2,700,000 from the Cooperative Welfare (Federal) Fund, all in ongoing trustee and benefit payments for a total motion of \$3,800,000, seconded by Sen. Ward-Engelking,

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

**TRAILER APPROPRIATIONS BILLS: DEPARTMENT OF HEALTH
AND WELFARE**

TRAILER APPROPRIATIONS: H472: RURAL PHYSICIANS MATCH

**LSO STAFF
PRESENTATION:**

JARED TATRO

CARRIED:

ORIGINAL MOTION

Moved by Rep. King, for the Department of Health and Welfare for the Physical Health Services Program, an additional \$640,000 from the Cooperative Welfare (General) Fund in ongoing trustee and benefit payments for the purpose of providing state matching funds for student contributions for the Rural Physician Incentive Program as outlined in H472. The total for this motion is \$640,000, all ongoing, seconded by Sen. Souza.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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. King, granted by unanimous consent, to accept the following two sections of intent language.

SECTION 2. CASH TRANSFER. Of the amount appropriated in Section 1 of this act from the Cooperative Welfare (General) Fund, there is hereby appropriated and the State Controller shall transfer \$640,000 to the Rural Physician Incentive Fund on July 15, 2018, or as soon thereafter as practicable, for the Department of Health and Welfare for the period July 1, 2018, through June 30, 2019.

SECTION 3. REPORTING. The Department of Health and Welfare shall evaluate and report on the use of moneys appropriated in this act to the Legislative Services Office no later than December 31, 2018.

**AGENCY
PRESENTATION:**

**TRAILER APPROPRIATIONS BILLS: PUBLIC DEFENSE
COMMISSION**

S1257 PUBLIC DEFENSE COMMISSION MEMBERS

**LSO STAFF
PRESENTATION:**

JARED HOSKINS

CARRIED:

ORIGINAL MOTION

Moved by Sen. Agenbroad, for fiscal year 2019, for the Public Defense Commission, an ongoing increase of \$10,000 in operating expenditures from the General Fund, seconded by Rep. Youngblood.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: JUDICIAL BRANCH

**LSO STAFF
PRESENTATION:**

**TRAILER APPROPRIATIONS: H582 JUDICIAL SALARIES
JARED HOSKINS**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Younblood, for the Supreme Court, in the Court Operations Division, the addition of \$38,900 for the Supreme Court; \$24,500 for the Court of Appeals; \$275,800 for District Courts; and \$417,300 for the Magistrate Division. The total motion for the Supreme Court is \$756,500 in ongoing personnel costs from the General Fund. Consistent with the entire FY 2019 appropriation for the Supreme Court, this motion includes lump sum authority, seconded by Rep. Burtenshaw.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: JUDICIAL BRANCH

**LSO STAFF
PRESENTATION:**

**TRAILER APPROPRIATIONS: H670 STATE OFFICER SALARIES
MAGGIE SMITH**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Youngblood, for fiscal year 2019, the following amounts ongoing from the General Fund for the elected officers salary increases effective January 1, 2019. For the Executive Office of the Governor, the addition of \$7,300; for the Lieutenant Governor, the addition of \$2,500; for the Secretary of State, the addition of \$6,200; for the State Controller, the addition of \$6,200; for the State Treasurer, the addition of \$6,200; for the Superintendent of Public Instruction, the addition of \$6,200; and for the Attorney General, the addition of \$6,000. The grand total for this motion for fiscal year 2019 is \$40,600 from the General Fund, seconded by Sen. Agenbroad.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

SUPPLEMENTAL: DEPARTMENT OF WATER RESOURCES

**LSO STAFF
PRESENTATION:**

ROB SEPICH

CONSENT:

On request by Sen. Bair, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Department of Water Resources.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Bair, for fiscal year 2018, the appropriation and transfer of \$1,000,000 from the General Fund to the Water Management Fund in the Department of Water Resources, seconded by Rep. Burtenshaw.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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. Bair, granted by unanimous consent, to accept the intent language as shown below:

SECTION 1. CASH TRANSFER FOR FLOOD MANAGEMENT PROGRAM. There is hereby appropriated and the State Controller shall transfer \$1,000,000 from the General Fund to the Water Management Fund created pursuant to Section 42-1760, Idaho Code, to be used for flood-damaged stream channel repair, stream channel improvement, flood risk reduction, or flood prevention projects.

SECTION 2. USES OF THE WATER MANAGEMENT FUND. The moneys appropriated and transferred in Section 1 of this act are to be administered by the Idaho Water Resource Board through a competitive, matching grant process. Notwithstanding the provisions of Section 42-1760(2)(b), Idaho Code, grants may be larger than \$50,000 at the discretion of the board.

SECTION 3: PROJECT PRIORITIZATION. It is the intent of the Legislature that the selection process for the grants authorized in Section 2 of this bill shall require the availability of fifty percent (50%) matching funds and that projects shall be given priority on a competitive statewide basis throughout Idaho. The Department of Water Resources staff shall support this competitive grant process using existing personnel and resources.

SECTION 4. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.

**AGENCY
PRESENTATION:**

**BUDGET RECONSIDERATION: DEPARTMENT OF
ENVIRONMENTAL QUALITY**

**LSO STAFF
PRESENTATION:**

ROB SEPICH

CARRIED:

ORIGINAL MOTION

Moved by Rep. Dixon, to reopen the fiscal year 2019 budget for the Department of Environmental Quality, seconded by Sen. Bair.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

ORIGINAL MOTION

Moved by Rep. Dixon, for the fiscal year 2019, for the Department of Environmental Quality, the addition of \$290,000 from the Economic Recovery Reserve Fund, seconded by Sen. Bair.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

**BUDGET CORRECTIONS: IDAHO TRANSPORTATION
DEPARTMENT**

**LSO STAFF
PRESENTATION:**

CHRISTINE OTTO

CONSENT: On request of Sen. Crabtree, granted by unanimous consent, to reopen the FY 2019 appropriation for the Idaho Transportation Department.

On request of Sen. Crabtree, granted by unanimous consent, that the legislative intent language shown below regarding reappropriation be accepted as part of the FY 2019 appropriation bill for the Idaho Transportation Department.

SECTION. REAPPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Aeronautics Fund as trustee and benefit payments for Airport Development Grants for fiscal year 2018 to be used for nonrecurring expenditures related to Airport Development Grants for the period July 1, 2018, through June 30, 2019.

AGENCY PRESENTATION: **BUDGET CORRECTIONS: CORRECTION EFFECTIVE YEAR:**
IDAHO TAX COMMISSION

LSO STAFF PRESENTATION: **KEITH BYBEE**

CONSENT: On request by Rep. Youngblood, granted by unanimous consent, to reopen the FY 2019 State Tax Commission appropriation to correct the Statute effective date.

On request by Rep. Youngblood, granted by unanimous consent, to included the intent language as shown below:

Section 3. 63-102. Organization – Chairman – Compensation – Quorum – Hearings.

(1) A member of the state tax commission shall be appointed by the governor, to serve at his pleasure, as chairman. Each member of the state tax commission shall devote full time to the performance of duties. Commencing on July 1, 2018, the annual salary for members of the state tax commission shall be ninety-nine seventy-seven dollars (\$99,077).

(2) A majority of the state tax commission shall constitute a quorum for the transaction of business. The state tax commission may delegate to any member of the commission or to its employees, the power to make investigations and hold hearings at any place it may deem proper, and such other matters as will facilitate the operations of the commission.

(3)The chairman of the state tax commission shall delegate to each commissioner the responsibility for policy management and oversight of one (1) or more of the taxes collected and/or activities supervised or administered by the commission. The state tax commission shall perform the duties imposed upon it by law and shall adopt all rules by majority decision. In any case in which the state tax commission sits as an appellate body upon an appeal from a tax decision from one (1) of the various administrative units subject to its supervision, the state tax commissioner charged with responsibility for policy management and oversight of the tax in controversy shall not vote upon the appeal but may advise the remaining members of the commission on the technical aspects of the problems before them.

(4)The chairman shall be the chief executive officer and administrative head

of the state tax commission and shall be responsible for, or may assign responsibility for, all personnel, budgetary and/or fiscal matters of the state tax commission.

**AGENCY
PRESENTATION:**

JFAC RULES

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE: Reviews the proposed amendment to the Rules Governing the Joint Finance-Appropriations Committee, Rules 9 and 11.
([AUDIO](https://go.usa.gov/xQCcE)) (<https://go.usa.gov/xQCcE>) ([PRESENTATION](https://go.usa.gov/xQCcV))
(<https://go.usa.gov/xQCcV>)

ADJOURNED: There being no further business, Senator Keough adjourned at 9:25 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 16, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	TRAILER APPROPRIATIONS	
	H429aa Forensic and Medical Examinations	Maggie Smith, Analyst
	S1341 Child Protective Act	Jared Tatro, Principal Analyst
	JFAC RULES	
	Proposed Amendments to Rules 9 and 11	Paul Headlee, Division Manager

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 16, 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: Representative Bell convened the meeting at 8:03 A.M.

AGENCY PRESENTATION: **TRAILER APPROPRIATIONS: H429 FORENSIC AND MEDICAL EXAMINATIONS**
LSO STAFF PRESENTATION: **MAGGIE SMITH**

CARRIED: ORIGINAL MOTION
Moved by Rep. Wintrow, for fiscal year 2019, for the Industrial Commission, in the Crime Victims Compensation Program, an ongoing increase of \$300,000 in trustee and benefit payments from the General Fund, seconded by Sen. Keough.

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 Chairmen Bell.

AGENCY PRESENTATION: **TRAILER APPROPRIATIONS: S1341 CHILD PROTECTIVE ACT**
LSO STAFF PRESENTATION: **JARED TATRO**

CARRIED:

ORIGINAL MOTION

Moved by Sen. Lee, for fiscal year 2019, for the Department of Health and Welfare, for the Child Welfare Program, an additional \$6,000 one-time from the Cooperative Welfare (General) Fund for personnel costs for the purposes provided in Senate Bill No. 1341 as enacted by the Second Regular Session of the Sixty-Fourth Legislature, seconded by Sen. Souza.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairmen Bell.

ORIGINAL MOTION

Moved by Sen. Lee, for fiscal year 2019, for the Supreme Court, for the Court Operations Program, an additional \$50,000 onetime from the General Fund for operating expenditures, for the purpose of developing and providing trainings for the Citizen Review Panels as provided in Senate Bill No. 1341 as enacted by the Second Regular Session of the Sixty-Fourth Legislature, seconded by Rep. Wintrow.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairmen Bell.

ORIGINAL MOTION

Moved by Sen. Lee, for fiscal year 2019, for the Public Health Districts, an additional \$32,000 ongoing from the General Fund for the purpose of managing and overseeing the Citizen Review Panels pursuant to Senate Bill No. 1341 as enacted by the Second Regular Session of the Sixty-Fourth Legislature, seconded by Sen. Souza.

AYES: 20

NAYS: 0

ABSENT/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 so ordered by Chairmen Bell.

**UNANIMOUS
CONSENT:**

On request by Sen. Lee, granted by unanimous consent, to accept the language as shown below:

CHILD ABUSE PROTECTION TREATMENT ACT FUNDS. It is the intent of the Legislature that a minimum of \$20,000 of federal Child Abuse Protection Treatment Act (CAPTA) funds appropriated to the Department of Health and Welfare shall be provided to the Public Health Districts each year. The moneys received by the Public Health Districts shall not be considered state aid pursuant to Section 39-425, Idaho Code, nor shall the moneys be allocated through a board of trustees formula pursuant to Section 39-411, Idaho Code. Funds for each Public Health District shall be distributed at one-seventh (1/7) of the total amount, which shall be used for the Citizen Review Panels pursuant to Senate Bill No. 1341, as enacted by the Second Regular Session of the Sixty-fourth Idaho Legislature.

EXEMPTIONS FROM OBJECT AND PROGRAM TRANSFER LIMITATIONS. For fiscal year 2019, the Supreme Court is hereby exempted from the provisions of Section 67-3511(1), (2) and (3), Idaho Code, allowing unlimited transfers between object codes and between programs for all moneys appropriated to it 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.

PUBLIC HEALTH DISTRICT FUNDING ALLOCATION. It is the intent of the Legislature that the moneys received by the Public Health Districts shall not be considered state aid pursuant to Section 39-425, Idaho Code, nor shall the moneys be allocated through a board of trustees formula pursuant to Section 39-411, Idaho Code. The moneys appropriated in Section 5 of this act shall be distributed to each Public Health District at one-seventh (1/7) of the total amount, which shall be used for the Citizen Review Panels pursuant to Senate Bill No. 1341, as enacted by the Second Regular Session of the Sixty-fourth Idaho Legislature.

**AGENCY
PRESENTATION:**

JFAC RULES: PROPOSED AMENDMENTS TO RULE 9 AND 11

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE: Reviews what is being proposed to the JFAC Rules 9 and 11. The Committee has discussion.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Keough, to accept the proposed amendments to Rule 9, b, ii and the proposed Rule 11, seconded by Sen. Bair.

AYES: 20

NAYS: 0

ABSENT/EX: 0

The majority having voted in the affirmative, the motion has passed.

ADJOURNED:

There being no further business, Chairman Bell adjourned the meeting at 8:57 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, March 20, 2018

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	STATE BOARD OF EDUCATION	
LBB 1-119	Superintendent of Public Instruction	Robyn Lockett, Principal Budget Analyst

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 20, 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 8:02 A.M.

AGENCY PRESENTATION: **STATE BOARD OF EDUCATION: SUPERINTENDENT OF PUBLIC INSTRUCTION**

LSO STAFF PRESENTATION: **ROBYN LOCKETT:** Reviews the joint rule about setting an agency's budget after a budget has failed on the House or Senate Floor.

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 for Student Assessment Growth for line item 3 and \$100,000 onetime from the General Fund to continue the Idaho Reading Indicator Pilot for FY 2019 in line item 6. The totals for this motion for FY 2019 are 142.00 FTP, \$14,619,800 from the General Fund, \$10,285,400 from dedicated funds, and \$14,467,800 from federal funds for a grand total of \$39,373,000, seconded by Sen. Martin.

SUBSTITUTE MOTION: SUBSTITUTION MOTION
Moved by Rep. Bell, for the Superintendent of Public Instruction, beginning with FY 2019 Base, 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 for Student Assessment Growth for line item 3. Line item 6 provides \$283,800 ongoing from the General Fund for a K-3 Reading Assessment. The totals for this motion for FY 2019 are 142.00 FTP, \$14,903,600 from the General Fund, \$10,285,400 from dedicated funds, and \$14,467,800 for federal funds for a grand total of \$39,656,800, seconded by Rep. Youngblood.

AYES: 16

NAYS: 3

ABSENT/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 so ordered by Chairman Keough.

In response to committee questions, PETE KOEHLER, CHIEF DEPUTY SUPERINTENDENT, states the current contract that is in place is year-to-year, ends on June 30 and reinstates on July 1 of each year. Also, states the IRI would be state wide, not up to districts to choose.

CONSENT:

On request by Rep. Bell, 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 3. 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

ADJOURNED:

There being no further business, Senator Keough adjourned the meeting at 8:35 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary