

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 14, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye.
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.
ABSENT/ EXCUSED: None
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

LSO STAFF

PRESENTATION: GENERAL FUND DAILY UPDATE

PRESENTER: Keith Bybee, Deputy Manager, LSO, Budget and Policy Analysis
Mr. Bybee reviewed elements of the 2019 Legislative Budget Book (LBB), including a historical perspective on general fund revenues and expenditure reconciliation over the past six years.
Mr. Bybee also reviewed the General Fund Daily Update, known as the “green sheet” which is revised first weekly, and then daily throughout the session. The green sheet covers both the Fiscal Year (FY) 2019 and FY 2020 budgets. The green sheet compares anticipated revenue, the Governor’s appropriation recommendations and any action taken by JFAC or the Legislature. As supplemental appropriations are approved early in the session, the FY 2019 estimated ending balance will adjust. During the major budget setting portion of the Legislative Session, when FY 2020 funding bills are passed and sent to the Governor for signature, the total estimated ending balance will diminish further. See [Audio](#).

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR: COMMISSION ON THE ARTS

PRESENTER: Michael Faison, Executive Director, Office of the Governor, Commission on the Arts
Also attending: Commission Chair, Kay Hardy of Boise, Commissioner Marshall Garrett of Boise, former Commission Chair Laurel Sayer, and former Commission Chair Mark Hofflund; Deputy Director Stuart Weiser.
The Arts Commission is Idaho's principal cultural agency. Administratively under the Office of the Governor, it includes 13 volunteer commissioners appointed by the Governor from throughout the state; up to five at-large citizen-advisers selected by the Chair, and an executive director and a staff of nine in their offices at the Historic Warden's House of the Old State Penitentiary.

The Arts Commission supports Idaho's cultural legacy and artistic innovations through grant services represented in the Trustee and Benefits section of our budget and through non-granting, direct services, budgeted from our Operating Expenditures.

The Commission disburses and manages matching grants to individuals and organizations. The agency also delivers non-granting, professional services in the form of technical assistance and training to Idaho arts managers, to professionals in all artistic disciplines, and to classroom teachers. The Commission expands the portfolio of Idaho teachers' instructional resources and teaching strategies through Arts Education Project grants and the "Making Learning Visible" online reporting and instructional strategy-sharing tool.

All of this is accomplished through a unique state-federal partnership with the National Endowment for the Arts. Through its State Partnership Agreements, the Endowment allocates over 40 percent of its budget directly to the states.

In answer to questions from Sen. Bair, **Mr. Faison** reported that the \$25,000 in Trustee & Benefits has been used for Fiscal Year (FY) 2019 grants for arts and art education programs. Salary savings were also applied to grants. The Line Item has been fully expended.

Mr. Faison cited the economic impact of the National Oldtime Fiddlers' Contest and Festival in Weiser, doubling Washington County's population for two weeks every Summer and adding significantly to county revenues from the tourism. He cited the economic benefits of traditional western artists' businesses in Salmon, and he noted the large proportion of Boise's population who annually attend and do business at the Idaho Shakespeare Festival in Boise. He stressed the role of cultural traditions in the economic future of rural America and Idaho.

Speaking on behalf of the Commission on the Arts, **Mr. Faison** said that the Commission strongly supports the Governor's 2020 budget recommendation.

**LSO STAFF
PRESENTER:**

Jill Randolph, Analyst, LSO reviewed the FY 2018 income and expenditures. FY 2019 Program Maintenance lines items show Enhancement of Grant Funds in the amount of \$25,000. Line items recommended for FY 2020 include Enhancement of Grant Funds in the amount of \$25,000, as well as technical enhancements to network equipment, security and modernization. See [Packet](#) and [Audio](#).

AGENCY

PRESENTATION: SELF-GOVERNING AGENCIES: COMMISSION FOR LIBRARIES

PRESENTER:

Ann Joslin, State Librarian, Commission for Libraries

The Commission for Libraries was established in 1901 and, today, it helps build the capacity of more than 850 public school academic and special libraries to better serve their communities. **Ms. Joslin** reviewed the Commission's numerous programs and accomplishments, including "Read-to-Me", summer reading programs, online books and the "Talking Books" program. Part of the commission's goal is to assist libraries in acquiring and maintaining sufficient broadband services through Libraries Linking Idaho (LiLI), which provides free access to a wide range of online resources and provides more Idahoans access to rich opportunities for learning.

**LSO STAFF
PRESENTER:**

Jill Randolph, Analyst, LSO.

The Commission for libraries has one budgeted program with three appropriated funds sources: the General Fund accounts for about 70 percent of their total appropriation. Dedicated funding accounts for about 1 percent, and Federal funds account for 29 percent. **Ms. Randolph** reviewed statutory language governing the Talking Books Service and its impact for FY 2019 and FY 2020. See [Packet](#) and [Audio](#).

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR, OFFICE OF DRUG POLICY

Melinda Smyser, Administrator, Office of the Governor, Office of Drug Policy

The Governor's Office of Drug Policy is the agency responsible for the oversight of substance abuse prevention in Idaho and is tasked with consulting decision makers regarding the best policy initiatives to reduce substance use. Their primary duties are to (1) coordinate substance abuse programs; (2) cooperate and consult with counties, cities and law enforcement; (3) serve as a repository of agreements, contracts and plans and facilitate exchange of information and data with relevant entities; (4) provide input and comment on plans, agreements and policies relating to illegal drug and substance abuse; and (5) develop, create and promote statewide campaigns to reduce or eliminate substance abuse.

**LSO STAFF
PRESENTER:**

Jarad Tatro, Principal Analyst, LSO

The Office of Drug Policy is funded by Idaho's General Fund, dedicated funds and federal funds. The FY 2018 total appropriation was \$4,878,400 with \$4,231,000 in actual expenses. The FY 2019 total appropriation was \$4,823,500.

The FY 2020 base is \$4,688,600. In addition, The Office of Drug Policy requests \$97,800 in federal fund trustee and benefit payments for the Partnership for Success Grant. This grant is estimated to serve approximately 1.6 million people. It aims to prevent and reduce substance abuse and its related problems and to build prevention capacity at the state and community levels. The grant total is for \$2.6 million over five years. The office already has sufficient FTP and associated personnel funding in the FY 2020 Base to implement this request if approved, because this grant is the replacement for the Strategic Prevention Framework Grant that was awarded in 2013. See [Packet](#) and [Audio](#).

AGENCY

PRESENTATION: SELF-GOVERNING AGENCIES, DIVISION OF VETERANS SERVICES

PRESENTER: Marv Hagedorn, Administrator, Division of Veterans Services

The Idaho Division of Veterans Services assists veterans and their families by operating the veterans homes in Boise, Lewiston, and Pocatello; managing the state veterans cemetery; providing medical and assisted-living care to veterans; extending financial relief and assistance to disabled or destitute wartime veterans and their dependents; administering programs offered by the United States Department of Veterans Affairs; and providing training and other educational assistance to veterans. The division also assists veterans and their families in navigating federal processes to obtain non-state benefits to which they are entitled.

The Idaho State Veterans Cemetery has the mission to provide respectful interment services for eligible veterans and their families, appropriately mark and record gravesites, and maintain the cemetery as a place of honor for veterans as well as a place of remembrance and reflection for the citizens of Idaho.

Mr. Hagedorn outlined several challenges facing Veterans Services: decreasing revenue due to decreases in Medicaid reimbursements; complex regulations and emergency preparedness requirements; increasing number of veterans seeking care and benefits; and the nationwide nursing shortage which causes difficulties in staff recruitment, retention and competitive compensation with surrounding states. Critical staffing needs also affect the number of veterans who can be served in Idaho's three Veteran's Homes. Construction of a fourth Veterans Home is planned in Post Falls, ID.

**LSO STAFF
PRESENTER:**

Jarad Tatro, Principal Analyst, LSO.

Veterans Services was granted carryover for its unencumbered and unspent appropriation for a second Veterans cemetery to be located in Blackfoot, Idaho. Carryover was approved from FY 2018 into FY 2019 in the amount of \$7,496,100 from the Federal Grant Fund. Carryover is approved on a onetime basis and removed before calculating the FY 2020 Base. Additional adjustments to the FY 2019 appropriations and removal of all onetime appropriations created a FY 2020 Base of \$33,503,800.

The Division of Veterans Services requests \$553,000 for Staff Market Equity for personnel, and an additional 3.00 Full Time Positions (FTP) from dedicated and federal funds to hire three new permanent positions and temporary group positions; \$103,300 for new Capital Outlay; \$200,000 for changes in Medicaid billing process; \$100,000 to award several onetime grants from the Veterans Recognition Income Fund; and \$43,023,400 in onetime operating expenditures for the construction of a 57-bed home in Post Falls.

The total FY 2020 agency request is \$78,746,100. The Governor recommends \$78,375,100. See [Packet,Flyers](#) and [Audio](#).

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR, STEM ACTION CENTER

PRESENTER:

Angela Hemingway, Idaho STEM Action Center (STEM AC)

Ms. Hemingway reported that impact numbers for the STEM AC have grown significantly over the past 3 years. Fund-raising efforts combined with state appropriations helped to facilitate over 12 thousand educator interactions last fiscal year which in turn impacted hundreds of thousands of Idaho students. Participation in a STEM AC program costs just \$14.37 per interaction and changes the trajectories for educators, students and communities.

Idaho must continue to work collectively to provide a STEM pipeline for industry. The number of unfilled STEM jobs in 2018 was an astonishing 6,328 jobs. At a median wage of \$31.37 per hour, Idaho's economic losses were staggering. In 2018, these 6,328 unfilled positions meant Idahoans lost over \$400,000,000 in personal income and the state missed out on an estimated \$22,000,000 in tax revenues. These are losses that Idaho simply cannot afford. The STEM AC is working to provide a pipeline that more closely matches industry needs.

**LSO STAFF
PRESENTER:**

Janet Jessup, Analyst, LSO

FY 2018 actual expenditures were \$6,019,700. The FY 2019 total appropriation was \$5,676,600. Director Hemingway discussed FY 2019 line items and reported on the progress of the STEM AC in aligning their training and tools to legislative computer standards. Removal of onetime expenditures resulted in an FY 2020 Base of \$4,669,100.

The STEM AC requests two line items in FY 2020. The agency requests \$2,000,000 ongoing from the General Fund to support the Computer Science (CS) Initiative pursuant to § 33-1633, Idaho Code. This initiative promotes and supports increased CS activities in schools and communities, and will support the needs of educators and industry in the form of grants, outreach and research. The Governor recommends \$1,000,000 for this line item.

The agency also requests \$5,000 from the STEM Education Fund for a data and outcomes research analyst who would be responsible for data collection and analysis, management, and integrated research.

Ms. Jessup noted a final \$1,000,000 cash transfer recommended by the Governor from the General Fund into the STEM Education Fund which offsets the Governor's \$1,000,000 recommendation for the Computer Science Initiative. Last year, the recommended transfer amount was \$2,000,000 to offset last year's \$2,000,000 recommendation in that initiative. The net effect of this transfer is to reduce the percentage increase on the General Fund.

The FY 2020 agency request totals \$6,681,500. The Governor recommends \$4,696,800. See [Packet](#) and [Audio](#).

DISCUSSION:

In answer to questions from Rep. Anderson, **Dr. Hemingway** reported that members of the Department of Commerce sit on the STEM AC board and are keenly aware of the work of the Center. They collaborate to ensure that industries considering location in Idaho, or to expanding current businesses, know about the opportunities that exist in the STEM AC.

In answer to questions from Rep. Troy, **Dr. Hemingway** reported that the STEM AC works synergistically with the University of Idaho, 4-H and other youth groups

Noting the \$1,000,000 reduction in the Computer Science Initiative, **Rep. Wintrow** asked what gaps would occur without that additional funding. **Dr. Hemingway** replied that the STEM AC will carefully analyze their programs and shift funds to highly successful programs. She also noted that the STEM AC has been increasingly successful in fundraising and have been very competitive in grant writing to ensure that their programs continue.

ADJOURNED:

Having no further business, **Chairman Bair** adjourned the meeting at 10:56 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary