

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 22, 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-Appropriation Committee (Committee) to order at 8:00 a.m.

**AGENCY
PRESENTATION:** **IDAHO STATE UNIVERSITY**

PRESENTER: **Kevin Satterlee, Institution President, Idaho State University (ISU)**
President Satterlee reported on the success of Complete College Idaho initiatives developed in 2012 in response to the State Board of Education's goal that 60% of Idahoans ages 25–34 with a degree or certificate by 2020. The initiatives built long term systemic changes into how students move through the post-secondary pipeline. Prior to the implementation of Complete College Idaho initiatives, ISU had a six-year graduation rate of 29 percent. With the completion of the 2018 academic year, the graduation rate rose to 33 percent. While graduation rates continue as a standard measure of student success, finishing college in four years may not be right for everyone. ISU's goal is to find the pathways that helps students get to the right place at their pace to enable their future success.

**LSO STAFF
PRESENTER:** **Janet Jessup, Analyst, LSO**

ISU received a FY 2018 total appropriation of \$231,055,600 with expenses of \$143,023,300. ISU reverted \$6,158,100. The FY 2019 total appropriation was \$149,286,700 which included two line item requests. President Slatterlee discussed the clinical psychopharmacology master's degree program which arose from industry demand. The program is delivered at the Skaggs Health Science Center in Meridian. The line item request of \$680,600 has been used to hire six new faculty in professional positions.

ISU has requested \$150,574,400 in FY 2020. The Governor recommends \$149,268,800. Additional sources of funding include federal and state grants and contracts, gifts, other student fees, among others.

Regarding the minus \$5,712,700 in non-cognizable tuition or fees on page 9 of the packet, Ms. Jessup explained that tuition and fees were less than expected. President Slatterlee explained further that ISU has had a general decline in students. In addition, a large cohort of international students paid less in fees, creating an imbalance between projected student fees and the amount actually collected.

In FY 2020 line items, ISU requested \$58,800 ongoing occupancy costs from the General Fund and \$876,200 ongoing from dedicated funds for general inflation. This request also includes \$234,300 ongoing from the General Fund for library inflation. The Governor recommended the \$876,200 from dedicated funds, but not the request from the General Fund. Similarly with replacement items, the Governor did not include ISU's request for \$33,226,900 from General Funds in his recommendation.

ISU requested \$188,800 ongoing from the General Fund for the Meridian cadaver lab expansion, the Engineering Project Center and the Public Safety Infill. The Governor recommends a net increase of \$94,400.

In answer to questions from Sen. Bair regarding the Governor's proposed three percent CEC increase for employees funded from the General Fund, **President Slatterlee** replied that since some employees are not funded from the General Fund, he would have two choices: find a way to distribute the three percent among all employees or find another source of revenue so that everyone can receive a full three percent. **President Slatterlee** estimated that approximately 50 percent of employees are not covered by the General Fund.

In answer to a question from Sen. Grow concerning medical residencies, **President Slatterlee** reported that a medical professional is more likely to practice in the location where they fulfill residency or clinical studies. An investment in medical facilities will be a leading factor in bringing more medical providers to the State of Idaho.

AGENCY

PRESENTATION: IDAHO MUSEUM OF NATURAL HISTORY

PRESENTER: Dr. Lief Tapanila, Museum Director, Idaho Museum of Natural History

The Idaho Museum of Natural History (Museum), now in its 85th year, is embarking on a new mission and strategic plan: to preserve the materials of the past to be used in the present for education, research and to advance Idahoans into the future. Collection of artifacts is fundamental to that mission.

In the past year, two new employees were hired and have made tremendous impact. The first is an education specialist who spent 25 years as an Idaho K-12 educator in Idaho Falls. She has been instrumental in generating excitement to more students. As a result, attendance is on a 20 percent growth trajectory over three years. Secondly, the Museum hired a director of development, and she has increased fundraising by approximately 250 percent in just 12 months.

The Museum is finding new opportunities to work with artifacts and with new tools and technology. Last year, the Museum's Dinosaur Camp trained young teenagers in an art digitization lab utilizing the same software used in Hollywood movies for special effects. From that project, students built 220 bones in a small dinosaur, once found in eastern Idaho, and digitally printed a replica for the Museum's permanent collection. The Museum is developing a traveling exhibit program in partnership with local libraries and developing a weekly podcast.

LSO STAFF

PRESENTER:

Janet Jessup, Analyst, LSO

Ms. Jessup noted that in FY 2018, the Museum utilized all of its budgeted appropriation.

The agency requests an FY 2020 appropriation of \$664,100. The request included general inflation costs and \$42,500 in capital outlay from the General Fund for specialized computer equipment. The Governor's recommendation did not include the inflation requests, and reduced the capital outlay to \$26,300. The Governor recommendation totals \$651,300.

DISCUSSION:

In answer to questions from the Committee, **Director Tapanila** replied that the Museum hosts traveling exhibits from the Smithsonian Institute. These exhibits are quite popular and tax the use of Museum space. The Museum's exhibit space is approximately 1,500 square feet as opposed to a typical museum whose displays cover 20,000 or more. The museum adds to its collections frequently, and does not have enough space to meet demand for the public to visit exhibits or to take part in educational opportunities.

In regard to the Museum's request to replace computer equipment, **Director Tapanila** confirmed that the requested equipment would replace five year old equipment with the latest technology. Mid-year range equipment would be utilized for appropriate projects until their replacement dates.

AGENCY

PRESENTATION:

IDAHO DENTAL EDUCATION PROGRAM

PRESENTER:

Dr. Jeff Ybarguen, Program Director, Idaho Dental Education Program (Program)

LSO STAFF

PRESENTER:

Janet Jessup, Analyst, LSO

Idaho health education appropriation budget contains of nine separate programs. Not all are the same types of programs. Some, such as the Idaho Dental Education Program, are school classroom programs. Others are residency programs.

Dr. Ybarguen stated that the Idaho Dental Education Program began in 1981 and currently maintains a cooperative program between Idaho State University (ISU) and Crieghton University in Omaha, NE. First year student coursework takes place at ISU, and the second through fourth years take place at Crieghton University in Omaha where students receive their degree. Eight new students join the program each year for a total of 32 students.

The Program's mission is to provide residents of Idaho with ready access to a high quality dental education at a relatively affordable price and to provide Idahoans with ready access to high quality care. One hundred percent of students have passed written and clinical board exams on the first attempt, and approximately 64 percent of students return to Idaho to practice.

Ms. Jessup stated that the Program's FY 2018 total appropriation was \$2,650,000 against actual expenditures of \$1,920,500.

The FY 2019 total appropriation was \$1,828,400. The Idaho Dental Education Program requests an FY 2020 of \$1,892,600. The Governor recommends \$1,897,500. See [Presentation](#) and [Audio](#).

In closing remarks, **Dr. Ybarguen** detailed the challenge of student debt. The average student debt from the Idaho Dental Education Program is \$240,000. If graduating solely from Creighton University, student debt averages \$280,000. If graduating from a private dental school, debt averages \$341,000. This debt load affects student decisions on where to practice.

AGENCY

PRESENTATION: LEWIS-CLARK STATE COLLEGE (LCSC)

PRESENTER: Cynthia Pemberton, Institution President

Lewis-Clark State College focuses its mission on developing successful leaders, engaged citizens, and lifelong learners through a commitment to opportunity through access and affordability. LCSC provides opportunities through GED, career-technical education certificates and bachelor's degrees, as well as workforce training and community education. LCSC partners with other two and four year Idaho institutions to streamline admissions and transfers between Idaho schools and institutions.

LSO STAFF

PRESENTER: Janet Jessup, Analyst, LSO

The total FY 2018 appropriation was \$55,682,000. **Ms. Jessup** noted a reverted appropriation of \$406,300 which resulted from anticipated versus actual tuition and fees. In FY 2019, LCSC received one line item in the amount of \$186,400 for a career counselor and for faculty in social work.

LCSC requests an FY 2020 appropriation of \$37,247,100. The Governor recommends \$36,540,500. LCSC did not request line items, but did request a budget exemption which provides the ability to move funds between personnel and operating expenses. LCSC also requested both general and dedicated funds for general inflation. The Governor recommended the dedicated funds, but not general funds. The Governor recommended CEC adjustments, nondiscretionary adjustments and endowment adjustments. The Governor did not recommend \$1,144,700 for replacement of technology equipment.

In answer to questions from Rep. Armador, **President Pemberton** explained LCSC's need for replacement technology items. Because institutions now serve broad geographic areas, they must maintain up-to-date technology to serve the needs of students who are unable to attend class on campus.

David Hahn, Division of Financial Management, Office of the Governor, reminded the Committee and President Pemberton that the Legislature appropriated technology replacements for LCSC in FY 2016, 2017 and 2018. Amid numerous agency requests for capital replacements, the Governor made recommendations on a case-by-case basis within statewide needs. Mr. Hahn further noted that LCSC was the only institution to receive technology appropriations in FY 2017 and 2018.

STAFF UPDATES

PRESENTATION: GOVERNOR'S TECHNOLOGY INITIATIVES LINE ITEMS

PRESENTER: Jeff Weak, Administrator, Office of Information Technology Services, Office of the Governor

Mr. Weak described the Governor's IT Modernization Initiative which will dramatically improve cybersecurity, create efficiencies and lead to future cost savings.

Mr. Weak explained that development of the Office of Information Technology Services (ITS) arose during the course of routine modernization planning across the state. Planners identified eight agencies with IT departments and 48 positions which overlapped. Further investigation revealed that, if consolidated, only 36 positions were needed, saving the state approximately \$887,000 in personnel costs.

GOV. TECH. 1 State Network Core Equipment Replacement

Mr. Weak explained the critical need for a stable, robust network. The network is utilized by nearly every government agency as well as the State's executive and judicial branches. The current network has reached the end of its lifecycle and is approaching unacceptable levels of instability. The network must be replaced to ensure current and future levels of productivity and security.

GOV. TECH. 2 Mobile Device Management and Security

A stable network is critical to the security of state mobile devices. New software will extend policies and protections to remote users and provide the same security as if they were operating of the state network.

GOV. TECH. 3 Information Technology Modernization — Technology Consolidation

By streamlining and improving information technology operations across the state, state agencies will no longer be providers of IT services. Instead, they can focus on their core missions while enjoying enhanced security, functionality and cost efficiencies. Eight state agencies' IT services will join the new service structure in FY 2019.

GOV. TECH. 4 Information Technology Modernization — Administration Billing

The Department of Administration had been heavily subsidizing small agencies with IT support. By consolidating IT services in ITS, the Department of Administration's annual billing will be reduced by \$353,300. Those costs, in turn, will be billed to the proper agencies.

DISCUSSION: In response to questions from the Committee, **Mr. Weak** described plans to move 37 employees of the Office of Information Technology Services to the new Chinden Campus. The department has outgrown its space in the LBJ Building. Five to seven service personnel will remain in the LBJ Building for maintenance and specific services which may be needed on the Capitol Mall. **Mr. Weak** anticipates that approximately seven additional agencies will be brought under the ITS in the next year. Some larger agencies, such as Health and Welfare and Idaho Transportation Department may retain their IT personnel. **Mr. Weak** described implementation and moving logistics for various agencies. **Paul Headlee**, Budget & Policy Manager, LSO described funding for the project. See [Presentation](#) and [Audio](#).

PRESENTATION: GENERAL FUND DAILY UPDATE (Green Sheet)

PRESENTER: Keith Bybee, Deputy Division Manager, LSO
Mr. Bybee detailed changes to the General Fund Budget as of January 17, 2019.

ADJOURNED: Having no further business before the Committee, **Co-Chairman Bair** adjourned the meeting at 10:22 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary