

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 12, 2019
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
ABSENT/ EXCUSED: None
CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

AGENCY PRESENTATION: **Office of the Governor**
Military Division
Brigadier General Michael Garshak, Commanding General
Brigadier General Garshak stated the three core missions are to fight and win our nation's wars, secure the homeland and build enduring partnerships. The Orchard Combat Training Center (OCTC) has continued to develop after receiving more than \$80 million in Federal funds for construction and modernization. Brigadier General Garshak continued he anticipates the continued investment of Federal funds, potentially up to \$300 million over the next three years to bring improvements to Gowen Field.

LSO STAFF PRESENTATION: **Christine Otto, Budget & Policy Analyst**
In FY 2018, the Military Division received a total appropriation of \$92,143,200, there was a noncognizable increase of \$35,000,000 in Federal funds and reverted \$16,815,900.
In FY 2019, the Military Division received a total appropriation of \$104,971,900 which included eleven line items:
1) Youth ChalleNGe Staff
2) Emergency Data Routers
3) Family Support Positions — 13 FTP
4) Idaho STARBASE Program
5) Training Facility OCTC
6) CFMO Positions — 6 FTP
7) Environmental Positions — 3 FTP
8) ITAM Positions — 3 FTP
9) RTLTP Positions — 23 FTP
10) Telecommunications Specialist
11) Security Patrol Specialists
Brigadier General Garshak commented on each request.
Ms. Otto noted the bill language that is added to the military's appropriation bill every year for continuous appropriation for hazardous substance incidents.

For FY 2020, the Military Division requested twelve line items with the Governor only recommending eleven:

- 1) Land Leases
- 2) Supervisory HR Specialist
- 3) SWIC Position
- 4) Purchasing Agent
- 5) Software Engineer
- 6) Youth Challenge Cadre Team Leaders
- 7) Armory Revenue Fund Increase
- 8) Construction and Maintenance
- 9) Environmental Protection Technicians
- 10) OCTC Equipment
- 11) Funding for 12 positions

Brigadier General Garshak commented on each request.

To listen to this presentation please [click here](#).

**AGENCY
PRESENTATION:**

**Division of Idaho State Police
Colonel Kedrick Wills**

**LSO STAFF
PRESENTATION:**

Christine Otto, Budget & Policy Analyst

In FY 2018, the Division of Idaho State Police received a total appropriation of \$70,349,700, there was a net object transfer of \$187,100 and reverted \$3,642,600.

Colonel Wills discussed the update on the division's audit findings stating the follow up work has been completed.

In FY 2019, the Division of Idaho State Police received a total appropriation of \$75,776,000 which included twelve line items. **Colonel Wills** commented on the following line items:

- 1) Patrol Officers
- 2) Forensic Scientists
- 3) Purchase of Watertower Lots
- 4) Sex Offender Registry System Update

In FY 2020, the Division of Idaho State Police requested eighteen line items, eleven of those were fully recommended by the Governor. Four were partially recommended by the Governor and three were not recommended by the Governor. **Colonel Wills** commented on the following line items:

- 1) Project Choice Expansion
- 2) Statewide Motor Units
- 3) RMS Evaluation
- 4) Security System Upgrade
- 5) Cybersecurity Software Maintenance
- 6) Taser Assurance Plan
- 7) Resident Trooper Housing Unit
- 8) Forensic Scientists
- 9) Radio Communication Maintenance
- 10) Software and Instrument Maintenance
- 11) WIN Membership Fees
- 12) Federal Grants

To listen to this presentation please [click here](#).

AGENCY

POST Academy

PRESENTATION: Brad Johnson, Administrator

Administrator Johnson stated the POST was created in 1969 funded by \$240,000 of surplus State Liquor funds along with \$73,000 on a bi-annual basis from the State General Fund. The POST dedicated fund was established effective for FY 1984, through a three dollar fee imposed on all felonies, misdemeanor infractions and ordinance violations. The POST Academy is organized and funded as a division of the Idaho State Police. POST continues to rely on dedicated funds to operate.

LSO STAFF

Christine Otto, Budget & Policy Analyst

PRESENTATION: In FY 2018, POST Academy received a total appropriation of \$4,688,700 they expended \$3,698,900, and reverted \$1,008,500.

In FY 2020, POST Academy requested \$441,300 in replacement items. The Governor's recommendation was for \$441,300.

POST Academy also requested two line items:

- 1) Fund Shift Due to Declining Revenue
- 2) POST Replacement Items

To listen to this presentation please [click here](#).

AGENCY

Racing Commission

PRESENTATION: Jim Hammond, Racing Commission Chair

Mr. Hammond gave an overview of the Racing Commission stating the commission is composed of three board members. The commission is funded through fees collected from licenses and pari-mutuel wagering. The Commission's primary objectives are to build a strong and credible industry to operate the commission as efficiently and economically as possible.

LSO STAFF

Christine Otto, Budget & Policy Analyst

PRESENTATION: In FY 2018, the Racing Commission received a total appropriation of \$650,100 they expended \$395,100, and reverted \$255,000.

In FY 2019, the Racing Commission had no line item requests or approved. The commission has requested one supplemental for \$40,900. There is an annualization request for an additional \$19,900 in ongoing operating expenditures that coincides with the supplemental.

To listen to this presentation please [click here](#).

AGENCY

Brand Inspection

PRESENTATION: Cody Burlile, State Brand Inspector

Inspector Burlile gave a brief overview of the Brand Inspection division.

LSO STAFF

Christine Otto, Budget & Policy Analyst

PRESENTATION: In FY 2018, the Brand Inspection division received a total appropriation of \$3,427,100, they expended \$3,078,600 and reverted \$382,800.

Inspector Burlile discussed the audit findings for FY's 2015, 2016 and 2017.

In FY 2019, the Brand Inspection division had no line item requests, it was purely a maintenance budget.

For FY 2020, the Brand Inspection division requested \$181,600 in replacement items for five pickup trucks and computer equipment.

To listen to this presentation please [click here](#).

STATEWIDE BUDGET DECISIONS

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated the Governor's and EORAC's recommendation is to increase revenue 0.5% above FY 2018 actual collections of \$3,731,606,400.

MOTION: **Original Motion**
FY 2019 General Fund Revenue for Budget Setting
Moved by **Sen. Bair**, seconded by **Sen. Grow** for FY 2019 that the Joint Finance-Appropriations Committee adopt the Governor's and the Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of \$3,750,320,500 for the purpose of setting state agency budgets.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
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 Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated there are three options for the FY 2020 General Fund Revenue, the Governor's recommendation, the EORAC's recommendation, and the last option is a mid-range option with a General Fund revenue projection of 7 percent above the FY 2019 forecast.

MOTION: **Original Motion**
FY 2020 General Fund Revenue for Budget Setting
Moved by **Sen. Bair**, seconded by **Sen. Grow** for FY 2020 that the Joint Finance-Appropriations Committee adopt the General Fund revenue projection of \$4,012,842,900 for the purpose of setting state agency budgets.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
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 Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated there are two options for the statewide decision on benefits. The first option is the Governor's revised FY 2020 funding recommendation and the second option is the Employee Compensation Committee's recommendation.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Benefits

Moved by **Rep. Anderson**, seconded by **Sen. Agenbroad** to adopt the Change in Employee Compensation Committee's FY 2020 funding recommendation to maintain the current appropriated amount for health insurance per eligible full-time FTP at \$11,650, and include the Governor's revised recommendation for changes in variable benefits and fund shifts by agency, which total an increase of \$7,608,900 from the General Fund, an increase of \$836,000 from dedicated funds, and an increase of \$513,700 from federal funds, for a total increase of \$8,958,600.

CARRIED:

Ayes: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone

Nays: 2

Wintrow and Ward-Engelking

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 Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the statewide decisions there are inflationary adjustments and historically the Committee has addressed those by not adopting the inflationary items but to allow the motion makers to add those back on a case by case basis.

**UNANIMOUS
CONSENT:**

On request by **Rep. Horman**, not to include the agency's request or the Governor's recommendation for inflationary adjustments in the JFAC Statewide Decisions. Committee members may, at their discretion, add funding in their motions on a case-by-case basis.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the statewide decisions there are replacement items and historically the Committee has addressed those by not adopting the replacement items but to allow the motion makers to add those back on a case by case basis.

**UNANIMOUS
CONSENT:**

On request by **Sen. Johnson**, not to include the agency's request or the Governor's revised recommendation for one-time funding for replacement operating expenditures and capital outlay. Committee members may, at their discretion, add funding on a case-by-case basis.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the Statewide Cost Allocation adjustments are for Attorney General fees, State Controller fees, Treasurer fees, building service space charges and risk management costs.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Statewide Cost Allocation

Moved by **Rep. Horman**, seconded by **Sen. Ward-Engelking** to include the Governor's FY 2020 recommendation adjusting Attorney General fees, State Controller fees, State Treasurer fees, building services space charges, and risk management costs, for an increase of \$2,775,900 from the General Fund, \$1,998,500 from dedicated funds, and \$695,800 from federal funds, for a total of \$5,470,200.

CARRIED:

Ayes: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

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 Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the annualizations is for the statewide elected official salary increase and adjustments to the Department of Health and Welfare, the Department of Correction, the Judicial Branch and Department of Revenue and Taxation.

DISCUSSION:

Sen. Johnson invoked Rule 39 stating a possible conflict of interest but would be voting on the motion.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Annualizations

Moved by **Sen. Johnson**, seconded by **Sen. Bair** to include the Governor's revised FY 2020 recommendations for statewide elected official's salary increases, adjustments to the Department of Health and Welfare, Department of Correction, the Judicial Branch, and Department of Revenue and Taxation, including 0.75 FTP, \$2,718,100 from the General Fund, and \$136,500 from dedicated funds, for a total of \$2,854,600.

CARRIED:

Ayes: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

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 Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated there are two options for the Change in Employee Compensation (CEC). First option is the Governor's recommendation and the second is from the CEC committee.

DISCUSSION: **Rep. Syme** invoked Rule 38 stating a possible conflict of interest but he would be voting on the motion.
In response to Committee questions, **Mr. Headlee** explained the motion would allow the Executive Branch Division of Financial Management to assure there is sufficient funding with each CEC plan with each agency that executes the CEC plan.

MOTION: **Original Motion**
JFAC Statewide Decisions FY 2020
Change in Employee Compensation (CEC)
Moved by **Rep. Anderson**, seconded by **Sen. Crabtree** to include the equivalent funding amount from the Governor's revised recommendation for a 3% pay increase for permanent employees of state agencies, institutions, public health districts, and the Idaho Bureau of Educational Services for the Deaf and the Blind. Notwithstanding the provisions of **Section 67-5309, Idaho Code**, and any other provision of law to the contrary, state agencies and institutions shall increase the ongoing annual salaries of their permanent state employees by no less than five hundred fifty dollars (\$550.00) effective by July 1, 2019. The remaining amounts so appropriated shall be distributed to state employees based on merit at the discretion of agency heads and institution presidents, subject to sufficient funding pursuant to **Section 67- 5304, Idaho Code**. This motion includes funding to shift the compensation schedule upwards by three percent at the minimum, policy, and maximum pay rates by (3%) beginning on July 1, 2019. The exception to the change is that the minimum wage would remain at \$7.25 per hour in pay grade D. This motion maintains the job classifications currently on payline exception to address specific employee recruitment or retention issues and includes funding for the Governor's recommended fund shifts. Funding in this motion includes \$20,510,500 from the General Fund, \$14,807,500 from dedicated funds, and \$6,350,200 from federal funds for a total of \$41,668,200.

CARRIED: **Ayes: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone
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 Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated there is a proposed 3% base salary increase for classified staff and administrators in public schools, it does excludes the instructors and teachers who are on the career ladder.

MOTION: **Original Motion**
JFAC Statewide Budget Decisions FY 2020
3% Base Salary Increase for Classified Staff & Administrators in Public Schools
Moved by **Sen. Ward-Engelking**, seconded by **Rep. Horman** for FY 2020, the Governor's revised recommendation for a 3% pay increase for Public Schools classified employees and administrators in the amount of \$7,346,500 from the General Fund.

CARRIED:

Ayes: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

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 Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the nondiscretionary adjustments which includes public schools enrollment, workload adjustment for college and universities, Community Colleges, Federal caseload, utilization, and federal match rate adjustments in Health & Welfare and Medicaid.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Nondiscretionary Adjustments

Moved by **Sen. Bair**, seconded by **Sen. Grow** for FY 2020, the Governor's revised nondiscretionary adjustment recommendations for Public Schools, enrollment workload adjustment (EWA) for College and Universities and Community Colleges, and caseload, utilization, and federal match rate adjustments in Health & Welfare and Medicaid for an increase of \$132,274,300 from the General Fund, an increase of \$6,475,900 from dedicated funds, and an increase of \$60,802,300 from federal funds for a total of \$199,552,500.

CARRIED:

Ayes: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

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 Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the endowment adjustments are for public schools, college & universities, and the Department of Health and Welfare.

MOTION:

Original Motion

JFAC Statewide Decisions FY 2020

Endowment Adjustment

Moved by **Rep. Horman**, seconded by **Sen. Bair** for FY 2020, to include changes in spending of Endowment Funds for Public Schools, College and Universities, and the Department of Health and Welfare resulting in a decrease of \$1,795,200 from the General Fund and an increase of \$2,082,300 from dedicated funds for total of \$287,100.

CARRIED:

Ayes: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

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 Youngblood**.

To listen to the Statewide Decision motions please [click here](#).

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:52 am.

Representative Youngblood
Chair

Donna Warnock
Secretary