

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 20, 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: **OFFICE OF THE GOVERNOR**
STEM Action Center
PRESENTER: **Janet Jessup, Analyst, Legislative Services Office, LSO**

CARRIED: **Original Motion**
Moved by **Rep. Wintrow** for the STEM Action Center, beginning with the FY 2020 Base, an increase of \$1,900 for benefit costs, an increase of \$1,100 for statewide cost allocation, and an increase of \$13,100 for change in employee compensation. Also included are the following line items: add \$5,000 for object transfer for an analyst position, and add \$5,600 for the GOV Tech 4 line item related to administrative billing. The totals for this motion for FY 2020 are 6.00 FTP, \$2,589,600 from the General Fund and \$2,106,200 from dedicated funds, for a grand total of \$4,695,800, seconded by **Sen. Ward-Engelking**.

DISCUSSION: **Rep. Wintrow** explained that this motion includes funding for three line items. Line item #1, the Computer Science Initiative includes a transfer that will be taken up in the second motion. The first provides \$5,000 onetime from the STEM Education Fund for a research analyst who would be responsible for data collection and analysis, management, and integrated research. Of this appropriation, \$71,600 ongoing would be transferred from operating expenditures to personnel costs and \$5,000 is for onetime capital outlay, all within the STEM Education Fund. The second line item provides \$5,600 ongoing from the General Fund as recommended by the Governor for agency billings from the Office of Information Technology Services.

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

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion has passed and, without objections, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bair**.

CARRIED:

Additional Motion

Moved by **Rep. Wintrow** for the appropriation and transfer of \$1,000,000 from the General Fund to the STEM Education Fund for fiscal year 2020 as requested in line item 1, seconded by **Sen. Ward-Engelking**.

DISCUSSION:

Rep. Wintrow explained that the third line item provides \$1,000,000 onetime from the General Fund to the STEM Education Fund for the Computer Science Initiative to promote increased computer science activities in schools and communities through grants to schools, STEM events, scholarships to students to attend STEM camps, and professional development for teachers.

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

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion has passed and, without objections, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

**LSO STAFF
PRESENTATION:**

**STATE BOARD OF EDUCATION
Agricultural Research & Extension**

PRESENTER:

Janet Jessup, Senior Analyst, LSO

CARRIED:

Original Motion

Moved by **Rep. Kauffman** for the Office of the State Board of Education, Agricultural Research & Extension Service, beginning with the FY 2019 Estimated Expenditures, remove \$127,900 for onetime expenditures, and add a base reduction of \$24,000 from the Equine Education Fund. Then, provide an increase of \$19,400 for benefit costs, an increase of \$140,000 for replacement items, and an increase of \$733,600 for change in employee compensation. Also included are the following line items: add 1.00 FTP and \$118,300 for 4-H STEM Education; add 2.00 FTP and \$217,600 for the Rock Creek Cattle Research facility; and add 0.57 FTP and \$122,600 for occupancy costs.

The total for this motion for FY 2020 are 344.11 FTP and \$32,530,700 from the General Fund. This motion includes an exception 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. Seconded by **Sen. Burtenshaw**.

DISCUSSION:

Rep. Kauffman explained that this budget includes a base reduction of \$24,000 from the Equine Education Fund from the Ag Research & Extension Service budget. The agency has reverted the complete dedicated fund appropriation as the revenues from horse racing has declined. Replacement items included in this motion total \$140,000 in onetime capital outlay to fund replacements items.

This motion includes three line items:

First, this motion appropriates 1.00 FTP and \$118,300 for an additional 4-H extension educator to increase engagement with youth and community 4-H leaders in the development of STEM knowledge and skills, postsecondary educational opportunities, and career awareness. Of this appropriation, \$88,300 is for personnel costs and \$30,000 is for operating expenditures (including travel).

Second, this motion appropriates 2.00 FTP and \$217,600 to staff the Rock Creek Cattle Ranch and expand research opportunities related to rangeland utilization. Of this appropriation, \$145,100 is ongoing for personnel costs and \$47,500 is ongoing for operating expenditures, and \$25,000 is onetime for capital outlay.

Finally, this motion appropriates 0.57 FTP and \$122,600 for occupancy costs for the completed projects including \$6,900 for the Nancy M. Cummings Aberdeen Research Support Facility (occupied in November of 2018); \$27,400 for the classroom and office facility at the Nancy M. Cummings Ranch (to be occupied October of 2019); and \$88,300 for the Sandpoint research and extension complex (occupied in August of 2018). Of this appropriation, \$21,000 is ongoing for personnel costs and \$101,600 is ongoing for operating expenditures.

In answer to questions from Sen. Johnson, **Rep. Kauffman** and **Sen. Burtenshaw** explained that Rock Creek Ranch brings research to a working cattle ranch to study the interface between range management and wildlife management. Knowledge gained will benefit ranchers throughout Idaho. Rep. Troy noted that the herd in question was donated by industry with industry support.

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

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion has passed and, without objections, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

Career-Technical Education

CARRIED:

Original Motion

Moved by **Sen. Grow** for the State Board of Education, Division of Career Technical Education, beginning with the FY 2020 Base, an increase of \$141,200 for benefit costs, an increase of \$629,500 for onetime replacement items, an increase of \$25,500 for statewide cost allocation, and an increase of \$1,109,900 for change in employee compensation. Also included are the following line items: add \$95,000 for program alignment as recommended in line item six; add \$200,000 for the workforce readiness incentive grant as recommended in line item eight; add \$100,000 for the Program Quality Initiative as recommended in line item nine; add 1.00 FTP and \$319,600 for the nuclear energy and advanced reactor manufacturing in line item eleven; add

\$800,000 for the Perkins Federal Grant income as requested in line item twelve; add \$264,800 to offset projected shortfalls for secondary career technical education programs as recommended in line item thirteen; and add \$25,000 for the Idaho Quality Program Standards Incentive Grant in line item fourteen.

The totals for this motion for FY 2020 are 581.26 FTP, \$68,455,500 from the General Fund, \$552,800 from dedicated funds, and \$9,751,900 from federal funds for a grand total of \$78,760,200. This motion includes 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. Seconded by **Rep. Raybould**.

DISCUSSION:

Sen. Grow explained that this motion includes \$629,500 onetime from the General Fund for replacement items, of which \$594,600 (94.5%) is for the replacements of equipment at the six technical colleges.

This motion includes an appropriation for seven line items, including:

[1] \$95,000 for to support the alignment of programs in secondary and postsecondary courses,

[2] \$200,000 for the workforce readiness incentive grant to award incentive funds for secondary CTE teachers;

[3] \$100,000 for the Program Quality Initiative to expand current grant funding for high school CTE programs;

[4] 1.00 FTP and \$319,600 for the nuclear energy and advanced reactor manufacturing to support workforce needs in Idaho's nuclear industry. Of this appropriation, \$102,900 is ongoing for personnel costs, \$26,700 is ongoing for operational expenditures, and \$190,000 for onetime capital outlay;

[5] \$800,000 for the Perkins Federal Grant income to capture available federal grant funding to enhance secondary and post-secondary career technical education programming;

[6] \$264,800 to offset projected shortfalls added cost funding for secondary career technical education programs; and

[7] \$25,000 for the Idaho Quality Program Standards Incentive Grant to expand current grant funding for high school agricultural and natural resources CTE programs.

AYES: 19

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

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Horman

The majority having voted in the affirmative, the motion has passed and, without objections, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bair**.

CONSENT:

On request of **Sen. Grow**, granted by unanimous consent, the following intent language was accepted:

SECTION 3. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Career Technical Education any unexpended and unencumbered balances appropriated to the Division of Career Technical Education from dedicated and federal funds for fiscal year 2019 to be used for nonrecurring expenditures for the period July 1, 2019, through June 30, 2020.

CONSENT: On request of **Sen. Grow**, granted by unanimous consent, the following intent language was accepted:

SECTION 4. The Division of Career Technical Education shall work with the Legislative Services Office and the Division of Financial Management and provide a written report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee on a sustainable plan to support added cost funding for secondary career technical education programs no later than February 1, 2020.

See [Presentation](#) and [Audio](#).

Office of the State Board of Education

CARRIED: Original Motion

Moved by **Rep. Amador** for the Office of the State Board of Education, beginning with the FY 2019 Estimated Expenditures, removes \$7,011,100 for the removal of onetime funding, and add a base reduction of \$500,000 from the General Fund. Then, provide a reduction of \$1,800 for benefit costs, an increase of \$28,100 for inflationary adjustments, an increase of \$53,500 for replacement items, an increase of \$186,100 for statewide cost allocation, and an increase of \$88,400 for change in employee compensation. Also included are the following line items: add 1.00 FTP and \$108,400 for the Associate Academic Officer as recommended in line item 1; add \$20,000 for Career Information System Enhancements as requested in line item 3; add \$263,000 for Master Educator Premium Portfolio Review in line item 5; add \$100,000 for the K-12 Task Force as recommended in line item 7; and add \$100,000 onetime for external program evaluation in line item 8.

The totals for this motion for FY 2020 are 35.25 FTP, \$6,365,100 from the General Fund, \$6,998,100 from dedicated funds, and \$2,744,200 from federal funds for a grand total of \$16,107,400. Seconded by **Sen. Grow**.

DISCUSSION: **Rep. Amador** explained that this motion includes funding for replacement items five line items:

- [1] 1.00 FTP and \$108,400 for an associate chief academic officer to more effectively oversee the development of policy and implementation of student success initiatives;
- [2] \$20,000 for enhancements to the Career Information System (CIS);
- [3] \$263,000 for be used to conduct trainings that will assure the reliability and consistency of reviewers for the Master Educator Premium awards;
- [4] \$100,000 for the K-12 Task Force; and
- [5] \$100,000 onetime from the Opportunity Scholarship Program account for external program evaluations as required in the Public Schools appropriation.

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

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the motion has passed and, without objections, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bair**.

CONSENT: Requested by **Rep. Amador**, granted by unanimous consent, the following intent language was adopted.

SECTION 3. REAPPROPRIATION AUTHORITY FOR THE PUBLIC CHARTER SCHOOL AUTHORIZERS FUND. There is hereby reappropriated to the Office of the State Board of Education any unexpended and unencumbered balances appropriated or reappropriated to the Office of the State Board of Education from the Public Charter School Authorizers Fund for fiscal year 2019 to be used for nonrecurring expenditures for the period July 1, 2019, through June 30, 2020.

SECTION 4. ANNUAL PAYMENTS TO THE IDAHO STATE BUILDING AUTHORITY. The State Board of Education shall provide an annual update to the Joint Finance-Appropriations Committee of all sublease rent payments made and any amount due and outstanding related to Senate Concurrent Resolution No. 105, as enacted by the First Regular Session of the Sixty-fourth Idaho Legislature.

CONSENT: Requested by **Rep. Amador**, granted by unanimous consent, the following intent language was adopted.

SECTION 5. EXTERNAL PROGRAM EVALUATION. Notwithstanding the provisions of Section 33-4303, Idaho Code, of the amount appropriated in Section 1 of this act for independent external program evaluations, up to \$100,000 from the Opportunity Scholarship Program Account shall be used to conduct evaluations for the literacy intervention program(s), advanced opportunities program, and the College and Career Advisors and Student Mentors Program. The results of the evaluations shall be reported to the Joint Finance-Appropriations Committee and the Senate and House Education committees no later than February 1, 2020, on the program design, uses of funds, program effectiveness, and any other relevant matters. See [Presentation](#) and [Audio](#).

LSO STAFF PRESENTATION: **OFFICE OF THE GOVERNOR**
Office of Energy and Mineral Resources

PRESENTER: **Maggie Smith, Budget Analyst, LSO**

CARRIED: Original Motion
Moved by **Sen. Crabtree** for the Office of Energy and Mineral Resources, beginning with the FY 2020 Base, an increase of \$2,300 for benefit costs, an increase of \$4,400 for replacement items, an increase of \$9,100 for statewide cost allocation, and an increase of \$21,800 for change in employee compensation. Also included are the following line items for the Governor's technology initiatives: \$600 for Network Equipment Replacement; \$2,700 for Mobile Device Security; and \$3,700 for IT Modernization Billing. The totals for this motion for FY 2020 are 8.00 FTP, \$924,300 from dedicated funds, and \$422,600 from federal funds for a grand total of \$1,346,900, seconded by **Rep. Horman**.

DISCUSSION: **Sen. Crabtree** explained that this motion includes \$4,400 for onetime replacement items including two desk chairs and two desktop computers.

AYES: 19

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

NAYS: 0

ABSENT/EX: 1 Rep. Anderson

The majority having voted in the affirmative, the motion has passed and, without objections, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bair**. See [Presentation](#) and [Audio](#).

LSO

PRESENTATION: PUBLIC UTILITIES COMMISSION

PRESENTER: Maggie Smith, Budget Analyst, LSO

CARRIED: Original Motion

Moved by **Rep. Horman** the Public Utilities Commission, beginning with the FY 2020 Base, an increase of \$10,000 for benefit costs, an increase of \$82,700 for replacement items, an increase of \$14,700 for statewide cost allocation, and an increase of \$108,900 for change in employee compensation. Also included are the following line items: \$11,700 as recommended for the CEC for Commissioners; \$4,500 for the agency's share of the statewide Network Equipment Replacement for the Governor's Technology Initiative 1; and a reduction of 3.00 FTP and \$188,700 for the Governor's Technology Initiative 3. The totals for this motion for FY 2020 are 49.00 FTP, \$6,301,700 from dedicated funds, and \$332,800 from federal funds for a grand total of \$6,634,500. Seconded by **Sen. Crabtree**.

DISCUSSION:

Rep. Horman explained that this motion includes a reduction of 3.00 FTP and a decrease of \$273,600 in personnel costs to remove three IT positions from the PUC, and it also includes an increase of \$84,900 in operating expenditures for IT billing, for a net reduction of \$188,700. The 3% CEC for the Commissioners was recommended by the Governor and requires amending Section 61-215, Idaho Code, in which the Commissioner's salaries are set in statute. Additionally, the agency has requested reappropriation authority to carry over any unspent amounts needed to complete its Chinden Campus move. There is language following to include these additions in the PUC's FY 2020 appropriation bill.

AYES: 19

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

NAYS: 0

ABSENT/EX: 1 Rep. Anderson

The majority having voted in the affirmative, the motion has passed and, without objections, will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bair**.

CONSENT:

Requested by **Rep. Horman**, granted by unanimous consent, that Section 61-215, Idaho Code be amended to read:

61-215. SALARIES OF PUBLIC UTILITIES COMMISSIONERS. Each member of the public utilities commission shall devote full time to the performance of his/her duties. Commencing on July 1, 2019, the annual salary of members of the public utilities commission shall be one hundred ten thousand seventy-four dollars (\$110,074) and shall be paid from sources set by the legislature.

CONSENT:

Requested by **Rep. Horman**, granted by unanimous consent, that the following language be included to carry forward unspent appropriation for the Chinden Campus move:

SECTION . REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Public Utilities Commission any unexpended and unencumbered balances appropriated to the Public Utilities Commission from the Public Utilities Commission Fund for the Chinden Campus relocation for fiscal year 2019, in an amount not to exceed \$2,419,300 from the Public Utilities Commission Fund, to be used for nonrecurring expenditures related to the Chinden Campus relocation for the period July 1, 2019, through June 30, 2020.

See [Presentation](#) and [Audio](#).

ADJOURNED:

Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:35 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary