

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 06, 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, Maurin (Troy), and Toone.
ABSENT/ EXCUSED: Wintrow
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY

PRESENTATION: **DEPARTMENT OF ADMINISTRATION**

LSO STAFF

PRESENTATION: **Jill Randolph, Analyst, Legislative Services Office (LSO)**

CARRIED:

Original Motion

Moved by **Rep. Anderson** for the Department of Administration, beginning with the FY 2020 Base, an increase of \$8,800 for benefit costs, an increase of \$45,200 for replacement items, an increase of \$479,400 for statewide cost allocation, and an increase of \$222,900 for change in employee compensation.

Also included are the following line items: line item #1 for 8.00 FTP and a net zero transfer of \$484,200 from operating expenditures to personnel costs within dedicated fund for Chinden Campus maintenance staffing; line item #2 for 2.00 FTP and \$160,000 for contract administration personnel, line item #3 for the reduction of 3.00 FTP and \$488,100 from dedicated funds to move the Administrative Rules program from the Department of Administration to the Division of Financial Management, per House Bill 73; GOV TECH 1 for \$10,500 for network equipment replacement, GOV TECH 2 for \$45,800 for mobile device security; and GOV TECH 4 for a reduction of \$353,300 for Office of Information Technology Services billing.

The totals for this motion for FY2020 are 121.00 FTP, \$2,468,400 from the General Fund and \$21,253,000 from dedicated funds, for a grand total of \$23,721,400, seconded by **Sen. Johnson**.

DISCUSSION:

Line Item #1 is a net zero transfer of \$484,200 from operating expenditures to personnel costs within the dedicated Administration and Accounting Services Fund. Line Item #1 adds in \$600 per FTP, to account for the difference between the Governor's Recommendation for health insurance and the statewide action taken by JFAC. Line item #3 is part of the trailer to House Bill 73. That bill unanimously passed the House of Representatives. A trailer bill will add the program to the appropriate budget.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Wintrow

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

CARRIED:

Additional Motion

Moved by Rep. Anderson for the appropriation of \$1,737,500 to be transferred by the State Controller from the Permanent Building Fund to the Administrative and Accounting Services Fund on July 1, 2019, or as soon thereafter as practicable, for the Public Officials' Capitol Mall Facilities payment in the Division of Public Works that is due in fiscal year 2020.

DISCUSSION:

This transfer motion is necessary to move funds out of the Permanent Building Fund and into the Administrative and Accounting Services Fund to pay the rent charge for the Elected Officials' space at the Capitol mall. This is standard and included every year.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Wintrow

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

CONSENT:

Requested by **Rep. Anderson**, granted by unanimous consent, the following language be incorporated into the Department's FY 2020 appropriation bill:

SECTION 4. PLAN STRUCTURE. The Office of Group Insurance shall maintain the current health insurance plan structure and benefit package for state employees and the employer and employee cost-sharing split recommended by the Governor and the Legislature's Joint Change in Employee Compensation Committee for fiscal year 2020. Adherence with the plan structure shall not preclude the Office of Group Insurance from implementing positive plan changes as identified.

SECTION 5. REQUEST FOR PROPOSALS AND REPORT. Notwithstanding the provisions of Section 6, Chapter 318, Laws of 2018, and any other provision of law to the contrary, upon passage and approval of this act the Department of Administration shall develop requests for proposals (RFP) for state employee group insurance and benefits in conformity with the recommendations in the Final Report of the 2017 State Employee Group Insurance and Benefits Legislative Interim Committee, to be implemented as soon as practicable. The Department of Administration shall report on the progress of the RFP to the germane legislative committees and the Joint Finance-Appropriations Committee no later than January 15, 2020.

SECTION 6. An emergency existing therefor, which emergency is hereby declared to exist, Section 5, of this act shall be in full force and effect on and after passage and approval

DISCUSSION:

Section 4 of this language contains a change to the standard intent language included in this bill. The change allows the Department of Administration some additional flexibility as the RFP process moves along. Section 5 of this language will set aside the provisions of Section 6 of H 715 of 2018, and directs the Department of Administration to work on an RFP for state employee health insurance and benefits. Section 6 adds an emergency clause to make Section 5 effective upon passage and approval.

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

AGENCY

IDAHO TRANSPORTATION DEPARTMENT

PRESENTATION:

Transportation Services

LSO STAFF

PRESENTATION:

Christine Otto, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Sen. Woodward** for the Idaho Transportation Department, Transportation Services Division, beginning with the FY 2020 Base, an increase of \$42,700 for benefit costs, an increase of \$1,906,300 for replacement items, an increase of \$35,200 for statewide cost allocation, and an increase of \$476,700 for change in employee compensation. Also included are the following line items: \$450,000 for an increase to the Idaho Airport Aid Program, \$458,000 for video conferencing equipment, \$2,100,000 for statewide capital facility needs, \$350,000 for District 3 material lab testing facility, \$206,000 for additional data storage, \$146,400 for software license compliance, \$200,000 for network access security, \$985,000 for information technology service management, \$1,200,000 for integration service layer software, and \$147,600 for network equipment replacement. The totals for this motion for FY 2020 are 209.00 FTP, \$38,982,100 from dedicated funds, and \$1,747,400 from federal funds for a grand total of \$40,729,500, seconded by **Sen. Burtenshaw**.

DISCUSSION:

This motion includes all JFAC statewide decisions and adds \$1,906,300 for replacement items. All other line items are funded with the Governor's recommendation with the exception of line item 17, the integration service layer. The new amount aligns with the division's spending plan in FY 2020 without the contingency. The remainder should be requested in FY 2021 if needed.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Wintrow

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

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

SECTION_. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated to the Idaho Transportation Department from the State Highway Fund, in the Capital Facilities Program for fiscal year 2019 to be used for nonrecurring expenditures for the Capital Facilities Program for the period July 1, 2019, through June 30, 2020.

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

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

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 2019 to be used for nonrecurring expenditures related to Airport Development Grants for the period July 1, 2019, through June 30, 2020.

CARRIED: Additional Motion

Moved by Sen. Woodward for the appropriation and transfer of \$1,176,000 from the GARVEE Capital Project Fund to the State Highway (Dedicated) Fund for FY 2020 in accordance with the following language, seconded by Rep. Kauffman:

SECTION_. CASH TRANSFER FROM GARVEE CAPITAL PROJECT FUND. There is hereby appropriated and the State Controller shall transfer \$1,176,000 from the GARVEE Capital Project Fund to the State Highway (Dedicated) Fund on July 1, 2019, or as soon thereafter as practicable.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Ward-Engelking, Wintrow

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

AGENCY

PRESENTATION: **Motor Vehicles**

LSO STAFF

PRESENTATION: **Christine Otto, Analyst, Legislative Services Office (LSO)**

CARRIED:

Original Motion

Moved by **Sen. Crabtree** for the Idaho Transportation Department, Motor Vehicles Division, beginning with the FY 2020 Base, an increase of \$31,700 for benefit costs, and increase of \$720,200 for replacement items, a reduction of \$13,700 for statewide cost allocation, and an increase of \$375,800 for change in employee compensation. Also included are the following line items: \$8,800 for DMV county equipment and \$45,600 for DMV corrections ID cards. The totals for this motion for FY 2020 are 237.00 FTP, \$34,195,300 from dedicated funds, and \$3,600,000 from federal funds for a grand total of \$37,795,300, seconded by **Rep. Kauffman**.

DISCUSSION:

This motion includes all JFAC statewide decision and adds \$720,200 for replacement items. All other line items align with the Governor's recommendation.

AYES: 18

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

NAYS: 0

ABSENT/EXCUSED: 2 Ward-Engelking, Wintrow

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

AGENCY

PRESENTATION: Highway Operations

LSO STAFF

PRESENTATION: Christine Otto, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Sen. Burtenshaw** for the Idaho Transportation Department, Highway Operations Division, beginning with the FY 2020 Base, an increase of \$210,000 for benefit costs, an increase of \$20,774,700 for replacement items, an increase of \$1,156,900 for statewide cost allocation, and an increase of \$2,339,900 for change in employee compensation. Also included are the following line items: \$2,343,200 for highway operations equipment, \$750,000 for AASHT data analytics software, \$1,255,000 for the GIS integration initiative, \$582,900 for FAST act increases, and \$1,416,000 for public transportation federal grants. The totals for this motion for FY 2020 are 1,202.00 FTP, \$164,852,600 from dedicated funds and \$38,028,100 from federal funds for a grand total of \$202,880,700, seconded by **Rep. Kauffman**.

DISCUSSION:

This motion includes all JFAC statewide decisions and adds \$20,774,700 for replacement items. All other line items align with the Governor's recommendation.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 4 Grow, Johnson, Youngblood, Wintrow

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

AGENCY

PRESENTATION: **Contract Construction Right-of-Way Acquisition**

LSO STAFF

PRESENTATION: **Christine Otto, Analyst, Legislative Services Office (LSO)**

CARRIED:

Original Motion:

Moved by Rep. Kauffman for the Idaho Transportation Department, Contract Construction and Right-of-Way Acquisition Division, beginning with the FY 2020 Base, add \$8,737,400 for TECM revenue increases and \$50,242,400 for excess revenue and receipts. The totals for this motion for FY 2020 are \$141,709,000 from dedicated funds and \$304,522,700 from federal funds for a grand total of \$446,231,700.

DISCUSSION:

This motion is an overall increase of 3.4% and all line items align with the Governor's recommendation.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 4 Grow, Johnson, Youngblood, Wintrow

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

CONSENT:

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

SECTION_. CONTINUOUSLY APPROPRIATED MONEYS. 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_. REAPPROPRIATION 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 2019 to be used for nonrecurring expenditures for the Contract Construction and Right-of-Way Acquisition Division for the period July 1, 2019, through June 30, 2020.

SECTION_. BOND PAYMENT AUTHORIZATION. The federal GARVEE bond payment for fiscal year 2020 is approximately \$63,100,000. 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 2020. See [Presentation](#) and [Audio](#).

AGENCY OFFICE OF THE GOVERNOR
PRESENTATION: PERSI

LSO STAFF
PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED: Original Motion
Moved by **Rep. Toone** for the Public Employee Retirement System, beginning with the FY 2020 Base, an increase of \$12,000 for benefit costs, an increase of \$162,500 for replacement items, a reduction of \$500 for statewide cost allocation, and an increase of \$136,000 for change in employee compensation. Also included are the following line items: \$325,000 for an Oracle Database Upgrade; \$35,000 for software to automate PERSI's annual financial report; \$50,000 to equip an Onsite Training Center; \$137,200 for Annual Software Licensing; 1.00 FTP and \$144,600 for an Investment Officer; and \$6,100 for the Governor's Technology Initiative 1 - Network Equipment Replacement. The totals for this motion for FY 2020 are 69.00 FTP and \$8,796,900 from dedicated funds, seconded by **Rep. Anderson**.

DISCUSSION: The amount provided for Change in Employee Compensation includes an additional \$1,600 over the Governor's recommendation for the 3% upward shift in the compensation scale to bring employees up to the new minimum of their pay grade. Replacement items include computers, monitors, laptops, networking hardware, scanners, printers, and VOIP phone equipment.

AYES: 16
Bair, Lee, Agenbroad, Crabtree, Burtenshaw, Ward-Engelking, Woodward, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

CONSENT: Requested by **Rep. Toone** the following standard intent language was adopted:
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. See [Presentation](#) and [Audio](#).

AGENCY

PRESENTATION: State Controller

LSO STAFF

PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Rep. Anderson** for the State Controller, beginning with the FY 2020 Base, an increase of \$35,600 for benefit costs, an increase of \$52,400 for replacement items, a reduction of \$37,900 for statewide cost allocation, an increase of \$6,200 for a salary annualization for the State Controller, and an increase of \$224,400 for change in employee compensation. The totals for this motion for FY 2020 are 95.00 FTP, \$11,032,200 from the General Fund, and \$8,005,900 from dedicated funds, for a grand total of \$19,038,100, seconded by **Sen. Agenbroad**

DISCUSSION:

Replacement items include 24 laptop computers and 28 flat screen monitors in accordance with the State Controller's 3-year replacement cycle for IT equipment. The \$8,100 included for the Governor's technology initiative is not included in the Controller's budget but is being provided to the Office of Information Technology Services as a direct appropriation.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

CONSENT:

Requested by **Rep. Anderson** the following intent language was adopted:

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 __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the State Controller from the Data Processing Services Fund for fiscal year 2019, in an amount not to exceed \$2,500,000 from the Data Processing Services Fund, to be used for nonrecurring expenditures related to the Computer Service Center for the period July 1, 2019, through June 30, 2020.

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

AGENCY

PRESENTATION: State Liquor Division

LSO STAFF

PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Rep. (Maurin) Troy** for the State Liquor Division, beginning with the FY 2020 Base, an increase of \$18,400 for benefit costs, an increase of \$96,400 for inflationary adjustments, an increase of \$408,800 for replacement items, an increase of \$31,500 for statewide cost allocation, and an increase of \$293,700 for change in employee compensation. Also included are the following line items: \$761,700 to relocate or remodel nine stores; 7.00 FTP and \$121,600 to convert temporary positions to seven full-time classified positions; 4.00 FTP and \$173,300 to hire four new warehouse employees; \$30,000 for warehouse pallet jacks, and \$15,600 for the Governor's Technology Initiative 1 to replace the state's network equipment. The totals for this motion for FY 2020 are 240.00 FTP and \$22,377,400 from dedicated funds, seconded by **Sen. Lee**.

DISCUSSION:

Inflationary adjustments include increases for utilities, maintenance costs, and lease rates for the state's liquor stores. Onetime replacement items include warehouse equipment, central office IT equipment, store equipment and repairs, and data back-up.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

AGENCY

PRESENTATION: Secretary of State

LSO STAFF

PRESENTATION: Maggie Smith, Analyst, Legislative Services Office (LSO)

CARRIED:

Original Motion

Moved by **Sen. Crabtree** for the Secretary of State, beginning with the FY 2020 Base, an increase of \$8,500 for benefit costs, a reduction of \$23,800 for statewide cost allocation, an increase of \$6,200 for a salary annualization for the Secretary of State, and an increase of \$51,800 for change in employee compensation. Also included are the following line items: 1.00 FTP and \$98,600 for a Cybersecurity Policy Analyst; \$25,000 for marketing of new online resources; \$40,000 for Publishing the Idaho Blue Book; \$12,700 for Conference Costs of the Commission on Uniform State Laws; and \$2,000,000 onetime to reimburse counties for costs related to the 2020 Presidential Primary as required by Section 34-738, Idaho Code. The totals for this motion for FY 2020 are 30.00 FTP and \$5,681,400 from the General Fund, seconded by **Rep. Anderson**.

AYES: 16

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

NAYS: 0

ABSENT/EXCUSED: 2 Grow, Johnson, Youngblood, Wintrow

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

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 9:10 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary