

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 07, 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.

STATE TAX COMMISSION

LSO STAFF PRESENTATION: **Keith Bybee, Deputy Division Manager**, stated the State Tax Commission is the state's revenue collection agency. It is organized into five budgeted programs: General Services, Audit, Collections, Revenue Operations and Property Tax. Funding for the commission is 85% General Fund, 10% Administrative Services and 5% Multi-State Tax Compact fund. Mr. Bybee continued the department requested six line items: improve field office security, batch monitoring services, additional processing staff, taxpayer services positions IT help desk, additional auditors, commissioner CEC. Gov Tech 1 and Gov Tech 3 was in the Governor's recommendation.

MOTION: **Original Motion**
State Tax Commission
Appropriation
Moved by **Sen. Johnson**, seconded by **Rep. Anderson** for the State Tax Commission, beginning with the FY 2020 Base, an increase of \$92,500 for benefit costs, an increase of \$44,300 for inflationary adjustments, an increase of \$211,300 for replacement items, an increase of \$297,400 for statewide cost allocation, an increase of 0.75 FTP and \$39,400 for annualizations, and an increase of \$846,700 for change in employee compensation. Also included are the following line items: \$115,000 for Line item 1. \$81,500 for Line item 2. 2.00 FTP and \$107,400 for Line item 3. 1.00 FTP and \$35,500 for Line item 4. 2.00 FTP and \$124,000 from Line item 6. \$14,400 for Line item 7. \$42,000 for Gov Tech 1. Finally, reducing 17.00 FTP and \$228,000 for Gov Tech 3. The totals for this motion for FY 2020 are 448.00 FTP, \$37,183,200 from the General Fund, \$7,951,300 from dedicated funds, and \$8,000 from federal funds for a grand total of \$45,142,500.

DISCUSSION: **Sen. Johnson** stated this motion is a 3.2% increase from the FY 2019 original appropriation. It includes a reduction of \$1,535,900 in personnel costs, and 17.00 FTP and an increase of \$1,307,900 in operating expenditures for a net reduction of \$228,000 for the Governor's initiative on IT consolidation. It also includes the Commission's dedicated fund share of the cost to replace the state's core network equipment. Also included in this motion are replacement items and inflationary adjustments as recommended by the Governor. Finally, this motion includes five line items requested by the agency, and the amount required to increase the commissioner's salary to \$102,049 annually, which is the equivalent of a 3% increase.

CARRIED: **Ayes: 19**
Bair, Johnson, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nayes: 0

Ab/Ex: 1

Lee

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 so ordered by **Chairman Youngblood**.

UNANIMOUS CONSENT: On request by **Sen. Johnson**, granted by unanimous consent, to introduce, as a separate section of the State Tax Commission's FY 2020 original appropriation bill, amendments to **Section 63-102, Idaho Code**, as follows, to increase the salaries of the State Tax Commissioners, with a do-pass recommendation.

INTENT LANGUAGE:

Tax Intent Language

Section 3. 63-102. Organization -- Chairman -- Compensation -- Quorum -- Hearings. (1) A member of the state tax commission shall be appointed by the governor, to serve at his pleasure, as chairman. Each member of the state tax commission shall devote full time to the performance of duties. Commencing on July 1, 20189, the annual salary for members of the state tax commission shall be one hundred two thousand forty-nine dollars (\$102,049). (2) A majority of the state tax commission shall constitute a quorum for the transaction of business. The state tax commission may delegate to any member of the commission or to its employees, the power to make investigations and hold hearings at any place it may deem proper, and such other matters as will facilitate the operations of the commission. (3) The chairman of the state tax commission shall delegate to each commissioner the responsibility for policy management and oversight of one (1) or more of the taxes collected and/or activities supervised or administered by the commission. The state tax commission shall perform the duties imposed upon it by law and shall adopt all rules by majority decision. In any case in which the state tax commission sits as an appellate body upon an appeal from a tax decision from one (1) of the various administrative units subject to its supervision, the state tax commissioner charged with responsibility for policy management and oversight of the tax in controversy shall not vote upon the appeal but may advise the remaining members of the commission on the technical aspects of the problems before them. (4) The chairman shall be the chief executive officer and administrative head of the state tax commission and shall be responsible for, or may assign responsibility for, all personnel, budgetary and/or fiscal matters of the state tax commission.

**UNANIMOUS
CONSENT:**

On request by **Sen. Johnson**, granted by unanimous consent, to include reappropriation authority for moving costs appropriated last year as follows.

Section 4. REAPPROPRIATION AUTHORITY FOR MOVING EXPENSES. There is hereby reappropriated to the State Tax Commission any unexpended and unencumbered balances appropriated or reappropriated to the State Tax Commission from the General Fund for moving expenses for fiscal year 2019, in an amount not to exceed \$2,000,000 from the General Fund, to be used for nonrecurring expenditures related to moving for the period July 1, 2019, through June 30, 2020.

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

DEPARTMENT OF COMMERCE

**LSO STAFF
PRESENTATION:**

Keith Bybee, Deputy Division Manager, stated the Department of Commerce is dedicated to aiding in the creation of jobs, generating economic growth and creating economic opportunities. Funding for the Department of Commerce comes from the General Fund which also provides grants. There were no line item requests. There were three Gov Tech requests.

MOTION:

Original Motion
Department of Commerce

Appropriation

Moved by **Rep. Syme**, seconded by **Sen. Johnson** for the Department of Commerce, beginning with the FY 2020 Base, an increase of \$7,700 for benefit costs, an increase of \$27,900 for statewide cost allocation, and an increase of \$96,600 for change in employee compensation. Also included are the following line items: \$1,000 for Gov Tech 1. \$3,800 for Gov Tech 2. \$20,100 for Gov Tech 4.. The totals for this motion for FY 2020 are 43.00 FTP, \$5,901,000 from the General Fund, \$20,238,200 from dedicated funds, and \$16,279,800 from federal funds for a grand total of \$42,419,000.

DISCUSSION:

Rep. Amador invoked Rule 38 stating a possible conflict of interest.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lee

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 so ordered by **Chairman Youngblood**.

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

DEPARTMENT OF LABOR

LSO STAFF PRESENTATION:

Keith Bybee, Deputy Division Manager, stated the Department of Labor's main function is to administer Unemployment Compensation (UC). The UC program is a federal-state partnership based upon federal law, but administered by state employees under state law. This program is almost totally funded by employer taxes, either federal or state. The Title III of the Social Security Act (SSA) provides for payments from the Federal Unemployment Tax Act (FUTA) to the states to meet the necessary costs of administering the UC programs in the state. The department is funded mostly through federal grants and some dedicated funds. The Department of Labor requested one line item and had one Gov Tech request.

MOTION:

Original Motion **Department of Labor**

Appropriation

Moved by **Rep. Troy**, seconded by **Sen. Johnson** for the Department of Labor, beginning with the FY 2020 Base, an increase of \$78,400 for benefit costs, an increase of \$298,000 for replacement items, an decrease of \$41,600 for statewide cost allocation, and an increase of \$1,209,400 for change in employee compensation. Also included are the following line items: \$426,000 for Additional Information Technology. \$4,323,500 for a JOBCorps Pilot Project. \$20,000 for an Idaho Rural Partnership Summit. And, \$45,200 for GOV TECH 1 which is the Department's share to replace the core state network. The totals for this motion for FY 2020 are 681.58 FTP, \$369,600 from the General Fund, \$17,481,100 from dedicated funds, and \$75,698,200 from federal funds for a grand total of \$93,815,900.

DISCUSSION:

Rep. Troy stated this motion is a 6.3% increase over the FY 2019 appropriation. It includes replacement items as recommended by the Governor with the exception of replacement vehicles which are not part of this motion, and the JFAC recommendation for benefit costs, Statewide Cost Allocation, and change in employee compensation. This motion includes line item 1 for \$426,000 to purchase a Cloud Access Storage Broker for \$150,000, Storage Area Network (SAN), or block based storage, for \$126,000, and a Visual Threat Analysis Program for \$150,000. It includes \$4,323,500 for the state of Idaho to assume control of the JOBCorps program as a pilot project. There is intent language in a subsequent request for the joint committee to receive a plan and an update on participation. Included, there is an additional line item of \$20,000 from the General Fund which will be passed through to the Idaho Rural Partnership for strategic planning. The goal is for the Department of Labor to host a summit for strategic planning that will evaluate the best methods for providing services to rural Idaho.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lee

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 so ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request, by **Rep. Troy**, granted by unanimous consent, to include the JOBCorps Pilot Project language as follows.

**INTENT
LANGUAGE:**

Section 3. JOBCORPS PILOT PROJECT. The Department of Labor shall submit a report on July 1, 2019, to the Joint Finance- Appropriations Committee regarding the plan for implementing the JOBCorps Pilot Project. Further, the department shall provide a presentation of the JOBCorps Pilot Project detailing the number of students enrolled and providing any updates to the report required herein at the 2019 fall meeting of the Joint Finance-Appropriations Committee. No moneys from the General Fund shall be used for the implementation of the pilot project.

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

**OFFICE OF THE GOVERNOR
Workforce Development Council**

**LSO STAFF
PRESENTATION:**

Keith Bybee, Deputy Division Manager, stated the Workforce Development Council was created under the Office of the Governor through **H 432** of 2018. The requirements, goals, and objectives of the Workforce Development Council included: 1) increase public awareness of and access to career education and training opportunities, 2) improve the effectiveness, quality, and coordination of programs and services designed to maintain a highly skilled workforce, 3) provide for the most efficient use of federal, state, and local workforce development resources, 4) fulfill the requirements of the State Workforce investment Board as set forth in the Workforce Opportunity and Innovation Act, and 5) develop and oversee procedures, criteria, and performance measures for the Workforce Development Training Fund. There were no line item requests.

MOTION:

**Original Motion
Workforce Development Council**

Appropriation

Moved by **Rep. Syme**, seconded by **Sen. Johnson** for the Workforce Development Council beginning with the FY 2020 Base, an increase of \$1,200 for benefit costs, and an increase of \$12,600 for change in employee compensation. Also included are the following line items: \$500 for Gov Tech 1. \$2,000 for Gov Tech 2. \$2,700 for Gov Tech 4. The totals for this motion for FY 2020 are 5.00 FTP, \$8,426,700 from dedicated funds, and \$145,400 from federal funds for a grand total of \$8,572,100.

DISCUSSION:

Rep. Syme invoked Rule 38 stating a possible conflict of interest.

CARRIED:

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Lee and Troy

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 so ordered by **Chairman Youngblood**.

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

SELF-GOVERNING AGENCIES
Idaho Historical Society

LSO STAFF
PRESENTATION:

Jill Randolph, Budget & Policy Analyst, stated the Idaho State Historical Society is a system of cultural and historic resources composed of the Idaho State Museum, Idaho State Archives, State Historic Preservation Office, and Historic Sites Program. The agency requested six line items and the Governor included three of the Gov Tech initiatives.

MOTION:

Original Motion
Idaho Historical Society

Appropriation

Moved by **Rep. Wintrow**, seconded by **Sen. Ward-Engelking** for the Idaho State Historical Society, beginning with the FY 2020 Base, an increase of \$3,900 for benefit costs, an increase of \$106,800 for replacement items, a decrease of \$14,800 for statewide cost allocation, and an increase of \$94,400 for change in employee compensation. Also included are the following line items: line item #3 for 1.00 FTP and \$52,600 for a museum maintenance craftsman; line item #4 for 1.00 FTP and \$70,100 for a museum educator; line item #5 for \$48,000 for security and fire vulnerability assessment; \$1,500 for GOV TECH 1 network equipment replacement; \$300 for GOV TECH 2 mobile device security; and \$200 for GOV TECH 4, Office of Information Technology Services billings. The totals for this motion for FY 2020 are 57.00 FTP, \$4,084,400 from the General Fund, \$1,926,700 from dedicated funds, and \$1,606,100 from federal funds, for a grand total of \$7,617,200.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lee

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 so ordered by **Chairman Youngblood**.

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

OFFICE OF THE GOVERNOR
Commission on the Arts

LSO STAFF
PRESENTATION:

Jill Randolph, Budget & Policy Analyst, stated the Commission on the Arts seeks to stimulate and encourage the study and presentation of the arts, and public interest and participation. The Commission on the Arts did request one line item in the amount of \$25,000 for enhancement of grant funds.

MOTION:

Original Motion
Commission on the Arts

Appropriation

Moved by **Rep. Horman**, seconded by **Sen. Nye** for the Commission on the Arts, beginning with the FY 2020 Base, an increase of \$2,600 for benefit costs, an increase of \$1,500 for statewide cost allocation, and an increase of \$19,400 for change in employee compensation. Also included are the following line items: \$25,000 from the General Fund for the enhancement of grant funds; \$900 for GOV TECH 1 Network Equipment Replacement; and \$6,900 for GOV TECH 4, Office of Information Technology Services billings. The totals for this motion for FY 2020 are 10.00 FTP, \$884,700 from the General Fund, \$107,200 from dedicated funds, and \$1,085,600 from federal funds, for a grand total of \$2,077,500

DISCUSSION:

Rep. Horman stated Gov Tech 1 and Gov Tech 2 will be funded at the full amount recommended by the Governor through a direct appropriation from the Technology Infrastructure Stabilization Fund to the Office of Information Technology Services.

CARRIED:

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Lee

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 so ordered by **Chairman Youngblood**.

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

TECHNICAL CORRECTIONS

**LSO STAFF
PRESENTATION:**

Rob Sepich, Budget & Policy Analyst, stated for FY 2020 there was an appropriation of \$1.5 million cash transfer from the Water Pollution Control Fund to The Environmental Remediation (Triumph Mine) Fund. The agency is requesting \$340,000 in one time funds.

MOTION:

Original Motion
FY 2020 Budget Reconsideration

Moved by **Sen. Ward-Engelking**, seconded by **Rep. Toone** to reopen the fiscal year 2020 budget for the Department of Environmental Quality for reconsideration.

CARRIED:

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Lee and Horman

The majority having voted in the affirmative, the motion has passed. There being no objection, it was so ordered by **Chairman Youngblood**.

MOTION:

Original Motion
Department of Environmental Quality

Appropriation

Moved by **Sen. Ward-Engelking**, seconded by **Rep. Toone** for fiscal year 2020, for the Department of Environmental Quality in the Waste Management and Remediation Program, an additional \$54,500 for personnel costs and \$285,500 for operating expenditures, for a total of \$340,000 onetime from the Environmental Remediation (Triumph Mine) Fund.

CARRIED:

Ayes: 18

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

Nays: 0

Ab/Ex: 2

Lee and Horman

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 so ordered by **Chairman Youngblood**.

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 8:45 am.

Representative Youngblood
Chair

Donna Warnock
Secretary