



# Finance-Appropriations Workgroup

## Non-Cognizable Funding

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# Presentation Topics

1. Adjustments to Fixed Budgets
2. The Non-Cognizable Statute /Process
3. Non-Cognizable Expenditures
4. Recent CARES Act Non-Cogs



# Appropriations are Fixed Budgets

## §67-3516, Idaho Code

However, spending can be adjusted through certain limited actions authorized in statute:

1. Object and program transfers §67-3511(1, 2, 3)
2. Receipts to appropriation from sale of assets §67-3516(2)
3. Governor – temp. reduction in spending authority (“holdback”) §67-3512A
4. Board of Examiner reduction of appropriation §67-3512
5. Encumbrances §67-3521
6. Non-cognizable funding §67-3516(2)



# §67-3516(2), Idaho Code

## TITLE 67

### STATE GOVERNMENT AND STATE AFFAIRS

#### CHAPTER 35

#### STATE BUDGET

67-3516. APPROPRIATION ACTS DEEMED FIXED BUDGETS – RATE OF EXPENDITURE. (1) Appropriation acts when passed by the legislature of the state of Idaho, and spending authority made thereunder, whether the appropriation is fixed or continuing, are fixed budgets beyond which state officers, departments, bureaus and institutions may not expend.

(2) Funds available to any agency from sources other than state funds, if not cognizable at the time when appropriations were made whether state fiscal liability is increased or not, must have prior approval of the administrator of the division of financial management and the board of examiners in order that funds may be expended, except those funds received under such conditions that preclude approval by the administrator of the division and/or the board of examiners.



# §67-3516(2), Idaho Code

## Three-Part Test to Spend Non-Cog Funding:

1. Availability of Non-State Funds
    - Federal
    - Private
  2. Not Known at Time of Appropriations
  3. Approval from:
    - Division of Financial Management
    - Approval of the Board of Examiners
- Attorney General Clarified this Three-Part Test
    - 1992 Legal Guidance
    - Definition of Non-State Funds
    - “Therefore, to meet the first prong of this test, the agency must establish that the equitable and legal title to the funds did not rest with the state.”



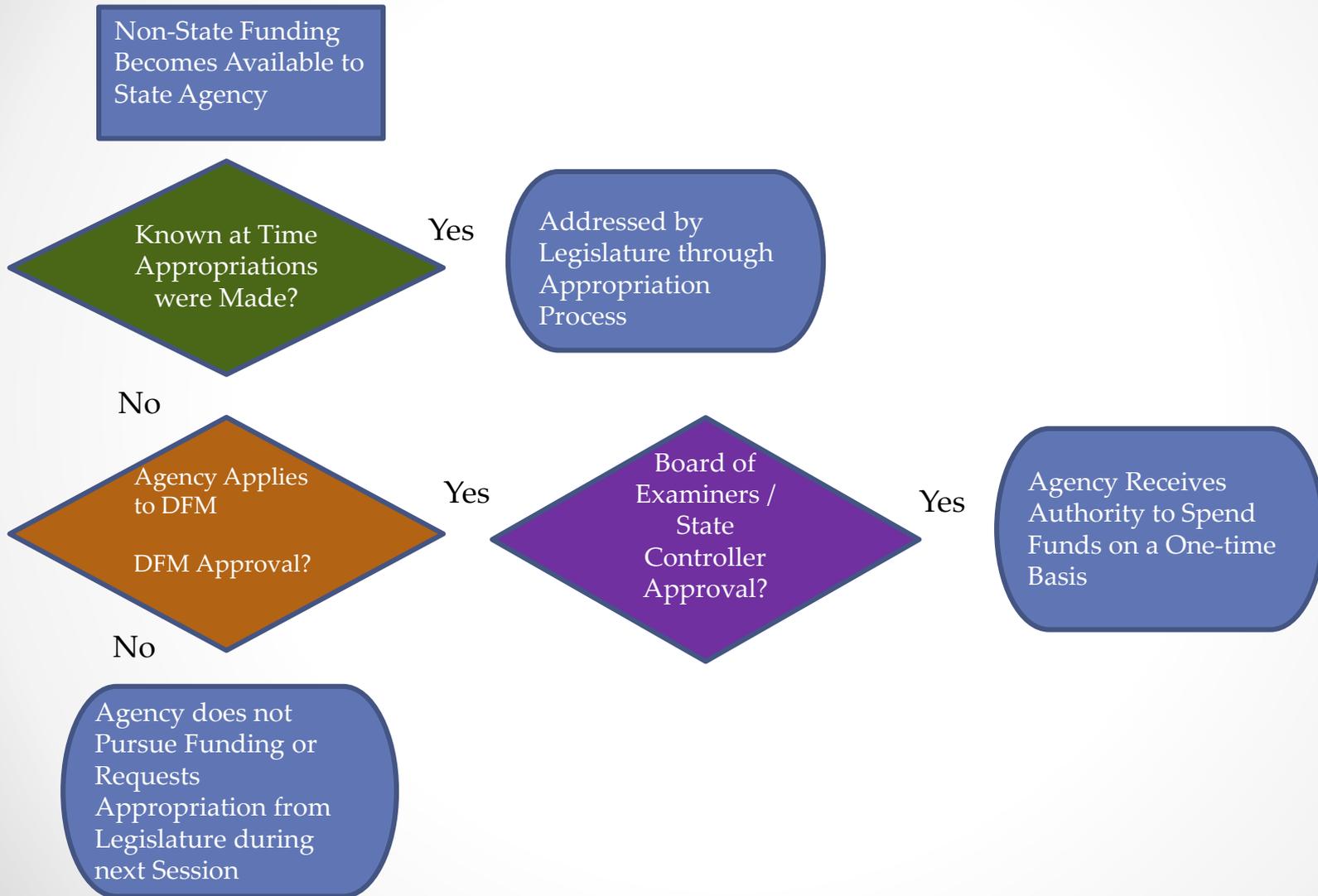
# §67-3516(2), Idaho Code

## Two-Part Approval:

1. Administrator of Division of Financial Management
  - Application from Agency
  
2. Board of Examiners
  - Delegated this Approval on August 20, 2013, to the State Controller's, Division of Statewide Accounting



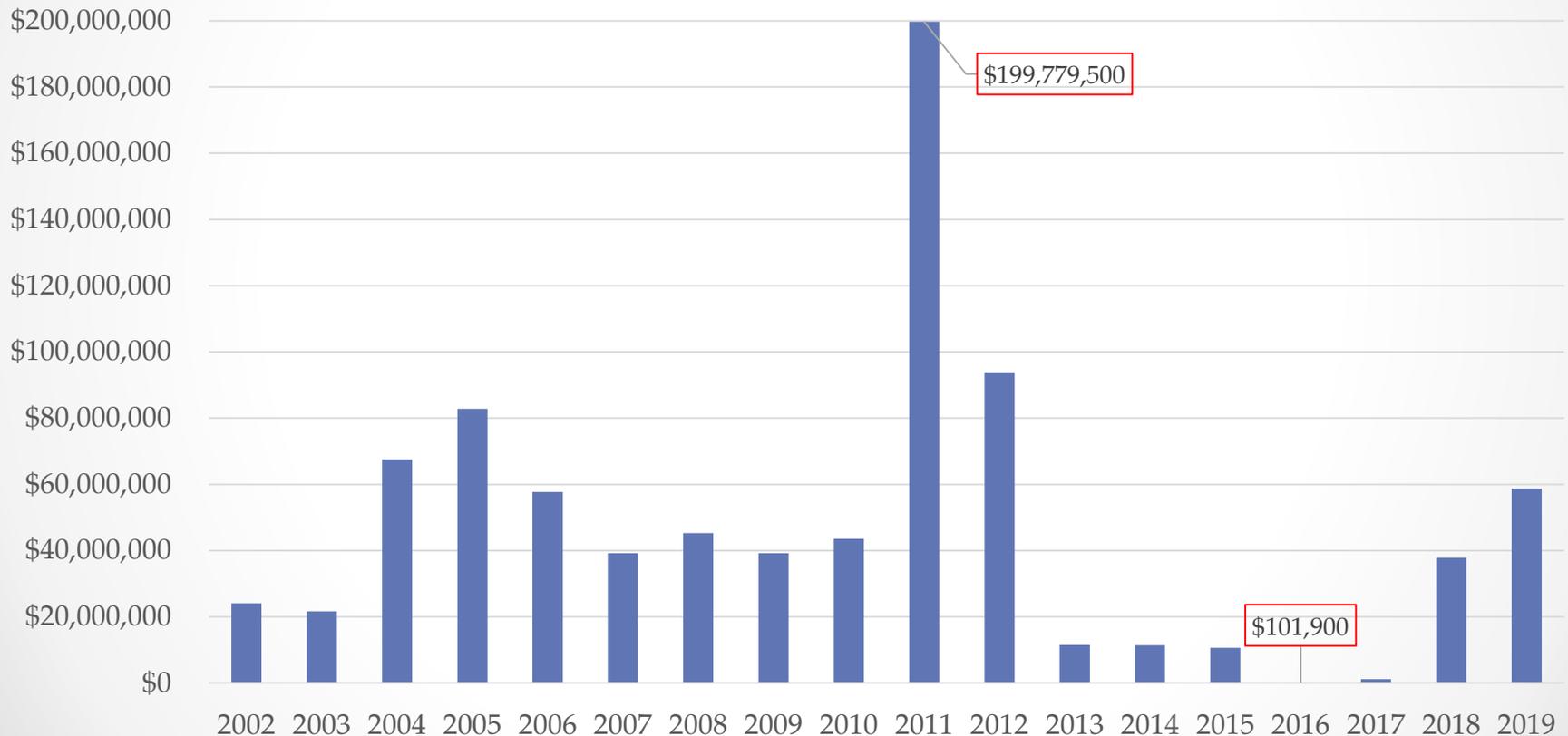
# Steps in the Non-Cognizable Process



# Non-Cog Expenditures

## FY 2002 - FY 2019 DFM Approved Non-Cog Expenditures

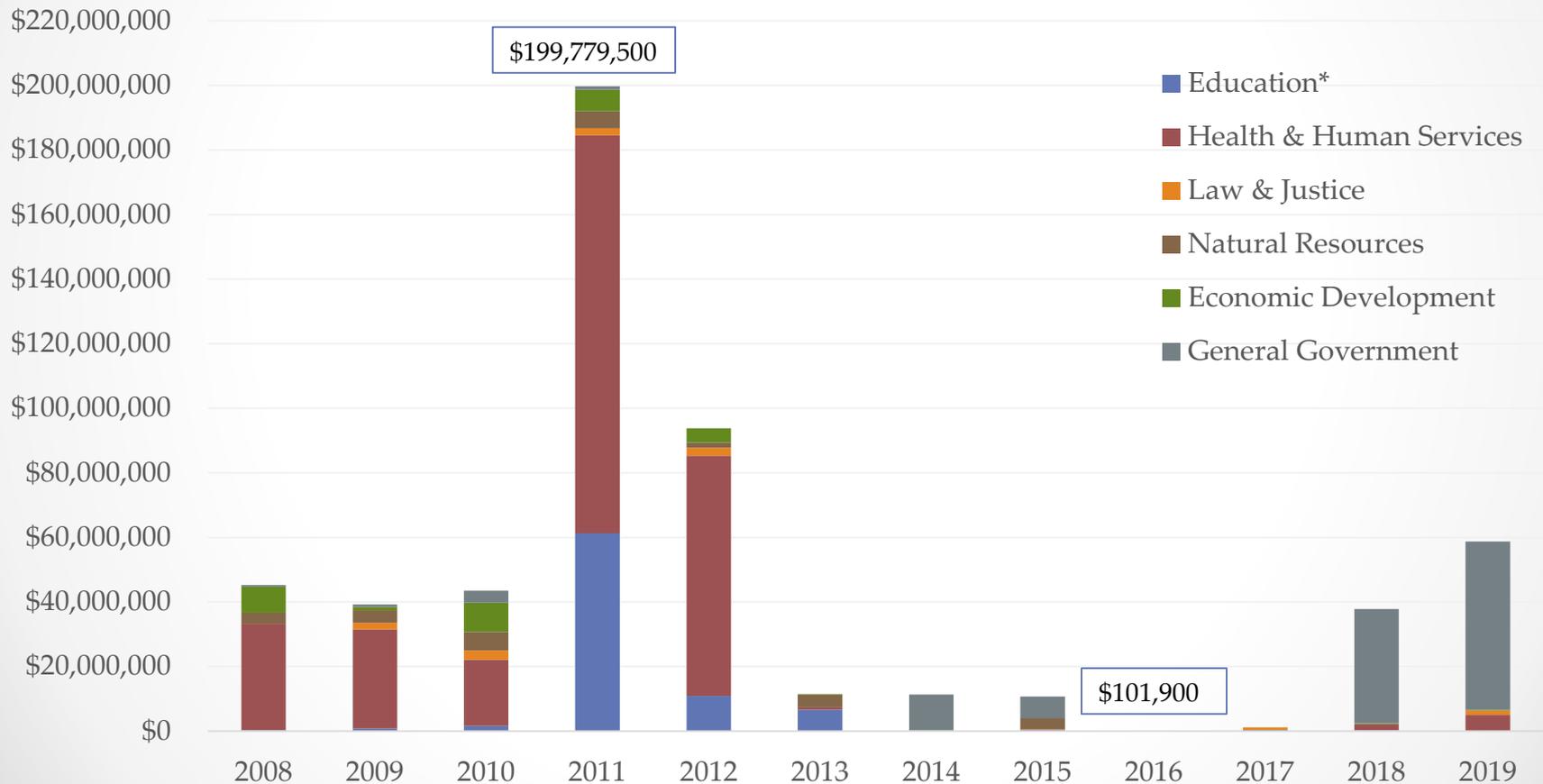
\*Excludes Tuition Changes for Colleges & Universities



# Non-Cog Expenditures

## FY 2008 - FY 2019 Non-Cog Expenditures, By Functional Area

\*Excludes Tuition Changes for Colleges & Universities



# FY 2020 Non-Cog Information

## FY 2020 Non-Cog Approvals, Reversions, Encumbrances, & Expenditures

	Non-Cog Amount	Encumbrances	Reversions	Actual Expenditures
Education Total *	\$124,827,000	\$0	\$99,498,000	\$25,329,000
Health & Human Services Total **	\$81,583,200	\$0	\$0	\$81,583,200
Law & Justice Total	\$295,500	\$0	\$243,900	\$51,600
Natural Resources Total	\$0	\$0	\$0	\$0
Economic Development Total	\$29,611,000	\$9,000	\$26,260,200	\$3,341,800
General Government Total	\$1,597,428,500	\$38,492,100	\$1,489,946,000	\$68,990,400
<b>STATEWIDE TOTALS **</b>	\$1,833,745,200	\$38,501,100	\$1,615,948,100	\$179,296,000
Statewide Totals as a % of the Non-Cog Amount		2%	88%	10%

\* Excludes tuition changes for the colleges and universities.

\*\* Data is subject to change when budgets are submitted by the Department of Health and Welfare and the Public Health Districts. Data is not accounted for at the fund detail level in the State Controller's accounting system, but rather data is provided at the "bucket" or combined fund level.



# CARES Act Funding (P.L. 116-136)

- Division A, Title V, Includes \$1.25 Billion in the Coronavirus Relief Fund (CRF)
  - Governor created the Coronavirus Financial Advisory Committee (CFAC)
  - Allocations to date:
    - State Level, \$658 million
    - Local/Tribal, \$282 million
    - Small Business Economic Support, \$310 million



# CARES Act Funding (P.L. 116-136)

Funding Available to Idaho (State, Local, Tribal) in Other Divisions and Titles of the Act include:

- \$125 million from the US Department of Education
- \$102 million from US Health & Human Services
- \$105 million from US Department of Transportation

Additional funding comes from various federal agencies including the Department of Labor, Housing and Urban Development, the Justice Department, and USDA

*Source:* Federal Funds Information for States (FFIS) Spreadsheet, July 21, 2020.



# Questions

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