

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Monday, January 20, 2020

**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, Rabbled, Same, Troy, Windrow, Tone

**ABSENT/ EXCUSED:** Representative(s) Amador

**CONVENED:** **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.

**AGENCY PRESENTATION:** **STATE BOARD OF EDUCATION (SBOE), Debbie Critchfield, President**

**Mrs. Critchfield** provided an overview of highlights and concerns related to education in the state. When combined with the 2 percent General Fund reduction, higher education is faced with serious budget strains. Four-year institutions will need maximum flexibility within their budgets to minimize the impact on students and employees. Mrs. Critchfield reviewed opportunities and programs for active military and veterans, addressed credit transfer challenges with a common numbering system, and spoke to the high cost of textbooks and possible solutions. The state was awarded for its student success initiatives and has initiated strategies designed to improve graduation rates and reduce achievement gaps.

Currently, promising changes are coming to the Public Charter School Commission. A board working group has been formed to study the current state of Career-Technical Education (CTE) and make recommendations to strengthen programs under Idaho's new CTE administrator, Clay Long. The SBOE will begin reviewing high school graduation requirements to better prepare graduates for life after high school. The SBOE will also set student trajectory growth to proficiency benchmarks, including the alignment of benchmarks with new statewide reading assessments.

SBOE is requesting and reviewing reports from institutions on teacher preparation programs. The SBOE had worked with a private sector consulting firm to identify areas for potential system optimization and efficiencies at Idaho's higher education institutions pursuant to an FY19 line item. In response to the committee's concerns with the cost of tuition and fees, the 2 percent funding reduction, loss of personnel and support that may add to student debt, and other challenges, **Ms. Critchfield** addressed the need for a sustained funding model for higher education. See [Audio](#).

**PRESENTATION:** **PRESIDENTS LEADERSHIP COUNCIL, Kevin Satterlee, President, Idaho State University; Dr. Marlene Tromp, President, Boise State University; C. Scott Green, President, University of Idaho; Dr. Cynthia Pemberton, President, Lewis-Clark State College**

Speaking on behalf of the Council, **Kevin Satterlee** spoke of a new era of cooperation between a cadre of new presidents, all hired within the past 20 months. All four-year institutions will freeze tuition and fees for in-state undergraduates for the next school year. A new philosophy and unified vision will better lead Idaho. This vision creates an environment where higher education works together, efficiently, for the public good, to prepare an educated workforce. Idaho has the eighth lowest resident tuition rate in the nation.

The Council introduced a synergized degree in cybersecurity, a statewide collaboration effort. Other topics discussed include new programs, the Enrollment Workload Adjustment (EWA), Idaho's Opportunity Scholarship, the Permanent Building Fund, and the need for occupancy assistance. See [Audio](#) and [Presentation](#).

**AGENCY** UNIVERSITY OF IDAHO, COLLEGES AND UNIVERSITIES, STATE  
**PRESENTATION:** BOARD OF EDUCATION, C. Scott Green, President  
Janet Jessup, Senior Budget & Policy Analyst, LSO

The University (UI) is one of five programs within the Division of College and Universities. The legislature appropriates from the General Fund and dedicated funds, which include endowment funds and revenue from tuition and fees.

**President Green** stated that UI is addressing its financial challenges and developing a plan to eliminate a projected \$22 million shortfall by FY 2022. Since 80 percent of the budget is people, permanent reductions will result in layoffs and program closures. Through achievement of financial stability, the UI can concentrate on strategic areas that support student success, teaching, discovery, and service. Nearly one-third of UI students are first generation college students, and 72 percent are from Idaho. Scholarships are critical in helping students with college costs. UI, along with its diverse educational centers and research and extension offices across the state, intends to maintain its accessibility gateway for Idaho citizens. The university has an annual economic impact of more than \$1.1 billion, a return from a direct general education investment of nearly \$90 million. All UI students conduct research or complete internships or coops. The Extension team is preparing youth in innovative fields of study through 4-H and STEM education programs. President Green summarized the university's national awards and recognitions, research projects, programs, and partnerships with industry.

Performance Measures: **President Green** had no comment on Performance Measures.

FY 2020 Line Items: The legislature funded one line item for UI: \$887,800 for occupancy costs. Mid-year adjustments included a reappropriation, a rescission not yet taken up by committee, and a noncognizable fund transfer due to tuition revenue being lower than anticipated.

FY 2021 Line Items: Five line items include occupancy costs (the new Radio-TV Center and 6th Street Greenhouse), faculty promotions, personnel cost fund shift, an ongoing decrease for rent at the Idaho Law and Justice Learning Center, and cybersecurity program (affecting UI, ISU, and BSU).

In response to committee questions, **President Green** discussed the university's cost-benefit analysis, which includes a review of operations, processes, options in the state's health care plan, and program viability. He also reiterated the benefits of higher education and UI's product. President Green and **Ms. Jessup** spoke to the reductions in people and programs and the impact on students, the state of the university's foundation, and the flexibility to transfer funds within budgets. See [Audio](#) and [Presentation](#).

**AGENCY** **AGRICULTURAL RESEARCH & EXTENSION SERVICE, Michael**  
**PRESENTATION:** **Parrella, Dean, College of Agricultural & Life Sciences, University of Idaho**  
**Janet Jessup, Senior Budget & Policy Analyst, LSO**

The University of Idaho College of Agricultural of Life Sciences has a land grant mandated, three-pronged mission: education, research, and extension, which serves as the research and development engine for Idaho's agricultural enterprise and accounts for 18 percent of the state's total economic output. The education component is funded through the UI's portion of the College and Universities general education appropriation. The research and extension components are funded via specific appropriation to the Agricultural Research and Extension Service. The budget includes general funds.

**Dean Parrella** discussed research with a consistent theme related to water and the important role it plays in agriculture and the environment, including partnerships with food processors in the Magic Valley. Soil samples were collected for soil and water quality research at a site that will house the nation's largest research dairy located near Rupert. In 2019, information and training disseminated through extension offices counted over 440,000 Idaho contacts and reached 73,000 youth through Idaho 4-H as well as a farming programs for veterans. Additional hires have enabled UI to expand critical research and educational programs.

Performance Measures: Extension services continue to make progress. No audit findings were reported.

FY 2019 Actual Expenditures: A net transfer from personnel costs to capital outlay and reverted appropriation from dedicated funds was removed last session as a base reduction and will not appear in the future.

**Dean Parrella** responded to committee questions about funding transfers. Positions are vacated, providing a salary savings that the university can use elsewhere, but salaries need to be competitive. The university needs to go after funding, modernize facilities, and develop programs. Some facilities are outdated and antiquated. Updated facilities are needed to attract quality faculty. The state needs to invest as the university cannot do it alone.

FY 2020 Original Appropriation: The legislature funded three line items: one 4-H Extension educator, staff support, and occupancy costs. The governor has recommended a onetime General Fund reduction of 1 percent, which will be taken from personnel costs.

FY 2021 Program Maintenance: In benefit costs, the governor's revised recommendation is a \$166,900 reduction. Line items include requests for occupancy funding for multiple completed projects. The governor's recommended 2 percent ongoing General Fund reduction is \$647,300. In response to a question about the Parma facility, **Dean Parrella** commented on the need for an investment in new facilities with private-public partnerships.

FY 2021 Total Appropriation: The Agricultural Research & Extension Service requested a total appropriation of \$33,696,500, a 3.6 percent increase. The governor recommended \$32,243,500, a 0.9% decrease. See [Audio](#) and [Presentation](#).

**AGENCY** WASHINGTON-IDAHO-MONTANA-UTAH (WIMU) VETERINARY  
**PRESENTATION:** EDUCATION, Health Education Programs, Michael Parrella, Dean, College of Agricultural & Life Sciences, University of Idaho  
Janet Jessup, Senior Budget & Policy Analyst, LSO

The WIMU Veterinary Education Program, administered through the UI, is housed within the Health Education Programs budget. WIMU provides access to veterinary medical education through a cooperative agreement between the University of Idaho and Washington State University. The legislature appropriates nearly 98 percent from the General Fund with the remainder in dedicated funds. The WIMU program reserves 44 Idaho student positions, 11 students per class. The state benefits from the WIMU program as six to seven new veterinaries take positions within Idaho each year. WIMU students have the opportunity to work in internships, which encourages students to work in food and animal medicine and teaching efforts related to sheep.

FY 2019 Actual Expenditures: WIMU transferred funding from personnel costs to operating expenditures and capital outlay.

FY 2020 Appropriation: WIMU's budget did not contain line items. The Health Education programs were exempt from the 1 percent rescission.

FY 2021 Line Items: No line items. In benefit costs, the governor recommended a decrease of \$2,700, \$5,400 for general inflation, and \$41,000 contract cost escalation with Washington State University College of Veterinary Medicine related to increased tuition costs. Current year statewide adjustments recommended by the governor include the 2 percent ongoing General Fund reduction.

FY 2021 Total Appropriation: The governor provided a revised recommendation for the WIMU Veterinary Education program for \$2,205,500, a 2 percent increase on the General Fund. See [Audio](#) and [Presentation](#).

**AGENCY** WWAMI MEDICAL EDUCATION, Dr. Jeff Seegmiller, Program Director,  
**PRESENTATION:** Health Education Programs, University of Idaho  
Janet Jessup, Senior Budget & Policy Analyst, LSO

The WWAMI (Washington, Wyoming, Alaska, Montana, Idaho) Medical Education Program is based at the UI. WWAMI provides Idaho students the opportunity to attend medical school through a cooperative agreement with the University of Washington. The legislature appropriates 100 percent of the WWAMI budget from the General Fund. The need to expand residency opportunities in Idaho is essential.

In answer to Committee questions about increasing the number of students going into the program, incremental seats have been added over the years. Idaho ranks 49th in the number of medical professionals per capita.

FY 2019 Actual Expenditures: WWAMI transferred \$107,300 from operating expenses to trustee and benefits.

FY 2020 Appropriation: The legislature funded \$215,000 onetime funds for Project ECHO through WWAMI.

FY 2021 Total Appropriation: The governor's revised recommendation for the WWAMI Medical Education program is \$6,680,400, a decrease of 2.2 percent from the General Fund. See [Audio](#) and [Presentation](#).

**AGENCY PRESENTATION: FOREST UTILIZATION RESEARCH (FUR), UNIVERSITY OF IDAHO SPECIAL PROGRAMS, Dr. Dennis Becker, Dean, College of Natural Resources, Janet Jessup, Senior Budget & Policy Analyst, LSO**

The Forest Utilization Research (FUR) program, housed at the University of Idaho (UI), conducts research and analyzes policy to increase the health and productivity of Idaho's forests and rangelands. Funding categories are general, dedicated, and federal. Idaho's natural resources contribute an estimated \$8 million to the state's economy, almost 10 percent of GDP.

2019 Actual Expenditures: \$350,100 was transferred from personnel costs to operating expenses and capital outlay.

FY 2020 Line Items: The governor recommended a decrease of \$14,400 for the FUR program as a onetime 1 percent General Fund reduction. The entirety of this reduction is in personnel costs.

FY 2021 Line Items: In benefit costs, the governor included a recommended revised decrease of \$7,200. The governor did not recommend an inflationary adjustment for FUR for \$4,700, and there were no line items for this program. Of the total 2 percent ongoing reduction for Special Programs, \$28,700 is attributable to FUR.

FY 2021 Total Appropriation: The governor's revised recommendation for the FUR program is \$1,421,000, a 1.1 percent decrease. See [Audio](#) and [Presentation](#).

**AGENCY PRESENTATION: GEOLOGICAL SURVEY, UNIVERSITY OF IDAHO SPECIAL PROGRAMS, Claudio Berti, Director, Idaho Geologic Survey Janet Jessup, Senior Budget & Policy Analyst, LSO**

The Idaho Geological Survey (IGS) collects, analyzes, and disseminates geologic and mineral-based asset data for the state of Idaho. IGS is headquartered at the UI in Moscow, Idaho, with an office in Boise.

FY 2019 Actual Expenditures: The agency transferred funding from personnel costs to operating expenses and capital outlay.

FY 2020 Line Items: No line items were related to IGS. The onetime 1 percent General Fund reduction of \$11,200 will come from operating expenses.

FY 2021: Base adjustments include a \$6,300 decrease. The governor did not include an inflationary adjustment in his recommendation. See [Audio](#) and [Presentation](#).

**ADJOURN:** There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 11:01 a.m.

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Representative Youngblood  
Chair

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Jenny Miller  
Secretary