

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Friday, January 31, 2020  
**TIME:** 8:00 A.M.  
**PLACE:** Room C310  
**MEMBERS PRESENT:** Senators Co-chairman Bair, Johnson, 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:** Senator Lee, Representative Horman  
**CONVENED:** **Chairman Bair** called the Joint Finance-Appropriations Committee (JFAC) (Committee) to order at 8:00 a.m.

**AGENCY PRESENTATION:** **IDAHO DEPARTMENT OF TRANSPORTATION, (ITD); Brian Ness, Director**  
**Christine Otto, Senior Budget & Policy Analyst, LSO**  
The Idaho Transportation Department has four divisions and six budgeted programs: (1) Transportation Services, which consists of Administration, Capital Facilities, and Aeronautics; (2) Motor Vehicles; (3) Highway Operations; and (4) Contract Construction and Right-of-Way Acquisition. ITD currently employs 1,648.00 FTPs with 87 vacancies, or approximately 5 percent. ITD strives to improve safety, mobility, and economic opportunity.  
Performance Measures: **Director Ness** reviewed specific measures and projects accomplished in 2019. He highlighted the condition of roads and bridges, snow removal, the five-year fatality rate, and increase in traffic across the state. **Director Ness** answered questions from the Committee.

**AGENCY PRESENTATION:** **TRANSPORTATION SERVICES DIVISION (ITSD); Brian Ness, Director**  
**Christine Otto, Senior Budget & Policy Analyst, LSO**  
The Transportation Services Division includes the following three programs: (1) Administration develops long-range budgetary plans; develops legislation and operates information systems; provides employee services, financial services, and facilities management; and coordinates research activities. (2) Capital Facilities administers the design, building, and maintenance of department facilities. (3) Aeronautics assists Idaho municipalities in developing their airports and operates the state's air fleet.  
FY 2019 Actual Expenditures: **Ms. Otto** reviewed FY 2019 expenditures, transfers, reversions, and the current year appropriation.  
Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation.

FY 2020: The Legislature funded nine line items for FY 2020: These included (1) an increase to the Idaho Airport Aid Program; (2) video conferencing equipment; (3) statewide capital facility needs; (4) material lab testing facility; (5) additional data storage; (6) software licenses; (7) network access security; (8) information technology service management, and technology consolidation and modernization. **Director Ness** reported the progress on these projects. The legislature also reappropriated \$1,428,600. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction.

FY 2021: IDTS requested four line items, all of which were recommended by the Governor: (1) an object transfer from operating expenditures to personnel costs to hire a program manager in the aeronautics division; (2) a one-time appropriation to increase the amount of available funding for the Idaho Airport Aid Program, (3) onetime operating expenditures from the State Highway Fund to interface current systems maintained by the department with the new State Controller's statewide system, Luma, and (4) cloud security updates.

FY 2021 Total Appropriation: IDTS requested a total appropriation of \$38,809,600, a 4.7 percent reduction. The governor recommended \$38,453,200, a 5.6 percent reduction.

**Director Ness**, and **David Hahn**, Department of Financial Management, Office of the Governor, answered questions from the committee. See [Audio](#) and [Presentation](#).

**AGENCY  
PRESENTATION:**

**DIVISION OF MOTOR VEHICLES (DMV); Brian Ness, Director  
Christine Otto, Senior Budget & Policy Analyst, LSO**

The Division of Motor Vehicles (DMV) manages driver's licenses, vehicle registrations, license plates, and vehicle titles. This division also works to meet the needs and expectations of motor vehicle customers and the county sheriffs and assessors who work as the department's agents.

The legislature appropriated \$37.6 million for FY 2019: **Ms. Otto** detailed net object transfers and reversions.

Comparative Summary: The outline illustrates a side-by-side analysis of the DMV's FY 2021 request and the governor's recommendation. For FY 2021 the governor recommended an appropriation of \$38, 277,000, a 1.3 percent increase.

FY 2020: The Legislature funded two line items for FY 2020: These included (1) \$8,800 for DMV county equipment; and (2) \$45,600 for Department of Corrections to issue ID Cards. The DMV also requests a one-time appropriation to implement an insurance compliance program. This program was recommended by the governor with minor adjustments. Current year standard statewide adjustments recommended by governor include the sick leave rate reduction. **Director Ness** discussed progress on the FY 2020 line items and answered questions from the Committee.

FY 2021: The DMV requested inflationary adjustments, replacement items and annualizations which were recommended by the governor. The DMV requested one line item of \$265,800, with an ongoing appropriation of \$62,600 and a onetime appropriation of \$203,200, from the State Highway (dedicated) Fund to acquire equipment in the county driver licensing and motor vehicle offices, including equipment for a new county driver's license office in Ada County. **Director Ness** answered questions from the Committee.

FY 2021 Total Appropriation: The DMV requested a total appropriation of \$38,738,700, a 2.5 percent increase. The governor recommended \$38,277,300, a 1.3 percent increase. See [Audio](#) and [Presentation](#).

**AGENCY  
PRESENTATION:**

**DIVISION OF HIGHWAY OPERATIONS (Division); Brian Ness, Director  
Christine Otto, Senior Budget & Policy Analyst, LSO**

The Highway Operations Division performs statewide highway maintenance functions and directs highway improvements; administers federal-aid safety improvement projects and safety tasks; protects highways from oversize, overweight, and dangerous usage; manages federal transit grant programs and encourages coordinated transportation services; develops projects to improve state and local highway systems to save lives; and coordinates transportation research efforts.

The legislature appropriated \$194,166,500 for FY 2019: **Ms. Otto** detailed net object transfers and reversions.

FY 2020: The Legislature funded five line items for FY 2020: These included (1) \$2,343,200 for highway operations equipment; (2) \$750,000 for data analytics software; (3) \$1,255,000 for GIS integration initiative; (4) \$582,900 for FAST Act increases; and (5) \$1,416,000 for federal grants received for public transportation. Director Ness detailed and discussed progress on these items. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction and 1 percent onetime General Fund reduction. The Division requested restoration of the sick leave rate reduction, inflationary adjustments, and replacement items, all of which were recommended by the governor.

FY 2021: The Division requested restoration of the sick leave rate reduction, inflationary adjustments, and replacement items, all of which were recommended by the governor. The Division requested six time items for 2021: (1) Highway operations equipment, (2) replacement of its Intelligent Transportation System, a new grant management software application, (3) a Geographic Information Systems Linear Referencing System, funding from the State Highway (Federal) Fund in trustee and benefit payments for federal grants awarded by Federal Transit Administration (FTA), (4) National Highway Traffic Association (NHTSA), and (5) Federal Highway Administration (FHWA) payments to Gateway Visitor Centers operated by the Department of Commerce. All of these line items were recommended by the governor.

FY 2020 Total Appropriation: The Division requested a total appropriation of \$219,803,500, an 8.3 percent increase. The governor recommended \$217,552,100, a 7.2 percent increase. **Director Ness** answered questions from the Committee. See [Audio](#) and [Presentation](#).

**AGENCY  
PRESENTATION:**

**CONTRACT CONSTRUCTION & RIGHT-OF-WAY ACQUISITION  
(Contract Division), Brian Ness, Director  
Christine Otto, Senior Budget & Policy Analyst, LSO**

The Contract Construction and Right-of-Way Acquisition Division monitors and repairs roads, bridges and all construction projects that go through the Department of Transportation. Its funding comes wholly from dedicated and federal funds.

2019: The Contract Division received a total appropriation of \$947,410,200. **Ms. Otto** detailed reversions and net transfers between programs.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommended an appropriation of \$44,907,000, a 10.1 percent increase.

FY 2020: The Contract Division requested two line items for FY 2020: (1) \$8,737,400 for an expected revenue increase to the Transportation Expansion and Congestion Mitigation Fund; and (2) \$50,242,400 for excess revenue and receipts. The Contract Division also requested reappropriation its unencumbered and unexpended balance from FY 2019 and interest accrued from the Strategic Initiatives Program. The governor recommended these requests. The Strategic Initiatives Program request has not yet be heard.

FY 2021: The Contract Division requested \$95,688,000 for additional capital outlay to align its appropriation with additional revenue received above forecast from for FY 2019 and legislative intent language for budget law exemptions. These requests were recommended by the governor with modification.

FY 2021 Total Appropriation: The Contract Division requested a total appropriation of \$488,082,100, a 9.4 percent increase. The governor recommended \$491,138,700, a 10.1 percent increase. See [Audio](#) and [Presentation](#).

**AGENCY**

**PRESENTATION:**

**DEPARTMENT OF LANDS (IDL); Dustin Miller, Director  
Rob Sepich, Senior Budget & Policy Analyst, LSO**

IDL manages over 2.4 million acres of state endowment trust land and 3.3 million acres of endowment mineral under a Constitutional mandate to maximize long-term financial returns to a number of state institutions, mainly public schools. Earnings come from a variety of sources, including timber sales and leasing of land for various purposes.

IDL derives 10.5 percent of its funding from General Funds, 11.5 from federal; and 78 percent from dedicated funds. IDL employs 323.82 FTPs with 22.8 positions currently vacant. IDL also employs 250 seasonal workers. IDL requests an increase of 4 FTP in their FY 2021 request.

Performance Measures: **Director Miller** reviewed specific measures and projects accomplished in 2019 and answered questions from the Committee.

2019 Actual Expenditures: **Mr. Sepich** detailed net object transfers and reversions, and he answered questions from the Committee.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. For FY 2021 the governor recommended an appropriation of \$64,234,600, a one percent increase on the General Fund.

FY 2020: The Legislature funded eight line items for FY 2020: These included (1) 1.00 FTP and \$83,900 to hire a right-of-way agent; (2) 1.00 FTP and \$86,600 for an IT systems coordinator; (3) \$391,600 for two tree cooler buildings; (4) 0.67 FTP and \$32,400 for staff at the eastern area office; (5) \$26,200 for a 3% CEC and inflationary adjustment for the Clearwater-Potlatch and Southern Idaho Timber Protective Associations; (6) \$357,000 to address the fiscal impact of H44, or the Forest Practices Act of 2019; (7) \$20 million for statewide range and forest firefighting costs; and (8) \$23,600 for technology consolidation and modernization. **Director Miller** reported on the status of each. IDL also received reappropriation of 500,000 in accordance with H233 (2019). Current year standard statewide adjustments recommended by governor included the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: IDL requested inflationary adjustments and replacement items which were recommended by the governor. IDL also requested six line items for (1) Forest Asset Management Plan increases, (2) Good Neighbor Authority increases, (3) Public Trust Program enhancement; (4) one FTP for an IT business analyst, (5) one FTP to hire an individual for cross-training and educational opportunities for succession planning, and (6) increased annual software license maintenance. The governor recommended an additional \$2 million in operating expenditures from federal funds and \$250,000 from the General Fund to expand the Good Neighbor Authority in Idaho. **Director Miller** and **Matthew Reiber**, Division of Financial Management, Office of the Governor, discussed the line item requests and answered questions from the Committee.

Statewide adjustments recommended by governor include benefit costs, statewide cost allocation, CEC, and 2 percent ongoing General Fund reduction. **Mr. Sepich** elaborated on the 2 percent General Fund reduction.

FY 2020 Total Appropriation: IDL requested a total appropriation of \$64,618,300, a 7.2 percent increase. The governor recommended \$64,234,600, a 6.6 percent increase. See [Audio](#), [Presentation](#), and [Information](#).

**AGENCY  
PRESENTATION:**

**ENDOWMENT FUND INVESTMENT BOARD, Chris Anton, Manager of Investments;  
Rob Sepich, Senior Budget & Policy Analyst, LSO**

The Endowment Fund Investment Board (EFIB) is responsible for managing the investments of the land grant endowment funds, the State Insurance Fund, and other moneys as required by law. Other moneys as required by law include Ritter Island and Trail of the Coeur d'Alenes for the Idaho Department of Parks and Recreation, investments for the Kellogg institutional controls program for the Idaho Department of Environmental Quality, and two wildlife habitat endowments for the Idaho Department of Fish and Game.

The state's endowment assets are governed by the State Board of Land Commissioner, a five-member board consisting of the Governor, Secretary of State, Attorney General, State Controller, and Superintendent of Public Instruction. Endowment lands are managed by IDL, and the financial assets are managed by the EFIB. The EFIB employs four FTPs, and all positions are filled.

Performance Measures: **Mr. Anton** reviewed specific measures and projects accomplished in 2019. **Mr. Sepich** reviewed a profile of EFIB's key services.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. For FY 2021 the governor recommended an appropriation of \$753,600, a 1.1 percent increase overall.

FY 2020: The Legislature funded one line item for FY 2020, which included \$5,100 for technology consolidation and modernization. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction, removal of onetime expenditures, restoring ongoing rescissions, and the 1 percent onetime General Fund reduction.

FY 2021: Statewide adjustments recommended by governor included benefit costs, statewide cost allocation, CEC, and 2 percent ongoing General Fund reduction.

FY 2021 Total Appropriation: EFIB requested a total appropriation of \$758,600, a 1.8 percent increase. The governor recommended \$753,600, a 1.1 percent increase. See [Audio](#) and [Presentation](#).

**ADJOURNED:** There being no further business to come before the Committee, **Chairman Bair** adjourned the meeting at 10:27 a.m.

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Senator Bair  
Chair

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Elaine Leedy  
Secretary