

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 12, 2020

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, 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 Agenbroad

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

AGENCY PRESENTATION: **MILLENNIUM FUND RECOMMENDATIONS (Committee), Representative Fred Wood and Senator Patti Ann Lodge, Co-Chairs**
Representative Wood reported that on February 3, 2020, the committee met with 10 members present. The Committee voted to recommend the governor's FY 2021 budget recommendation of \$18,510,200 to the Millennium Fund. The governor's recommendation included continued funding for Project Filter, the Public Health District's tobacco compliance checks, staff for the attorney general and investment fees for the state treasurer. The governor's recommendation also included funding for Medicaid administration, traditional Medicaid and Medicaid expansion.

MOTION: Moved by **Senator Johnson** to accept the Millennium Fund Committee's report; seconded by **Representative Anderson**. The motion passed by **voice vote**. See [Audio](#) and [Presentation](#).

GERMANE COMMITTEE CHAIRMAN REPORTS

PRESENTATION: HOUSE HEALTH & WELFARE COMMITTEE (House H&W), Representative Fred Wood, Chair
Representative Wood reported that **Director David Jeppesen** of the Department of Health and Welfare (Department) presented to House H&W on February 11, 2020. After discussion and deliberation, the House H&W agreed to support the Department's budget request, and to support its priorities.

In addition, House H&W recommended the following JFAC support:

- (1) Child and adolescent programs which have proven efficacy. Our youth are experiencing much more stress, anxiety and temptation from birth through their formative years than previous generations.
- (2) Head Start programs. Head Start currently has a waiting list of 2,100 children.
- (3) Governor Little's effort to coordinate all three branches of government to review Idaho's past performance with behavioral health expenditures and treatment efforts.
- (4) Additional funding for community recovery centers which is a proven program in multiple states.

House H&W also encourages support for Alzheimer efforts in Idaho.

Representative Wood answered questions from the Committee. See [Audio](#).

PRESENTATION: SENATE HEALTH & WELFARE COMMITTEE (Senate H&W)), Senator Fred Martin, Chair

Senator Wood concurred with the recommendations of the House Health & Welfare Committee. In addition, Senate H&W recommends the following JFAC support:

- (1) Medicaid funding, with offsets; and the report of the Millennium Fund.
- (2) Telehealth, which has been good for Idaho. Amendments will be introduced this year.
- (3) Funding for the Department of Health & Welfare Suicide Hotline improvements.
- (4) H 351, value-based payments for Medicaid. H 351 has passed the House.
- (5) Governor Little's effort to coordinate all three branches of government in reviewing Idaho's past performance with behavioral health expenditures and treatment efforts.

Senate H&W also suggests caution, and recommends that no major changes be made to the catastrophic health programs. See [Audio](#).

PRESENTATION: SENATE EDUCATION COMMITTEE, Dean Mortimer, Chair

Each of nine committee members were asked to list his/her top priority for education. The results were:

- (1) K-3 Literacy, 8 votes;
- (2) Career Ladder and teacher compensation, 6 votes;
- (3) Social and emotional training, 4 votes;
- (4) Teacher health care, 3 votes
- (5) Public education stabilization fund restoration of \$31.5 million, 2 votes
- (6) Mastery based learning, higher education, and bond level equalization, each with 1 vote.

Senator Mortimer read comments from each member. See [Audio](#).

PRESENTATION: HOUSE EDUCATION COMMITTEE, Representative Lance Clow

Representative Clow discussed four priorities he sees for Education:

- (1) Funding of K-12 health insurance needs to ensure schools enjoy equitable budget protection as do other agencies.
- (2) The Career Ladder is not a salary schedule, but rather an appropriations schedule, and to some extent, reflects classroom experience. The legislature needs to continue investing in educators and to reward those who excel. Master education premium applications did not adequately reflect the number of veteran teachers who perform at high levels, and the legislature needs to reconsider how to compensate them.
- (3) The legislature needs to consider why a supplemental appropriation is needed. The impact of the Wayfair decision has brought in \$6 million per month to the state. **Representative Clow** believes the Public Education Stabilization Fund should hold first place for distribution of those funds over other agencies and supplementals.
- (4) **Representative Clow** requested that JFAC be cautious in its use of intent language that drifts into policy. Education policy should be determined by the House and Senate Education Committees. Cuts to higher education need to be surgical, not general, and left to decisions at the institutional level.

Representative Clow answered questions from the Committee. See [Audio](#).

PRESENTATION: SENATE JUDICIARY AND RULES COMMITTEE, Senator Todd Lakey

Senator Lakey outlined the priorities of the Senate Judiciary and Rules Committee (Senate Jud & Rules) and recommended JFAC support:

- (1) Change in Employee Compensation (CEC) for judges Whatever JFAC appropriates for CEC needs also to apply to judges. Recruitment efforts for magistrate judges has improved, but the pool of qualified candidates for district court judges is smaller, and compensation is a factor in recruitment.
- (2) Additional judges: One additional judge in Sandpoint, and two in Coeur d'Alene.
- (3) Prisons: Idaho's prison population continues to contain 70 to 75 percent of those who have failed on probation or parole. Community centers or community connection centers provide immediate and effective accountability, treatment and intervention. Other possible assistance lies in employment, transportation, and housing, especially during the first 30 to 60 days.
- (4) Transfer Out-of-State Idaho prisoners from Texas to Colorado: The Colorado facility has been more beneficial and has better programs than Texas.

Senator Lakey answered questions from the Committee. See [Audio](#).

PRESENTATION: HOUSE JUDICIARY RULES AND ADMINISTRATION, Representative Greg Chaney

Representative Chaney outlined priorities of the House Judiciary Rules and Administration (House Jud & Rules) and recommended JFAC support::

- (1) Attorney General's program on Internet Crimes Against Children which bridges local, state and federal jurisdictional issues in the investigation of child pornography and sex crimes against children.
- (2) Juvenile corrections.
- (3) CEC equivalent compensation adjustments for the judiciary.
- (4) Two additional magistrates and one district judge in North Idaho.
- (5) Reentry centers to strengthen the efficacy in an inmate's transition from prison

to independence.

(6) Idaho based correctional beds to eventually bring our inmates home.

Representative Chaney answered questions from the Committee. See [Audio](#).

PRESENTATION: HOUSE RESOURCES & CONSERVATION COMMITTEE (House Resources), Representative Mark Gibbs

Representative Gibbs reported on House Resources focus areas:

(1) The House of Representatives passed **H 382** which initiated upcoming adjudication of the Bear River Basin. In FY 2020, the legislature appropriated \$22 million for the Anderson Ranch Dam and the Mountain Home Project. These appropriations show Idaho's commitment to water development. The legislature also funded the mid-Snake River water quality study, and House Resources would like that program to continue.

(2) House Resources suggested the need for additional recharge sites, particularly in spring.

(3) Cloud seeding efforts have been ongoing by Idaho Power, and Idaho has joined in that effort; however it is falling short of its financial commitment. Additional opportunities for cloud seeding include the south side of the Snake River, the Mud Lake drainage area, and the upper Bear River.

(4) Flood management continues as an important focus.

In summary, successful water development, whether increasing supply, reservoir capacity, cloud seeding, and flood management, will all contribute to Idaho's water success.

Representative Gibbs answered questions from the Committee. See [Audio](#).

ACTION ON STATEWIDE BUDGET DECISIONS, Paul Headlee, Divison Manager, Budget and Policy, Legislative Services Office
[Audio](#), [Presentation](#), and [Motions](#).

Governor's and EORAC's Recommendation to Increase FY 2020 General Fund Revenue 6.1% above the FY 2019 Actual Collections of \$3,734,605,700

UNANIMOUS CONSENT:

Requested by **Representative Anderson**, granted by unanimous consent, the agency budgets for FY 2020, were reopened.

MOTION:

Moved by **Representative Raybould** for FY 2020 that the Joint Finance-Appropriations Committee adopt the Governor's and the Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of \$3,961,256,600 for setting state agency budgets; seconded by **Representative Kauffman**.

CARRIED:

AYES: 19

Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;

Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 1

Representative Amador

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

FY 2021 General Fund Revenue for Budget-Setting; Paul Headlee, Division Manager, Budget and Policy, Legislative Services Office

- MOTION:** Original Motion
Moved by **Senator Grow** for FY 2021 that the Joint Finance-Appropriations Committee adopt the Economic Outlook & Revenue Assessment Committee's(EORAC) General Fund revenue projection of \$4,125,547,100 for setting state agency budgets; seconded by **Senator Johnson**.
- DISCUSSION:** **Senator Grow** noted that the difference between the EORAC and the governor's recommendations was less than one percent. Given the extensive work done by the EORAC, **Senator Grow** recommended the EORAC's decision.
- SUBSTITUTE MOTION:** **Substitute Motion**
Moved by **Senator Nye** for FY 2021 that the Joint Finance- Appropriations Committee adopt DFM's baseline General Fund revenue projection of \$4,148,572,400, for setting state agency budgets; seconded by **Representative Wintrow**.
- DISCUSSION:** **Senator Nye** stated he believed the revenue projections are above the 4.7 percent level.
- VOTE ON SUBSTITUTION MOTION:** **AYES: 4**
Senators Ward-Engelking, Nye; Representatives Wintrow, Toone
NAYS: 15
Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward
Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould
ABSENT/EXCUSED: 1
Representative Amador
- FAILED:** The majority having failed to vote in the affirmative, the motion has died.
- VOTE ON ORIGINAL MOTION:** **AYES: 19**
Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;
Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.
NAYS: 0
ABSENT/EXCUSED: 1
Representative Amador
- CARRIED:** The majority, having voted in the affirmative, the motion passed, and without objection, will carry a DO PASS recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.
Represented Anderson offered comments on the sick leave fund.

JFAC STATEWIDE DECISIONS FOR FY 2020

Paul Headlee, Divison Manager, Budget and Policy, Legislative Services Office

UNANIMOUS CONSENT:

Requested by **Representative Anderson**, granted by unanimous consent, the FY 2020 budgets for the agencies and institutions listed on pages 15–26 of the JFAC Statewide Decision report dated February 12, 2020, were reopened.

MOTION:

Moved by **Representative Anderson** for FY 2020 benefits, to adopt the Governor's revised recommendation to remove funding equivalent to reducing the sick leave rate from 0.65 percent to 0.0 percent for the final 11 pay periods of FY 2020. This includes \$1,661,500 from the General Fund, \$1,200,100 from dedicated funds, and \$513,500 from federal funds, for a total reduction of \$3,375,100, all onetime; seconded by **Senator Ward-Engelking**.

AYES: 18

Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;

Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 2

Senator Lee, Representative Amador

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

FY 2020 ONETIME 1 PERCENT RESCISSION, PAGES 22-26, JFAC STATEWIDE DECISION REPORT DATED FEBRUARY 12, 2020

Paul Headlee, Divison Manager, Budget and Policy, Legislative Services Office

MOTION:

Moved by **Representative Kauffman** for FY 2020, to adopt the Governor's recommendation for a 1 percent onetime General Fund rescission for state agencies. This is a reduction of \$19,109,100 from the General Fund; seconded by **Senator Crabtree**.

DISCUSSION:

Mr. Headlee answered questions from the Committee.

CARRIED:

AYES: 18

Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;

Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, and Toone.

NAYS: 1

Representative Wintrow

ABSENT/EXCUSED: 2

Senator Lee, Representative Amador

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

**VARIABLE BENEFITS, PAGE 27, JFAC STATEWIDE DECISION
REPORT DATED FEBRUARY 12, 2020**

**Paul Headlee, Divison Manager, Budget and Policy, Legislative Services
Office**

MOTION: Moved by **Representative Anderson** to adopt the Governor's and the Change in Employee Compensation Committee's FY 2021 recommendation to maintain the current appropriated amount for health insurance per eligible full-time FTP at \$11,650, and include the Governor's revised recommendation to reduce funding equivalent to reducing the sick leave rate from 0.65 percent to 0.0 percent , other variable rate changes, and fund shifts by agency, which result in decreases of \$4,646,800 from the General Fund, \$2,934,700 from dedicated funds, and \$1,713,300 from federal funds, for a total decrease of \$9,294,800; seconded by **Senator Ward-Engelking**.

CARRIED: **AYES: 18**
Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;
Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 2

Senator Lee, Representative Amador

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

**STATEWIDE COST ALLOCATION (SWCAP), PAGE 28, JFAC
STATEWIDE DECISION REPORT DATED FEBRUARY 12, 2020**

**Paul Headlee, Divison Manager, Budget and Policy, Legislative Services
Office**

MOTION: Moved by **Representative Youngblood** to include the Governor's FY 2021 recommendation adjusting Attorney General fees, State Controller fees, State Treasurer fees, and risk management costs, for an increase of \$762,300 from the General Fund, \$255,000 from dedicated funds, and \$156,400 from federal funds, for a total of \$1,173,700; seconded by **Representative Kauffman**.

CARRIED: **AYES: 18**
Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;
Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 2

Senator Lee, Representative Amador

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

**CHANGE IN EMPLOYEE COMPENSATION (CEC), Pages 29-32, JFAC STATEWIDE DECISION REPORT DATED FEBRUARY 12, 2020
Paul Headlee, Divison Manager, Budget and Policy, Legislative Services Office**

MOTION:

Moved by Representative Anderson move for FY 2021, to include the Governor's and the CEC Committee's recommendation to provide funding for the equivalent of a 2 percent merit-based salary increase for permanent employees of state agencies, institutions, and the Idaho Bureau of Education Services for the Deaf and the Blind. Include the Governor's and the CEC Committee's recommendation to move the compensation schedule upwards by 3 percent at the minimum, policy, and maximum pay rates in all pay grades and the Governor's recommended fund shifts. The exception to the change is that the minimum wage would remain at \$7.25 per hour in pay grade D.

Also, notwithstanding Section 67-5309, Idaho Code, or any law to the contrary, include a 2 percent across-the-board increase for permanent state employees in the 20 job classifications identified by the Division of Human Resources as most in need of equity adjustments. The totals for these adjustments include \$14,881,000 from the General Fund, \$10,758,800 from dedicated funds, and \$4,652,600 from federal funds for a total of \$30,292,400; seconded by **Senator Ward-Engelking**.

CARRIED:

AYES: 18

Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;

Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 2

Senator Lee, Representative Amador

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

2 PERCENT BASE SALARY INCREASE FOR CLASSIFIED STAFF & ADMINISTRATORS IN PUBLIC SCHOOLS, Page 33; JFAC STATEWIDE DECISION REPORT DATED FEBRUARY 12, 2020

Paul Headlee, Divison Manager, Budget and Policy, Legislative Services Office

MOTION:

Moved by **Representative Kauffman** for FY 2021, the Governor's recommendation for a 2 percent pay increase for Public Schools classified employees and administrators in the amount of \$5,127,200; seconded by **Senator Ward-Engelking**.

CARRIED:

AYES: 18

Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;

Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 2

Senator Lee, Representative Amador

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

**NONDISCRETIONARY ADJUSTMENTS, PAGES 34 & 35, JFAC
STATEWIDE DECISION REPORT DATED FEBRUARY 12, 2020
Paul Headlee, Divison Manager, Budget and Policy, Legislative Services
Office**

MOTION: Moved by **Representative Youngblood** for FY 2021, the Governor's nondiscretionary adjustments for Public Schools, enrollment workload adjustment for College and Universities and Community Colleges, and caseload, utilization, and federal match rate adjustments for the Department of Health & Welfare and Medicaid Division for an increase of \$83,875,300 from the General Fund, \$2,806,000 from dedicated funds, and \$51,200,900 from federal funds for a total of \$137,882,200; seconded by **Senator Burtenshaw**.

CARRIED: **AYES: 18**
Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Woodward, Ward-Engelking, and Nye;
Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Raybould, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 2

Senator Lee, Representative Amador

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

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

Senator Bair
Chair

Elaine Leedy
Secretary