

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 27, 2021
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Morales(Green), Nash.
ABSENT/ EXCUSED: None
CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.
AGENCY PRESENTATION: **OFFICE OF THE STATE BOARD OF EDUCATION, Matt Freeman, Executive Director. Janet Jessup, LSO Analyst.**

The Office of the State Board of Education (OSBE) provides professional staff support to the State Board of Education. OSBE is responsible for the general supervision, governance, and control of Idaho's public education system from kindergarten through the doctoral level, including oversight of public schools, colleges and universities, and community colleges. The board is composed of eight members, seven of whom are appointed to five-year terms by the Governor and are subject to Senate confirmation. The eighth member is the Superintendent of Public Instruction.

Mr. Freeman pointed to the hard and good work all the staff members provided for the best interest of students.

Ms. Jessup introduced the historical summary, OSBE is comprised of three distinct programs, one of which was added in FY 2022 budget anticipates the creation of a 4th distinct program for 0566. For FY 2021 it has been proposed to join also the Office of School Safety and Security programs.

The summary shows an increase in the appropriation and in the FTPs for the Office of the State Board of Education that is associated with programs added in FY2021 and FY 2022.

For the performance measures, **Mr. Freeman** highlighted how high schools continue to make progress in graduating students for college and remedial education in math and language arts. The four-year institutions are 3 % points better than the target, while our community colleges are just 2 % points higher than the target, and a 4 % point improvement over last year.

Regarding the education readiness measure, which is the number of high school graduates who enroll in a post-secondary institution within 12 months of graduation, the college rate was 53% after graduation up to 2019, then it dropped to 49%. The decline is justified because of the uncertainty on instructional delivery and the overall student experience this past fall.

Ms. Jessup introduced an audit finding for the Office of the State Board of Education, relative to an internal control. The Board is currently reviewing the recommendations.

The variance report shows some net object transfers related to the General Fund and Dedicated Fund. The largest is in the Dedicated Fund relative to the rent for the Battelle Energy facility in Pocatello.

The comparative summary shows a significant increase due to the movement of the school safety and security office, a federal grant from the department of justice, and federal funding related to COVID relief.

The FY 2021 original appropriations include external programs evaluations, a transfer of 18 FTP from technology services and staff, from the Department of Education.

Mr. Freeman pointed out that the Non-cognizable Funds and Transfers include \$4 million from the Cares Act funding to create a post-secondary digital learning consortium called "Online Idaho".

Ms. Jessup stated the "Strong Students, Stronger Families" Program under the non-cognizable funds is a sole source contract the Legislature needs to be made aware of, according to I.C. 67-9219.

Mr. Freeman informed the Committee the Charter School Commission is requesting a new Program Manager position which would bring the total staff of the State Office of the Education to 5.0 FTP. In FY 2022, the commission anticipates serving at least 57 schools with varied and growing programs. This is an increase of 35% since FY 2017, during which time staff at the commission has remained static.

**AGENCY
PRESENTATION:**

SCHOLARSHIPS & GRANTS, Matt Freeman, Executive Director, State Board of Education. Janet Jessup, LSO Analyst.

The Scholarships and Grants program, administered by the Office of the State Board of Education, manages five scholarship and grant programs available to students attending Idaho's postsecondary educational institutions.

Mr. Freeman pointed out that as of January 20th, there are 3,181 new applications for the Opportunity Scholarship compared to 3,541 applications received the same day of last year. This large delta is caused by the uncertainty the high school seniors are experiencing due to the pandemic situation.

Ms. Jessup introduced the variance report, showing a slight reversion of General Funds for uncommitted scholarship dollars. The hand-out packet shows also metrics related to the Scholarships and Grants Program including Opportunity Scholarships, funding, and utilization. The performance measures for FY 2021 include \$7 funded by the legislature for ongoing scholarship opportunities by the Special Programs Division. This program was created in FY 2020 as a one-time with the plan to make it ongoing in FY 2021.

Of the \$1.3 million of the executive holdback, \$1,111,600 are relative to trustee and benefit payments.

The benefit costs budget shows the Governor's recommendation of \$16,400, including \$300 affiliated with the Scholarships and Grants Program. Change in Employee Compensation (CEC) has a Budget Governor's recommendation for \$73,100, including \$1,600 for the Scholarships and Grants Program.

**AGENCY
PRESENTATION:**

**SYSTEMWIDE PROGRAMS UNDER COMMUNITY COLLEGES,
Matt Freeman, Executive Director, State Board of Education. Janet
Jessup, LSO Analyst.**

Ms. Jessup pointed out the Community Colleges Division comprises four community colleges and a system-wide program, housed at the State Board. The program has no affiliated FTP.

The variance report shows a reversion of \$400 from the General Fund. As there is no FTP associated with this program, there are no benefit costs or CEC adjustments. Furthermore, there are no line items for the system-wide program.

The Governor recommended carrying over unspent appropriations relative to the \$1 million supplemental.

Mr. Freeman highlighted the Governor's recommendation of \$665,800 in onetime personnel costs from the HESF Surplus Stabilization Fund for Community Colleges to help offset the impact of COVID-19.

**AGENCY
PRESENTATION:**

**COLLEGE OF SOUTHERN IDAHO (CSI), L. Dean Fisher, Institution
President. Janet Jessup, LSO Analyst.**

Ms. Jessup presented the organizational chart for the College of Southern Idaho and introduced the performance measures for the College of Southern Idaho.

President Fisher highlighted the metrics about timely degree completion rate is at 34%, in line with our peers' colleges in Idaho. Furthermore, in the summer of 2020, the college engaged various activities that led to a fall enrollment increased by 3% and a 1% increase in credit hours.

Ms. Jessup pointed out the variance report includes increases for federal funds related to Cares Act legislation. The board of trustees of each Community College has the authority to oversight their funding and allocations. There are not FTP associated with the community college's budget as they have the authority over personnel.

The General Fund and \$200,000 from the dedicated funds, originated by the State liquor distribution, are the only funds for community colleges. Student tuition and fees are not included as are retained and directed by the institution board of trustees. In FY 2021, the College of Southern Idaho received \$6,700 for occupancy costs.

The executive holdback of \$2.4 million for the Community College budget includes \$726,200 for the College of Southern Idaho. These funds are restored for the FY 2022 budget. The non-cognizable funds amount to \$1,468,900 for the College of Southern Idaho.

The FY 2022 shows a recommendation from the Governor's Office for ongoing Federal Funding of \$200,000 for nursing program support.

**AGENCY
PRESENTATION:**

**NORTH IDAHO COLLEGE (NIC), Rick MacLennan, Institution
President. Janet Jessup, LSO Analyst.**

President MacLennan highlighted the college received reaffirmation of its accreditation status by the Northwest Commission on Colleges and Universities with several commendations.

Ms. Jessup pointed out the Governor's recommendation of the North Idaho College and the performance measure of the college. The variance report for North Idaho College is similar to the other community colleges. The comparative summary includes the Governor's recommendation equivalent to a 17.1% increase. There were no FY 2021 line items for North Idaho College. Of the \$2.4 million Governor's hold back for the community colleges, \$621,300 are relative to the North Idaho College. North Idaho College received funds via the CARES Act for costs related to COVID abatement.

**AGENCY
PRESENTATION:**

**COLLEGE OF WESTERN IDAHO (CWI), Bert Glandon, Institution
President. Janet Jessup, LSO Analyst.**

Ms. Jessup introduced the historical summary for the College of Western Idaho, where the institution's request for the FY 2022 being \$16.5 million while the Governor's request is \$19.8 million. The overall college requests for FY 2022 amounts to \$50.1 million while the Governor's recommendation is \$57.3 million.

President Glandon explained the vacancy in the organization chart for the vice President of Human Resources. He also highlighted the institution was able to adjust the new student delivery and were able to not furlough any of members or cut programs. Performance measures also show an increase in the graduation rates.

Ms. Jessup introduced the variance report for the College of Western Idaho. This includes a non-cognizable increase for the FY 2020 of federal funds for the CARES Act, a net object transfer consistent with all our community colleges.

The comparative summary shows an FY 2022 total of 57.3 million for the Governor's recommendation. In FY 2021 there were no line items specifically for the College of Western Idaho. Holdbacks for the college amounts to \$798,300, originated from the \$2.4 million of the Governor. The non-cognizable funds include \$2.5 million dispersed to the College of Western Idaho from the Cares Act.

Benefit-costs for the College of Western Idaho shows a change in employee compensation. Non-discretionary adjustments of \$757,500 for the College of Western Idaho are a result of the enroll workload adjustment calculation. The College has an appropriation for COVID Relief Funding for FY2022 and \$200,000 for the nursing program support.

President Glandon announced this is the sixth year the College of Western Idaho didn't have any tuition increase, and have lowered the levy rate from the high mid \$60.43 in 2014 down to \$12.59 in 2019, and 2020 will likely drop to \$12.42.

**AGENCY
PRESENTATION:**

**COLLEGE OF EASTERN IDAHO (CEI), Rick Aman, Institution
President. Janet Jessup, LSO Analyst.**

President Aman expressed the importance of the \$6.8 million in career technical funds. He also pointed out despite the difficulties with COVID the college increased performance by 11%. **President Aman** highlighted the capital construction for \$3 million for a future tech building included in The Permanent Building Fund Budget.

Ms. Jessup reviewed the \$600,000 increase from the request to the request to the Governor's recommendation.

President Aman pointed out the 32% graduation rate, the 97% placement rate for CTE students, and the significance of the 14,000 workforce training headcount. In 2018, the college had a capacity of 88 nursing students, and in the spring of 2021 the capacity reached 200 students.

Ms. Jessup showed the variance report is similar to the other community colleges. The College of Eastern Idaho received no specific line item in FY 2021. The executive holdback for CEI was \$260,900. In FY 2021, the College of Eastern Idaho has had \$658,900 in Federal Funds that have been non-cogged or included into their budget for COVID relief and abatement.

The benefit costs budget shows a requests to shift \$4,000 from the Community College Fund to the General Fund to accommodate the increase for personnel costs because receipts from the sale of liquor deposited to the Community College Fund are fixed at \$200,000 per institution.

College of Eastern Idaho is not included in the non-discretionary adjustment recommendation from the Governor's Office. There is one line item recommended by the Governor that would allow the College of Eastern Idaho to carry forward federal relief funds related to the pandemic.

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 10:06 a.m.

Representative Youngblood
Chair

Anna Maria Mancini
Secretary