

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 29, 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, Green, Nash
ABSENT/ EXCUSED: Representative(s) Green
CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.
AGENCY PRESENTATION: **BOISE STATE UNIVERSITY, Institution President Marlene Tromp. Janet Jessup, LSO Analyst.**

Pres. Tromp introduced Boise State University (BSU) as one of the four institutions overseen by the Idaho State Board of Education. She highlighted how the current FY 2021 has been a challenging year due to COVID and how in response, Boise State permanently eliminated 194 positions specifying that is equivalent to \$15.9 million savings. It was reported an increase of 26% in enrollment since 2012, and although there is a 50% decline nationally in college attendance and rural communities during this year BSU saw a 28% increase in enrollment in those communities. A new program "Bronco Gap Year", with a cost of \$1,200 per year, has been introduced. This program allows students to be supported by a dedicated faculty mentor and earn up to 12 hours of credit remotely. This program has a cost of \$1,200 per year. BSU raised over half a million dollars for the "President's True Blue" endowed program for Idaho students.

Pres. Tromp stated that BSU faculty increased in number, bringing in \$58 million external dollars into the state, an increase of 41% in the last five years. Furthermore, BSU launched the Institute for Pervasive Cybersecurity, to be part of the statewide effort to ensure that Idaho can train people in cyber-security. The cost of educating a BSU student is 42% less than the national average; for every dollar, the state invests in BSU, there is a return of \$8 to the state's economy. BSU has over 97,000 living graduates, and 64% of the alumni live and work in the Treasure Valley and surrounding communities.

Pres. Tromp presented the Performance Measures of the Institution, stating that the retention rate for first-year students maintained its positive trajectory after a substantial increase over the last decade. Between the Fall 2013 cohort and the Fall 2016 cohort, the retention rate increased by five percentage points and BSU attained a record high of 79.9% retention for first-time, and a full-time freshmen in the Fall 2016 cohort. In FY 2020, BSU attained a record-high 3,525 students graduated from BSU with baccalaureate degrees, exceeding the target established in August 2010 by the Idaho State Board of

Education. The number of graduates, with graduate degrees and certificates, has nearly doubled over the last decade to over 1,200.

Ms. Jessup proceeded with the Variance Report pointing specifically to the non-cognizable fund increases related to the dedicated funds coming from tuition and fees, and federal funds coming from COVID Relief dollars. For the FY 2020 budget, there are no other dedicated funds for Boise State University. For the FY 2021, the Legislature funded occupancy costs and collaborative Cyber-Security Program Development. Boise State University was authorized to reappropriate or carryover its unencumbered and unspent appropriation of dedicated funds from FY 2020 into FY 2021 for the amount of \$49,544,400. The Governor recommends include \$3,859,700 from the HESF SIF and \$411,800 from the HESF SSF. The revised recommendations also include 20,644,600 from the Coronavirus Response and Relief Supplemental Appropriation Act.

President Tromp pointed out that the Higher Education Stabilization Fund, HESF, will help the institution to offset the loss before December 27, 2020, and the CRRSAA Funds can be used to backfill lost revenue post-December 27, 2020. Lost revenue before December 27 is about \$23 million, while the CRRSAA funding will be about \$20.6 million, including \$5.5 directly to students and \$15.1 million for the institution. BSU anticipates that after lost revenue, incremental loss, cost-saving, CARES Act, CRRSAA, the net loss FY 2020-2021 will be about \$13 million.

**AGENCY
PRESENTATION:**

**SYSTEM-WIDE PROGRAMS UNDER COLLEGE AND
UNIVERSITIES, Executive Director Matt Freeman, OSBE. Janet Jessup,
LSO Analyst.**

The Idaho State Board of Education oversees four institutions, including three comprehensive universities and one college. Codified college and universities in Idaho include Boise State University (BSU) in Boise, Idaho State University (ISU) in Pocatello, Lewis-Clark State College (LCSC) in Lewiston, and the University of Idaho (UI) in Moscow. Funding for Systemwide Programs is included in the College and Universities appropriation and is either distributed to the institutions by the Office of the State Board of Education; or expended for projects or services that benefit all the institutions.

Dr. Freeman introduced the System-Wide Programs under colleges and universities. The appropriation bill for the colleges and universities allocates money for system-wide activities, including \$2 million for the Idaho Global Entrepreneurial Mission, and \$1.9 million for the Higher Education Research Council grants. There is another funding for the EP Score Match (experimental program to stimulate competitive research), this is a Federal-State Partnership that includes an \$800,000 state match, which is included in the above \$1.9 million.

Ms. Jessup directed the Committee to the Actual Expenditures showing multiple net transfers referring to the various grants going out to the institutions. The comparative summary shows for the FY 2021, \$1 million for a collaborative line item motion was reduced to \$950,000 after the 5% holdback. The Governor recommended \$12,070,400 one-time personnel costs from the HESF Strategic Interest Fund for College and Universities (HESF SIF) and \$1,478,600 from the HESF Surplus Stabilization Fund for College and Universities (HESF SSF) to help offset the impact of COVID-19.

This recommendation would leave \$9,000 for the HESF SIF and a negative \$529,848 for the HESF SSF. The Legislature appropriated \$531,000 from the HESF SSF to Lewis-Clark State College for FY 2021. The institution did not draw down funds for this appropriation until January 2021, which was not taken into account in the recommendation. The budget includes a total holdback amount of \$15.3 million for colleges and universities. Of this amount, \$352,100 originated from the system-wide program budget and \$50,000 from the cyber-security item. Adjustments also include transfer of funds from the Higher Education Research Council (HERC), IGEM program awards, and General Fund distributions from the Systemwide Program to the College and Universities, which net to zero. This budget does not have the benefit-cost or CEC, because they do not have any FTP. Furthermore, there are no line items specifically affiliated with the system-wide program within the college and university's budget.

**AGENCY
PRESENTATION:**

BOISE INTERNAL MEDICINE RESIDENCY, Program Director Dr. Melissa "Moe" Hagman. Janet Jessup, LSO Analyst.

The Boise Internal Medicine (BIM) residency program allows training at rural and underserved sites in Idaho, such as small, non-affiliated offices and community-based training sites.

Ms. Jessup explained the agency has a total turnover of 27.3%. The comparative summary for the Division of Health Education Program shows an agency request for \$900,000 for expansion and build of Boise Internal Medicine. The Legislature funded one line item for FY 2021 that included \$1,250,000 for 25 new resident positions across the state. This line item includes the creation of one new resident through the Boise Internal Medicine Program. The total executive holdback for the Health Education Program was \$864,900, and of that amount, \$44,400 was held back from the Boise Internal Medicine program. The Boise Internal Medicine program doesn't have any FTP so, there are no adjustments to CEC, and no inflationary adjustment.

**AGENCY
PRESENTATION:**

PSYCHIATRY RESIDENCY – UW/BOISE, Program Director Dr. Kristen Aaland. Janet Jessup, LSO Analyst.

Dr. Aaland introduced the Idaho Psychiatry Residency Program, explaining it offers training for residents who spend the first two years in Seattle (University of Washington) and the last two years in Boise. Clinical rotations occur at the Boise VA, St. Alphonsus, and St. Luke's medical centers, as well as at rural rotations around the state. In 2020, the agency obtained accreditation for their program and the residents can do the entire training in Idaho. The agency also received funding for the first-year class. This year the agency is requesting an increase in funds to cover the second-year class.

Dr. Aaland, pointed out the program graduated 31 psychiatrists, and 20 of them remained in Idaho after graduation. The program also provided 100 licensed psychiatrists, measuring an increase of 20% in the state psychiatrists.

Ms. Jessup introduced the historical summary for the agency, pointing out the significant growth from FY 2020 to the FY 2022. The variance report for the psychiatry education program shows 62.5% of graduates are practicing in Idaho. The comparative summary for the program shows the agency's request is very close to the Governor's recommendation with the only differences

being the benefit costs and CEC adjustments included in the Governor's recommendation. The Governor's holdback of \$864,000 includes \$29,900 from the Psychiatry Education Program. The Psychiatry Education Program does not have any allocated FTP, as the entirety is in trustee and benefit payments. Hence, there are no adjustments for the program. The Legislature funded one line item for FY 2021 that includes \$1,250,000 for 25 new resident positions across the State. This line item includes four new residents in the Psychiatry Education Residency Program and an additional \$40,000 to the program's budget.

**AGENCY
PRESENTATION:**

**IDAHO PUBLIC TELEVISION, General Manager Ron Pisaneschi,
Janet Jessup, LSO Analyst.**

Mr. Pisaneschi introduced the Idaho Public Television (Idaho PTV) highlighted it operates under the State Board of Education and is an integral part of its strategic plan. Idaho PTV has two functional areas: (1) a statewide delivery system; and (2) content creation and acquisition. Idaho PTV operates a statewide television network via five main transmitters and 47 repeaters called translators that reach 98.8% of Idaho's population. Simultaneously broadcasting five free over the air channels, they continue to be among the most-watched PBS stations per capita in the Nation. Idaho PTV benefits from a public-private partnership. While the majority of the funding comes from private contributions and grants, including an annual grant from the corporation for public broadcasting, the statewide network, is dependent on funding from the State General Fund. The agency also received in the past years competitive federal grants for their education projects.

Ms. Jessup introduced the historical summary for Idaho PTV, showing a significant increase in the request of the Governor.

Ms. Jessup address **Dr. Pisaneschi** to discuss the performance measure of the Idaho PTV.

Dr. Pisaneschi noted the FY 2019 number of channel hours for children is less than prior years due to 1,474 hours of children's programming being removed from the Plus Channel. The expectation is the number to increase next year, as a result of the Classroom Idaho Project. The agency devoted more than 200 hours of broadcast time to locally produced video modules, showcasing pathways to high-paying jobs that don't require a full four-year degree in conjunction with the Workforce Development Council. Furthermore, the agency expanded the free online education portal and PBS learning media.

Ms. Jessup introduced the variance report for Idaho PTV, pointing out object transfers related to the general and federal funds, and additional reverted appropriations from general, dedicated, and federal funds. The first of these is related to a reversion to the General Fund as recommended by the Governor's Office for FY 2020. The comparative summary for Idaho PTV shows requests of change to the Governor's recommendation. Some of these changes are relative to maintenance, benefit costs, and CEC. The FY 2021 has one line item provided to the Idaho PTV, including \$50,000, part of a four-year federal grant the agency received. The Governor's revised recommendation include an additional supplemental of \$450,000 from federal funds related to the preschool development grant, which was also included in the Office of the State Board's budget. This grant is not related to COVID Relief Funding or CARES Funding. The budget shows executive holdback of \$133,900

from the Idaho Public Television budget being restored. The budget also includes an adjustment of \$489,000 related to the Federal COVID — relief fund and an additional \$95,000 in federal grants related to the first portion of the pre-school development grant that was provided in the FY 2021. The benefit costs are calculated for \$16,800 as of Governor's recommendation. The agency and the Governor have recommended \$110,000 for replacement items, this is paid from the Miscellaneous Revenue Fund. The budget also includes one line item of \$50,000 relative to the multi-year Federal Grant and a line item of \$489,000 for COVID Relief Funding that is also included in the Governor's recommendation.

**AGENCY
PRESENTATION:**

STEAM ACTION CENTER, Interim Executive Director Kaitlin Maguire. Janet Jessup, LSO Analyst.

Ms. Maguire introduced the STEM Action Center, explaining that the center was created under the Office of the Governor through H 302 of 2015 to promote the expansion of student engagement in STEM activities. In 2020, 2,400 graduating received a STEM diploma for taking advanced classes in STEM courses. This represents a 67% increase from 2019. Since the inception, the agency raised over \$5 million from businesses and non-profits to enhance and coordinate STEM initiatives across the State. **Ms. Maguire** spoke about the performance metrics explaining that, due to COVID-19, the measure was lower in FY 2020. Over the past five years, the agency experienced an increase in the number of students taking computer science courses.

Ms. Jessup introduced the variance report for the STEM Action Center, showing a net object transfer of \$300 within the STEM Education Fund. She also explained the reverted appropriations from the dedicated fund do not reflect an actual cash balance being reverted. This is because STEM education funds are received through donations from industry and nonprofit organizations to the STEM Action Center. The appropriation provided a total of \$3 million. The request from the agency shows a 2.6% decrease and the recommendation from the Governor shows a 2.7% decrease. The appropriations for FY 2021 include a line for \$500,000 that the Legislature funded for the computer science initiative. The budget shows a Governor's holdback for the STEM Action Center for \$152,400, which has been restored. The non-cognizable funds and transfer include \$98,300 from the CARES Act funding, for instructional videos, curriculum, and materials for STEM libraries. The FY 2022 Budget shows \$1,400 statewide cost allocation adjustment and \$10,300 for change in employee compensation. The budget also included a request from the agency to shift a Research Analyst from the STEM Education Fund to the General Fund. The Center proposes to shift \$75,000 from operating expenditures to personnel costs to absorb the cost of the position, creating a net-zero increase to the General Fund. In a second line item, the agency requests a reduction of \$100,000 from the Miscellaneous Revenue Fund as the fund is no longer utilized and duplicative of other funds.

ADJOURN:

There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 10:39 a.m.

Representative Youngblood
Chair

Paul Headlee
Secretary