

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 26, 2022
TIME: 8:01 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Agenbroad, Crabtree, VanOrden (Bair), Grow, Lent, Riggs, Cook, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, Nash
**ABSENT/
EXCUSED:** Senator Woodward, Representative Giddings

Co-chairman Youngblood called the meeting to order at 8:01 a.m.

Ms. Janet Jessup, Senior Analyst, LSO Budget & Policy Analysis, presented an overview of the budgets of Idaho's four community colleges and explained how they differ from the state's four year-institutions. The community colleges retain their tuition and fees locally and do not deposit them with the State Treasury and therefore do not require an appropriation to use them. These funds are overseen and directed by the Idaho State Board of Education Trustees. The primary sources of funding for the community colleges include appropriations from the Legislature, property tax revenue, and tuition and fees.

Mr. L. Dean Fisher, President of the College of Southern Idaho (CSI), described recent successes of the college which include increased enrollment, increased fall-to-fall retention, significant improvement in the on-time graduation rate, and 99% successful job placement for Career & Technical Education (CTE) students.

Mr. Fisher requested support for Change in Employee Compensation (CEC) funding. He stated the CEC will position CSI to keep pace with inflationary pressures and remain competitive in the job market.

Mr. Fisher explained the funding request for the expansion of the Bridge to Success Program. This successful program serves at-risk, first-generation college students. This funding request would support two FTPs and student mentoring/tutoring support. Mr. Fisher also requested one FTP for a cybersecurity specialist. This position would support CSI's efforts to protect their network and data.

Mr. Fisher explained the budget request for two FTP for Adult Learner Services. This funding would expand services to incumbent workers and non-traditional learners. CSI aligns with regional employers to give students credit for prior learning, internships, and other work-based learning as part of these services.

In response to committee questions about CSI's success in student enrollment and retention, **Mr. Fisher** explained the college has minimized or eliminated barriers for students; he cited the FastPass program, which allows dual enrollment students admission to CSI without reapplication. He further explained CSI communicates persistently with students to emphasize its investment in students' success.

In response to further committee questions, **Mr. Chris Bragg**, Dean of Institutional Effectiveness and Communication, CSI, explained the history of CSI's bachelor's degree in operations management. He expressed interest in working with the Board of Education, state universities, the Governor, and the Legislature to expand offerings in baccalaureate degrees not offered by universities.

In response to a committee question about why the CEC will not cover 55% of employee positions, **Mr. Jeff Harmon**, Vice President of Administration, CSI, clarified 55% is a ratio of the personnel costs allocated from the General Fund.

In response to further committee questions about expanding the CNA degree to a nursing degree, **Mr. Fisher** explained the CNA degree can bridge to a nursing degree but is not part of the scaffolded system. He further explained applications to healthcare programs have declined and suggested the need to build interest in healthcare before addressing workforce shortages.

Mr. Michael Sebaaly, Interim President of North Idaho College (NIC), reviewed some of the college's recent accomplishments and reported on the results of the FY 2022 appropriation requests. The one-time Covid relief funding and support for the nursing program allowed NIC to build the program and hire, support, and retain quality nursing faculty; NIC also worked with the state's other community colleges on a zero-cost textbook program.

Mr. Sebaaly explained the FY 2023 budget requests, including increases in health benefit costs, 5% CEC, and an enrollment workload adjustment. NIC requests line-item funding for occupancy costs for the DeArmond building and the Meyer Health & Sciences building. NIC also requests funding for a college and career navigator position to help promote access and opportunities at the college. Finally, **Mr. Sebaaly** explained the two NIC projects in the proposed Permanent Building Fund, the Hedlund Building remodel and the Aviation Apprenticeship Lab.

Mr. Gordon Jones, President of the College of Western Idaho (CWI), introduced himself and explained his focus on the value of learning by doing. **Mr. Jones** described the goals of CWI include enhancing its academic mission with key programs in health sciences, cybersecurity, horticulture, and urban agriculture; improving student retention; bolstering communities; and consolidating locations and reducing leased spaces.

Mr. Jones expressed his support for the Governor's budget recommendations for CWI, including line-item funding for student retention and student success programs, a 5% increase in employee compensation, and \$10M for a new Health Sciences building.

In response to committee questions, **Mr. Jones** explained that although 90% of CWI instruction is online or hybrid, the college will work with local employers to create work/credit programs to encourage students to "learn by doing." He expressed the desire to partner with local employers wherever possible so CWI could help their employees and the businesses could train students.

In response to committee questions about CWI offering baccalaureate degrees, **Mr. Jones** stated many employers require credentials for employment, such as AA or BA degrees or third-party certifications. **Mr. Jones** stated CWI is part of the solution by offering affordable, accessible education that translates to employment and will work with the State Board of Education and other stakeholders toward the future.

In response to committee questions about the amount requested for the Health Science building, **Mr. Carl Speaker**, Vice President of Finance, CWI, explained voters had twice rejected property-tax levies for the project. CWI has grown its reserves and can meet the fund match requirement without a bond measure.

In response to committee questions, **Ms. Denise Aberle-Cannata**, Provost and Vice-President of Academic Affairs, CWI, explained the relocation of the Agricultural Science and Horticulture Program will allow CWI to expand the program.

Mr. Rick Aman, President of the College of Eastern Idaho (CEI), expressed appreciation for the FY 2022 funding appropriations. The College is working to meet the Legislature's matching funds requirements for the Future Tech building.

Mr. Aman explained the FY 2023 budget requests, including the Governor's recommendations for General Fund and CTE allocations, the CEC increase, and monies for building maintenance and repairs. Mr. Aman explained the line-item requests to fund four fulltime faculty positions in math, biology, nursing, and engineering. He also explained the request for \$10M from the Permanent Building Fund for the Future Tech building to house energy and technology programs.

In response to a committee question, **Mr. Byron Miles**, Vice President of Finance and Administrative Services, CEI, stated the college is working to raise \$12M in private donations and matching funds to contribute to the \$42M total cost of the Future Tech building.

When asked for the reason behind CEI's successful graduation rate, **Mr. Aman** cited the college's wraparound services, which rely on extra credits instead of remedial classes.

In response to a committee question about why the levy rate has decreased and how that affects the support level from the state, **Mr. Aman** explained the increase in property values has outpaced the mill rate used to calculate property taxes.

Ms. Frances Lippit, Analyst, LSO Budget & Policy Analyst, presented an overview of the Office of the State Controller. As one of seven constitutional offices in Idaho, the Controller oversees the fiscal concerns of the state. In addition to other responsibilities, the Controller is responsible for implementing Luma, the statewide enterprise resource management system combining budget, financial, procurement, HR and benefits modules for state agencies.

Mr. Brandon Wolff, State Controller, Office of the State Controller (SCO), described the successes of the office. SCO reimbursed nearly 44K line-item requests of nearly \$1.16B as part of the \$1.25B CARES allocation received by the State of Idaho. The office also worked on a pilot program to implement **H 73** and increase local governmental expenditure transparency; transferred the Local Government Registry from the Legislative Services Office to its own; processed nearly 680K tax rebates; created a data analytics system to answer critical questions around criminal justice and behavioral health needs; processed payments in response to the Wrongful Conviction Act; created the Townhall Idaho portal for state agencies; distributed ARPA funds to nearly 200 cities and towns; and moved forward with implementing Luma Phase 1 and Phase 2.

Mr. Wolff described two of the Governor's initiatives affecting SCO. The first will leverage the existing investment in Townhall Idaho to create a new public grants portal, which will provide greater transparency to citizens. The second will expand the criminal justice data analytics infrastructure to align with the Idaho Behavioral Health Council mission and resources to improve data-driven decisions.

Mr. Wolff described the Luma implementation process and schedule. He explained the FY 2023 budget request for nine FTPs to staff the support infrastructure needed for the investment the state has made in Luma. In addition, Mr. Wolff requested a budget law transfer exemption for one year to help transition the current accounting and payroll staff to the Luma Sustainment Organization.

Mr. Wolff explained the budget request for one FTP financial specialist. This position will eliminate a potential single point of failure and improve the ability to mitigate significant risks by implementing more robust internal controls.

Mr. Wolff explained the ARPA funding request for an enhancement of SCO's cybersecurity and monitoring infrastructure, which will ensure secure connectivity to Luma and other cloud-based state data. He also requested continuation of carryover authority for the Computer Services Center.

In response to committee questions, **Mr. Josh Whitworth**, Chief Deputy Controller, CSO, explained the initial \$102M appropriation for Luma was to cover implementation of the new system. The CSO works with agencies on a case-by-case basis to determine appropriate expenditures. The CSO anticipates once duplicative systems are dissolved, cost savings can be measured; however, as they prepare for Luma implementation, the central division is growing and taking over functionality previously done by individual agencies.

In response to further committee questions, **Mr. Whitworth** explained the Insight computer system, which is separate from the Luma software. The Insight system is starting small to prove the concept before building out to other agency data sets.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 10:56 a.m.

Representative Youngblood
Chair

Alyson Jackson
Secretary