

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 24, 2023

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just

Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Nash

**ABSENT/
EXCUSED:** None

CONVENED: **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **COLLEGES AND UNIVERSITIES; Nathan Osborne, Analyst, Legislative Services Office (LSO) Budget and Policy Analysis**

Mr. Osborne explained budget corrections for this agency as outlined in to the Legislative Budget Book (LBB) page 1–72 under item 65. For Lewis-Clark State College: the net difference should be updated to \$237,500; and for the University of Idaho, the difference should be \$393,800. **Mr. Osborne** explained there are five distinct budget programs; four institutions, and one system-wide program. Lewis-Clark State College, Boise State University, Idaho State University, and University of Idaho plus system-wide programs are broken out individually within a single appropriation bill. He reviewed all four institutions had identical formats with individual amounts appropriated (see attachment 1). The three categories of appropriations are from the General Fund, Dedicated, and non-Appropriated. Each institution’s budget can be between 44 to 64 percent of the annual budget.

AGENCY PRESENTATION: **LEWIS-CLARK STATE COLLEGE (LCSC); Cynthia Pemberton, President**

Ms. Pemberton presented that LCSC was Idaho’s only small college dedicated to remaining small; a private school at a public school price. LCSC’s programming includes General Educational Development, Workforce Training, two and four year degrees, and graduate programming for two certificates with the objective of connecting learning to life; 100 percent of the programs have that embedded in the curriculum. She discussed that 80 percent of students are Idaho residents with nearly 100 veteran students and over 200 native students. **Ms. Pemberton** discussed enrollment trends and the increase in retention rate from 52 percent in 2009 to 62 percent in 2022 (see attachment 2). She also discussed LCSC’s salary gap, and that about 57 percent of personnel costs were supported by the state. She reviewed appropriations received in fiscal year (FY) 2023 allowed LCSC to continue expanding eight week course sections to serve the adult learner population, partnering with business, industry, regional tribes, the Idaho State Police, and Idaho Corrections LCSC on the portfolio program. Funding was appropriated for cybersecurity, athletic training staff, and occupancy costs associated with the Schweitzer Career Technical Center. **Ms. Pemberton** outlined requests for FY 2024, noting the Permanent Building Fund Advisory Council recommended \$1.6 million for repairs and alterations related to deferred

maintenance, and \$6.2 million for a capital projects. In addition, \$370,000 was requested for operational capacity enhancement.

In response to Committee comments/questions, **Ms. Pemberton** discussed training programs in place in conjunction with Lewiston High School, DIA Career Technical Center, Schweitzer Career and Technical Education Center, and the nursing programs.

**AGENCY
PRESENTATION:**

BOISE STATE UNIVERSITY (BSU); Dr. Marlene Tromp, President

Ms. Tromp stated that as Idaho's largest university, BSU brings value to the state with great efficiency as shown in the Current Fiscal Year Budget Highlights (see attachment 3). BSU serves 32,000 students annually and grew by 20 percent this year, currently serving 1,821 veterans, and Bachelor degree graduates are up 52 percent since 2011. **Ms. Tromp** explained inflationary pressures and that BSU has three ways to cover costs; state funding, tuition, and philanthropy, with the larger portion of funding coming from tuition, then from appropriation. She reviewed that over the past two years, \$7.7 million was saved through significant cuts, new efficiencies, and consolidation, and that new strategies will be needed to address historic levels of inflation. She acknowledged the \$37.5 million in deferred maintenance appropriation to replace the critical heating infrastructure that serves many core academic buildings on campus, and the four percent General Fund increase to enable retention of employees who help students earn their degrees. The recommendation for a \$2.1 million flexible funding for FY 2024 will be used to support student outcomes and to fund efforts surrounding the CHIPS and Science Act for the semiconductor industry.

DISCUSSION:

In response to Committee comments, **Ms. Tromp** commented on the geothermal project, the budget for Boise State Public Radio, increased budgets related to legislative intent, employees serving all students, the ratio between funding from the General Fund and the change in employee compensation, replacement funding and risk management reports to the Committee, the break down on \$4 million for in demand careers, use of certain funds over last two years and increasing fees, outreach by BSU, program prioritization, and fees paid to speakers.

**AGENCY
PRESENTATION:**

IDAHO STATE UNIVERSITY (ISU); Kevin Satterlee, President

Mr. Satterlee reviewed the Idaho statutory authority for the state's education programs, and described the goals for ISU pointing out it is fourth in the nation for a veteran friendly university. He stated enrollment had increased, and undergraduate enrollment was more than 91 percent Idaho residents, and retention rates had increased since the implementation of the Navigator Program. The Governor's budget recommendation included a one time capital funding facility upgrade that supported in demand careers, two of the proposals in health sciences education, and did not allow for more faculty. but it did increase expanding capacity for growth plus and investment in infrastructure for the Meridian campus (see attachment 4). **Mr. Satterlee** reported the Governor recommended a \$3 million investment in ISU's nuclear engineering program, with the U.S. Department of Energy spending \$1.4 billion to design the next generation of nuclear reactors. He spoke to inflation and its impact on ISU. **Mr. Satterlee** discussed the Career Path internship program, funded by the Legislature, which paid a student to participate and that due to compensation not increasing, participation in the program had declined. He applauded the proposed budget's

inclusion of scholarships, however, the proposed operating budget created a deficit and didn't fully fund a change in employee compensation or the cost of benefits, causing a \$1.4 million budget gap. Inflationary costs including fixed costs totalling over \$2 million, and replacement costs and equipment upgrades were \$800,000, for a total of a \$4.2 million shortfall.

DISCUSSION: In response to Committee questions, **Mr. Satterlee** responded to questions regarding the methodology of putting together the budget, the nuclear faculty investment and hiring, last year's fee increases, and requests for further information to be sent to Committee.

LSO STAFF PRESENTATION: **SPECIAL PROGRAMS; Nathan Osborne, Analyst, LSO Budget and Policy Analysis**

Mr. Osborne explained the Special Programs were broken out from the institution they were connected with; one reason, the missions differed from the institutions in that they had more statewide responsibility. He reviewed FY 2022 Actual Expenditures by program, and Operating Budgets (see attachment 5).

AGENCY PRESENTATION: **MUSEUM OF NATURAL HISTORY; Leif Tapanila, Museum Director/Curator**

Mr. Tapanila reviewed that the Museum of Natural History was located at Idaho State University since 1934, and has survived turbulent times, the most recent being the pandemic where 33 percent of the museums in the nation were closed. The Museum currently sustain 1.2 million objects in its collections. **Mr. Tapanila** stated the budget was structurally the same as the previous year except for the Governor's Recommendation for a four percent change in employee compensation adjustment (see attachment 6). Last year's budget was mostly for personnel costs, and most staff have five to ten years of experience at the Museum. No capital expenditures were made during the past year, and an additional request is included in the budget for replacement of computers and monitors. **Mr. Tapanila** reported that 70 percent of the Museum's programming was free visitors, since it was subsidized by the state, grants, philanthropy, and sponsorships.

AGENCY PRESENTATION: **IDAHO DENTAL EDUCATION PROGRAM (IDEP); Dr. Jeff Ybarguen, Program Director**

Mr. Ybarguen explained IDEP was a joint contract between the State of Idaho, Idaho State University, and Creighton University in Omaha, Nebraska (see attachment 7). Students take the first year of classes at ISU and then go on to Creighton to complete their remaining classes, with 65 percent of students returning to Idaho to practice. He stated the program was cost effective at 41 percent of the national average per student. IDEP two main goals: providing a cost effective means to become a dentist, and a way to return students to Idaho to provide benefits to Idaho residents. **Mr. Ybarguen** explained the reappropriation request for FY 2021 due to receiving late billing from Creighton University so the funds reverted back to the General Fund.

DISCUSSION: In response to Committee question, **Mr. Ybarguen** outlined the requirements to apply for this program and the number of seats allowed.

ADJOURNED: There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at 10:50 a.m.

Senator Grow
Chair

Twyla Melton
Assistant Secretary