

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Monday, February 26, 2024  
**TIME:** 8:00 A.M.  
**PLACE:** Room C310  
**MEMBERS PRESENT:** Senators Co-chairman Grow, Bjerke, Burtenshaw, Lent, VanOrden, Adams, Herndon, Ward-Engelking, and Just  
Representatives Co-chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Green  
**ABSENT/ EXCUSED:** Senator Cook  
**CONVENED:** **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.

**LSO STAFF PRESENTATION:** **BOISE STATE UNIVERSITY (BSU), LBB 1-65; Keith Bybee, Division Manager, Legislative Services Office (LSO) Budget and Policy Analysis**  
**Mr. Bybee** presented the Base Review for Boise State University (BSU) before the Committee including organizational structure and budget detail (see, attachment 1). BSU offers a high-quality undergraduate education as well as a supportive graduate school that cultivates the personal and career growth of its students. Within seven academic colleges, the University offers an array of degree programs including business, engineering, healthcare, education and public service, that foster student success, lifelong learning, community engagement, innovation and creativity. He explained the Committee appropriation bill for Colleges and Universities includes BSU, Idaho State University, Lewis-Clark State College, University of Idaho, and Systemwide Programs and provided comparable FTP amounts for each college.

He provided a FY 21 – FY 25 Consolidated Fund Analysis, showing the difference when amounts for the Unrestricted (Tuition and Fees) Fund included and did not include reappropriated funds. Unrestricted (Tuition and Fees) Fund amounts are for long-term campus projects and the difference showed how BSU is using operating cash to address long term issues on campus. The Consolidated Fund Analysis (with amounts for the Unrestricted Fund not including reappropriated funds) showed FY 25 projected receipts and transfers of \$247,400,000. He provided Five-Year Appropriations and Expenditure amounts for FY 20 – FY 24, and FY 23 Expenditures broken out by percentages including personnel costs of \$217,030,084 (80.9%), operating expenditures of \$46,913,035 (17.5%), and capital outlay of \$4,488,494 (1.7%). He discussed the Five-Year Base Snapshot for FY 20 – FY 24 and emphasized Line 7 Nondiscretionary Adjustments, which is the enrollment and workload adjustment. Each year there is a budget request to keep pace with enrollment growth at the four college institutions. The college institution budgets use a weighted enrollment workload adjustment based on three year credit hour rolling averages.

He also provided a Five-Year Base Snapshot isolating General Fund amounts. FY 2003 Budget Enhancements totaled \$1,401,700, including: BSU, Health

Sciences Program Support of \$1,530,000, and negative adjustments to reflect position transfers (Chief Audit Executive and Risk Manager) to the State Board of Education. FY 24 Budget Enhancements included a net impact of \$1,760,200 including: Gov. Initiative Institution Funding of \$2,136,600, DHR Consolidation of \$46,800, and a reduction (-\$423,200) for BSU/ISU/UI Audit Staff Transfer. The FY 25 Budget Request included line items for: \$2,491,700 for Operational Capacity Enhancement, a reduction (-\$136,000) for Transfer Risk Managers to OSBE, and a reduction (-\$1,959,000) for Enrollment Workload Adjustment.

**DISCUSSION:**

**President Marlene Tromp**, Boise State University, stood to answer questions from the Committee. In response to a question from **Representative Petzke**, President Tromp stated BSU has increased its graduation rate by 39% over the last five years.

In response to a question from **Co-Chairman Horman**, President Tromp stated only 35% of employees are funded by state appropriation, and they are looking to operational enhancement to provide pay increases for all employees as the cost of living and inflation goes up.

In response to a question from **Co-Chairman Horman** about how BSU is aligning ROI with institutional priorities, President Tromp stated her team is engaged in program prioritization, with 33 programs eliminated. President Tromp stated that nationally, universities spend 26 cents in administrative costs for every dollar spent, and BSU spends 18 cents for every dollar. Her team is always looking for efficiencies and reducing costs.

In response to a question from **Representative Raybould** about how BSU is preparing for the demographic cliff related to higher education enrollment and the day when there are not as many students, President Tromp stated BSU operates financially like a business and utilizes a responsibility center model. As Idaho grows, BSU anticipates growth but wants to grow responsibly including: using technologies to increase efficiencies, and invested in student advisement platforms to help students move more efficiently.

In response to a question from **Senator Ward-Engelking** regarding FAFSA availability for rural students, President Tromp stated she is dismayed with FAFSA changes and believes BSU needs to be responsive and flexible to meet rural student needs, including enhanced philanthropic support.

In response to a question from **Senator Ward-Engelking** about the aging sports facility at BSU, President Tromp stated she is very proud of sports at BSU, which are funded at 1/10th the amount other NCAA teams BSU is competing against. In the western states, there is big state investment in athletic programs as athletics are drivers of the local economy. BSU is looking into partnerships with other institutions, cities, and states.

In response to a question from **Representative Tanner** about whether the \$15 million requested by BSU for its research and science building will realistically cover the construction costs or whether BSU will return to the Committee to request more funds, President Tromp stated BSU graduates more STEM majors than the other institutions in the state and funding is needed to prepare engineers and health practitioners and others entering science fields. Additional facilities are needed as currently BSU is running labs from 7 am to 9 pm every day. President Tromp asked **Alicia Estey**, BSU COO, for further clarification. Ms. Estey stated BSU does not intend to come back to request additional funding from the Committee and stated the debt capacity ration is 3.7% limit and the weighed average cost of debt is 2.8%. BSU has an anticipated need to debt finance for a new resident hall, and will look for grant opportunities for other facility projects.

In response to a question from **Senator Adams** about investment in military at the university, President Tromp stated any veteran can attend BSU, which provides a Tuition Assistant Program (TAP) to fully cover any gap in expenses so veterans do not have to pay out of pocket.

In her closing remarks, President Tromp stated that BSU is fiscally sound and efficient, operates a balanced budget, ensures units are fiscally healthy, has low debt, and has increased graduation rates, and increased research by 71% in the last five years. For every dollar the state invests in BSU, there is a return of \$2.5 dollars to the state. BSU has invested and achieved great success in growing the Idaho workforce in the fields of nursing, construction management, cybersecurity, business, and is leading cybersecurity semiconductor research in the nation.

**LSO STAFF  
PRESENTATION:**

**IDAHO STATE UNIVERSITY (ISU), LBB 1-65; Keith Bybee, Division  
Manager, LSO Budget and Policy Analysis**

**Mr. Bybee** presented the Base Review for Idaho State University (ISU) before the Committee including organizational structure, FTP count of 1,240.81, and budget detail (see, attachment 2). Idaho State University, located in Pocatello, is a doctoral university serving a diverse population through research, state and regional public service, and undergraduate and graduate programs. The university also has specific responsibilities for delivering programs in the health professions with an emphasis in the biological sciences. Idaho State University also emphasizes business, education and teacher preparation, engineering, technical training, liberal arts, and sciences.

He provided a Consolidated Fund Analysis for FY 21– FY 25 and a Five-Year summary of estimated expenditures and actual expenditures for FY 20– FY 24 (without reappropriated funds and then including reappropriated funds). The FY 23 Expenditures broken out by percentages showed 76.6% for Personnel Costs, 19.2% for Operating Expenditures, and 4.3% for Capital Outlay. He outlined the budget enhancement amounts of FY 23 and FY 24. The budget request items for FY 25 included \$1,924,400 for Operational Capacity, a reduction (-\$90,600) for Transfer Risk Managers to OSBE, and \$213,000 for Enrollment Workload Adjustment.

**DISCUSSION:**

**President Robert W. Wagner**, Idaho State University, stood to answer questions from the Committee.

In response to a question from **Senator VanOrden** about the difference between an academic advisor and a student success coach, President Wagner stated an academic advisor is specific to certain academic disciplines while a student success coach is a professional trained to help students in a broad way including life support, emotional wellbeing, and academics. President Wagner said ISU has invested in student success, but has not grown in full-time equivalent professionals within student success recently as ISU is currently in a hiring pause, in order to reset its budget as an institution.

In response to a question from **Representative Raybould** about the investments in healthcare training at ISU to meet needs for healthcare professionals in Idaho, President Wagner said ISU is reaffirming its position and focusing on health sciences in the state of Idaho. The nursing program at ISU is growing through public and private partnerships. ISU is committed to growth in nursing, physical therapy, and PA programs.

In response to a question from **Representative Petzke** about potential changes to permanent buildings requests, President Wagner asked Brian Sagendorf, ISU President for Operations, for further detail. Mr. Sagendorf stated ISU has not yet made a decision on remodeling or new construction, and is still looking into respective costs. He did expect the permanent building request to change.

In response to a question from **Co-Chair Horman** about what plans ISU has for operational efficiencies as ISU has been covering ongoing expenses with one-time reserves, President Wagner stated ISU has the institutional courage as a body to address financial challenges. He stated there are many institutions across the country working with a structural deficit. ISU, however, decided it would not live with a structural deficit. The administration built an infrastructure to face the deficit and implemented a hiring pause to then, through a series of discussions, be more strategic and hire in areas applicable to the state of Idaho and the institution mission. His team also implemented a budget optimization process and formed a committee made up of faculty, staff, and students to review the administrative structure and compare it in best practices across the state and country. He stated ISU is on track by 2027 to no longer have a structural deficit.

In response to a question from **Representative Tanner** about the DEI program, President Wagner stated he will get back to Representative Tanner with the total amount spent on DEI.

In response to a question from **Representative Miller**, President Wager stated ISU is nearing 2000 Launch applicants. ISU has the most programs that qualify for Launch in the state, with 100 programs meeting the Launch requirements. Going forward, ISU is looking to build collaboration with the University of Idaho and the INL in building out its nuclear engineering program.

In his closing remarks, he stated 88% of ISU students are residents of Idaho, ISU has had three consecutive years of enrollment growth and has a 74% retention rate. Additionally, ISU is the only institution in the state with a tuition lock program, where students keep the same level of tuition until graduating with a 4 year degree. ISU leads in health sciences as a direct response to Idaho healthcare needs.

**ADJOURNED:** There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at 9:34 a.m.

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Senator Grow  
Chair

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Linsy Heiner  
Secretary