

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 14, 2024

TIME: 8:00 A.M.

PLACE: Room C310

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

Representatives Co-Chair Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Green

ABSENT/ EXCUSED: Representative Raybould

Co-Chair Horman called the meeting to order at 8:05 a.m.

Co-Chair Horman explained **H 595** did not advance in the Senate Education Committee. This circumstance affects the workgroup plan for the Public Schools budget and the workgroup needs additional time to make a new budget proposal.

MOTION: **Sen. Grow** made a motion, seconded by **Rep. Miller**, to amend the agenda and omit agenda item number four, the Public School Supplemental budget.

Co-Chair Horman asked **Co-Chairman Grow** to convert the motion to a unanimous consent request. Co-Chairman Grow agreed.

UNANIMOUS CONSENT REQUEST: **Co-Chairman Grow** requested, and it was granted by unanimous consent, to amend the agenda and omit agenda item number four, the Public School Supplemental budget.

Mr. Keith Bybee, Division Manager, LSO Budget & Policy Analysis, presented a FY 2025 funding request for the Legislative Services Office (LSO). This funding would be used by LSO to focus on the results of investments made by the Idaho Legislature.

Co-Chair Horman commented this is the next step in the new budgeting process. This year JFAC has taken steps to identify budget growth separately from base budgets. JFAC will begin base budget reviews during the legislative interim. This next step will take budget reviews from measuring compliance to measuring effectiveness.

Co-Chair Horman thanked **Ms. Terri Kondeff**, **Mr. Paul Headlee**, **Mr. Bybee**, and the rest of the LSO Budget & Policy Analysis staff for their work. She explained this new staffing will augment their efforts in the budget review process.

In response to committee questions, **Mr. Bybee** explained the additional FTPs are necessary to accomplish these new work functions. These FTPs must have skill sets aligning with performance evaluation; they could be internal or external hires.

Co-Chair Horman commented LSO does not have adequate staff to accomplish this additional work; Idaho runs one of the leanest legislative services offices in the country.

Sen. VanOrden expressed appreciation for this plan. In the past, JFAC has used intent language to obtain information needed for budget planning. This new staffing will benefit both JFAC and the current LSO Budget Analysts.

Co-Chairman Grow commented this appropriation will provide independence from state agencies, so JFAC can rely on analyst recommendations as to whether the objectives were achieved for the original agency appropriations. Additionally, these new positions will increase transparency into agency budgets. He cited the \$5B budget of the Department of Health & Welfare and noted it is difficult for a part-time Legislature to effectively examine whether appropriated dollars are achieving the desired objectives.

MOTION: **Sen. Grow** made a motion, seconded by **Rep. Miller**, for FY 2025, for the Legislative Services Office, an additional 4.00 FTP, \$397,300 from the General Fund, and \$136,400 from dedicated funds, for a total of \$533,700.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 17 AYES, 1 NAY, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senators absent/excused: Adams. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: Lambert. Representatives absent/excused: Raybould.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Co-Chairman Grow commented both Co-Chairs appreciate the hard work of **Ms. Terri Kondeff** and **Mr. Paul Headlee** and the leadership they give to LSO.

Mr. Bybee presented the FY 2025 budget for College and Universities.

MOTION: **Rep. Petzke** made a motion, seconded by **Sen. Lent**, for the College and Universities, beginning with the FY 2025 JFAC Maintenance Budget, to add 29.25 FTP and \$6,995,400 for capacity enhancements; reduce 4.00 FTP and \$489,000 to relocate risk management staff to the Office of the State Board of Education; \$1,039,500 for endowment adjustments; \$7,777,400 for the 2% CEC; and \$569,000 for nondiscretionary adjustments related to the enrollment workload adjustment. For College and Universities for FY 2025, this motion includes an additional \$12,490,700 from the General Fund and \$3,401,600 from dedicated funds, for a total of \$15,892,300, and an additional 25.25 full-time equivalent positions.

Rep. Petzke commented this motion moves dollars for Boise State's Permanent Building Fund project from the Permanent Building Fund to offset the enrollment workload adjustment loss in this budget. This motion is a net-zero transfer between the Permanent Building Fund and the College and Universities budgets.

Sen. Lent spoke to the proposed intent language related to the University of Idaho.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Raybould.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Mr. Bybee presented the intent language associated with this budget.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Petzke requested and it was granted by unanimous consent, to accept the following intent language:

**INTENT
LANGUAGE:**

SECTION __. USE OF APPROPRIATED FUNDS. State-appropriated funds shall not be utilized to support diversity, equity, inclusion, or social justice ideology as part of any student activities, clubs, events, or organizations on campus. Each college and university shall submit a written report of its expenditures related to these activities to the Joint Finance-Appropriations Committee no later than December 1, 2024.

Co-Chair Horman put the committee at ease at 8:31 a.m.

Co-Chair Horman resumed the meeting at 8:34 a.m.

Mr. Bybee presented an additional item of intent language related to the University of Idaho for this budget.

Sen. Herndon spoke to the proposed intent language. This language ensures regional institutions of higher education do not compete for limited resources. He noted Idaho State University offers physician assistant programs; this language ensures the University of Idaho will only expand into new programs, such as Masters degrees, which are not offered currently at either university.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. Herndon requested unanimous consent to accept the following intent language:

**INTENT
LANGUAGE:**

SECTION __. USE OF APPROPRIATED FUNDS. State-appropriated funds for capacity enhancement at the University of Idaho shall not be utilized to support undergraduate nursing or physician assistant programs that are provided by other colleges, universities, and community colleges that receive state-appropriated funds.

Rep. Miller objected.

MOTION:

Sen. Herndon made a motion, seconded by **Rep. Petzke**, to accept the following intent language.

**INTENT
LANGUAGE:**

SECTION __. USE OF APPROPRIATED FUNDS. State-appropriated funds for capacity enhancement at the University of Idaho shall not be utilized to support undergraduate nursing or physician assistant programs that are provided by other colleges, universities, and community colleges that receive state-appropriated funds.

Rep. Miller spoke to his objection. He recognized the potential competition between higher-education institutions but noted demand for nursing skills exceeds the seats available in current programs.

Sen. Herndon noted the Legislature has invested \$400K in the nursing program at Lewis-Clark State College (LCSC); there is still capacity for more students in that program. LCSC and North Idaho College coordinate with Idaho State University to offer a physician assistant program. If the University of Idaho were to offer similar programs, its geographical proximity would potentially deplete the pool of qualified instructors. **Sen. Herndon** explained this intent language would apply for the duration of the FY 2025 appropriation; the decision can be revisited in the next legislative session.

In response to a committee question, **Sen. Herndon** stated the main concern was competition between institutions for instructors. The competition from the University of Idaho would deplete resources from an existing program at Lewis-Clark State College. This motion protects the existing programs while they get established.

Sen. Lent further explained this is a strategic approach to maximize the effectiveness of taxpayer dollars.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 18 AYES, 1 NAY, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: Miller. Representatives absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Co-Chairman Grow expressed appreciation for the cooperation involved in this motion.

Mr. Tim Hibbard, Senior Analyst, LSO Budget & Policy, presented the FY 2025 budget for the Division of Occupational and Professional Licenses.

MOTION:

Rep. Bundy made a motion, seconded by **Sen. Bjerke**, for the Division of Occupational and Professional Licenses, beginning with the FY 2025 JFAC Maintenance Budget, to add \$770,000 for a licensing system; \$50,000 to consolidate budgeted programs; \$350,000 to increase access for opioid use disorder treatment medication; \$1,215,400 for replacement items; and \$400,400 for the 2% CEC. For the Division of Occupational and Professional Licenses, for FY 2025, this motion includes an additional \$2,783,700 from dedicated funds and \$2,100 from federal funds, for a total of \$2,785,800.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 18 AYES, 1 NAY, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: Lambert. Representatives absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Bundy requested and it was granted by unanimous consent, to accept the following intent language:

**INTENT
LANGUAGE:**

SECTION _ REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Occupational and Professional Licenses any unexpended and unencumbered balances appropriated or reappropriated to the Division of Occupational and Professional Licenses from the State Regulatory Fund for fiscal year 2024, in an amount not to exceed \$6,054,000 from the State Regulatory Fund for costs directly related to the procurement and operation of a commercial licensing information system, to be used for nonrecurring expenditures for the period July 1, 2024, through June 30, 2025. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Bundy requested and it was granted by unanimous consent, to accept the following intent language:

**INTENT
LANGUAGE:**

SECTION _ . REPORTING ON FUND BALANCES. The Division of Occupational and Professional Licenses shall provide a report by December 1, 2024, to the Joint Finance-Appropriations Committee, to the germane legislative committee responsible for such board or commission, and to the Legislative Services Office Division of Budget and Policy Analysis, detailing the year-end cash balances for all fund details of the Occupational Licenses Fund. If the year-end cash balance of any fund detail exceeds one hundred twenty-five percent (125%) of the five-year rolling average of expenditures, the Division of Occupational and Professional Licenses shall present a plan to the Legislature for reducing fund balances, including but not limited to fee reductions and holidays. If the year-end cash balance of any fund detail drops below thirty percent (30%) of the five-year rolling average of expenditures, the Division of Occupational and Professional Licenses shall present a plan to the Legislature for rectifying the low fund balance, including but not limited to fee increases. The format of the report and information contained therein shall be determined by the Legislative Services Office Audits and Budget and Policy Analysis Divisions, and shall determine such no later than August 1, 2024.

Mr. Jared Tatro, Deputy Division Manager, LSO Budget & Policy Analysis, presented the FY 2025 budget for Idaho Educational Services for the Deaf and the Blind (IESDB). He pointed out the request for a career ladder equivalence. IESDB teachers are not on the career ladder but perform the same functions, so the request is to maintain parity.

MOTION:

Rep. Miller made a motion, seconded by **Sen. VanOrden**, for the Educational Services for the Deaf and the Blind, beginning with the FY 2025 JFAC Maintenance Budget, to add \$389,300 for career ladder equivalence; \$100,000 for replacement items; \$3,600 for an endowment fund adjustment; and \$98,100 for the 2% CEC. For the Educational Services for the Deaf and Blind, for FY 2025, this motion includes an additional \$587,400 from the General Fund and \$3,600 from dedicated funds, for a total of \$591,00.

Rep. Tanner asked for clarification about the career ladder. **Mr. Tatro** stated the career ladder is based on history, certifications, and other criteria outlined in Idaho Code. Mr. Tatro explained this is a budget line item every year. IESDB teachers are not on the career ladder, so JFAC considers whether to keep these teachers on the same level as a teacher in a normal school district.

Rep. Miller gave further explanation. He stated the IESDB Director said this action enables IESDB to recruit and retain teachers with the required skill sets.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Ms. Frances Lippitt, Analyst, LSO Budget & Policy, presented the CEC enhancements for the Public Utilities Commission, Industrial Commission, and the Tax Commission. These adjustments will increase the salary for each of the ten statutory commissioners by 3% to provide comparable salary increases provided for most state employees. She explained these actions require four separate motions.

MOTION:

Sen. Bjerke made a motion, seconded by **Rep. Miller**, to introduce FGL020, which increases the salary for each of the ten statutory commissioners by 3%. This motion increases the salary for public utility commissioners from \$122,742 to \$126,424. The salary for tax commissioners is increased from \$113,977 to \$117,396. The salary for industrial commissioners is increased from \$119,540 to \$123,126.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

MOTION:

Sen. Bjerke made a motion, seconded by **Rep. Miller**, for the Public Utilities Commission for FY 2025, an additional \$13,500 from dedicated funds.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

MOTION:

Sen. Bjerke made a motion, seconded by **Rep. Miller**, for the Industrial Commission for FY 2025, an additional \$13,100 from dedicated funds.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Raybould.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

MOTION: **Sen. Bjerke** made a motion, seconded by **Rep. Miller**, for the State Tax Commission for FY 2025, an additional \$13,700 from the General Fund and \$2,900 from dedicated funds, for a total of \$16,600.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Raybould.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Ms. Lippitt presented the technical correction for the Permanent Building Fund in the Department of Administration.

MOTION: **Sen. Bjerke** made a motion, seconded by **Rep. Miller**, for FY 2025, for the following intent language regarding the repurposing of appropriation from the Permanent Building Fund be included in the Department of Administration for the Division of Public Works FY 2025 appropriation bill.

INTENT LANGUAGE: SECTION __. REPURPOSING OF APPROPRIATION FOR ~~NORTH IDAHO~~ OROFINO MINIMUM SECURITY DORM AND ISU PA FACILITIES EXPANSION. Notwithstanding the provisions of Section 2, Chapter 256, Laws of 2022, and any other provision of law to the contrary, \$12,568,100 appropriated to the Department of Administration for the Division of Public Works from the Permanent Building Fund for deferred maintenance shall be repurposed for new capital projects. Such projects shall include a 100-bed minimum security dormitory at the ~~North Idaho Correctional Institution~~ Idaho State Correctional Institution—Orofino for the Department of Correction, for which \$10,000,000 shall be utilized; and expanding Idaho State University's facilities for its physician assistant program, for which \$2,568,100 shall be utilized. Of the interest earnings generated in fiscal year 2024 from the Budget Stabilization Fund and Permanent Building Fund that accrue to the Permanent Building Fund, \$12,568,100 shall restore the contingency funds for deferred maintenance projects utilized for such capital projects.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Co-Chair Horman stated the House Appropriations Committee would convene at 9:15 a.m.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:11 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary