

SINE DIE REPORT

THE IDAHO STATE LEGISLATURE



A Summation of the 2017 Legislative Session

April 2017

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This report and a complete listing of all legislation are available at www.legislature.idaho.gov. Full text of all bills is included, along with statements of purpose, fiscal notes and legislative action.

Cover photo: Idaho State Capitol

2017 Legislative Leadership

Senate

Brent Hill, President Pro Tempore

Bart M. Davis, Majority Leader

Chuck Winder, Assistant Majority Leader

Todd Lakey, Majority Caucus Chair

Michelle Stennett, Minority Leader

Cherie Buckner-Webb, Assistant Minority Leader

Maryanne Jordan, Minority Caucus Chair

House of Representatives

Scott Bedke, Speaker of the House

Mike Moyle, Majority Leader

Brent Crane, Assistant Majority Leader

John Vander Woude, Majority Caucus Chair

Mathew W. Erpelding, Minority Leader

Ilana Rubel, Assistant Minority Leader

Elaine Smith, Minority Caucus Chair



2017 Committee Chairs

Senate

Jim Rice
Agricultural Affairs

Patti Anne Lodge
Judiciary and Rules

Jim Patrick
Commerce and Human Resources

Dan Johnson
Local Government and Taxation

Dean Mortimer
Education

Steve Bair
Resources and Environment

Shawn Keough
Finance

Jeff Siddoway
State Affairs

Lee Heider
Health and Welfare

Bert Brackett
Transportation

House of Representatives

Judy Boyle
Agricultural Affairs

Lynn Luker
Judiciary, Rules and Administration

Maxine Bell
Appropriations

Christy Perry
Local Government

Vito Barbieri
Business

Marc Gibbs
Resources and Conservation

Stephen Hartgen
Commerce and Human Resources

Gary Collins
Revenue and Taxation

Julie VanOrden
Education

Thomas Loertscher
State Affairs

Dell Raybould
Environment, Energy and Technology

Joe Palmer
Transportation and Defense

Fred Wood
Health and Welfare

Robert Anderst
Ways and Means

Introduction

Transportation, public education and tax relief were among the primary issues addressed by the First Regular Session of the Sixty-fourth Idaho Legislature. The legislative session began on January 9, 2017, and these three issues dominated the session, with tax relief and transportation taking up much of the deliberative time during the latter part of the session.

Consistent with the recent past, the Legislature aggressively moved to increase financial support of public schools. The Legislature approved a FY 2018 General Fund increase of 6.3% for K-12. This included an additional \$61.9 million to implement the third year of the career ladder compensation system. Idaho's community colleges also received a significant General Fund appropriation increase, approximately 6.7%, while Idaho's 4-year colleges and universities saw their General Fund appropriation increase approximately 2.7%. This marked the third consecutive legislative session that the Legislature has strengthened funding for Idaho public education.

In terms of transportation, the Legislature moved to address long-term projects as well as the damage to transportation infrastructure caused by the harsh winter of 2016/2017. Legislative efforts included the authorization of up to \$300 million in bonds (GARVEE bonds) to finance projects in critical transportation corridors. In addition, the Legislature provided approximately \$15.2 million in sales tax revenue for a new Transportation Expansion and Congestion Mitigation Program to address state and local transportation projects. Finally, the Legislature authorized the continuation of the transportation Strategic Initiatives Program, which provides funding for projects across the state. (The Strategic Initiatives Program, set to end in May 2017, has been extended for two additional years.)

Regarding tax relief, the Legislature repealed the sales tax on groceries. In addition, the grocery tax credit was repealed in that same piece of legislation while also holding harmless local units of government via an adjustment to revenue-sharing provisions in sales tax distributions. However, the governor vetoed this measure on April 11, 2017.

Among other noteworthy actions, the Legislature passed a bill that revises the duties of the Oil and Gas Commission and the duties of the Department of Lands as they relate to oil and gas. The bill strengthens public transparency of the industry by adding new reporting requirements, and it revises the rights and remedies of royalty owners.

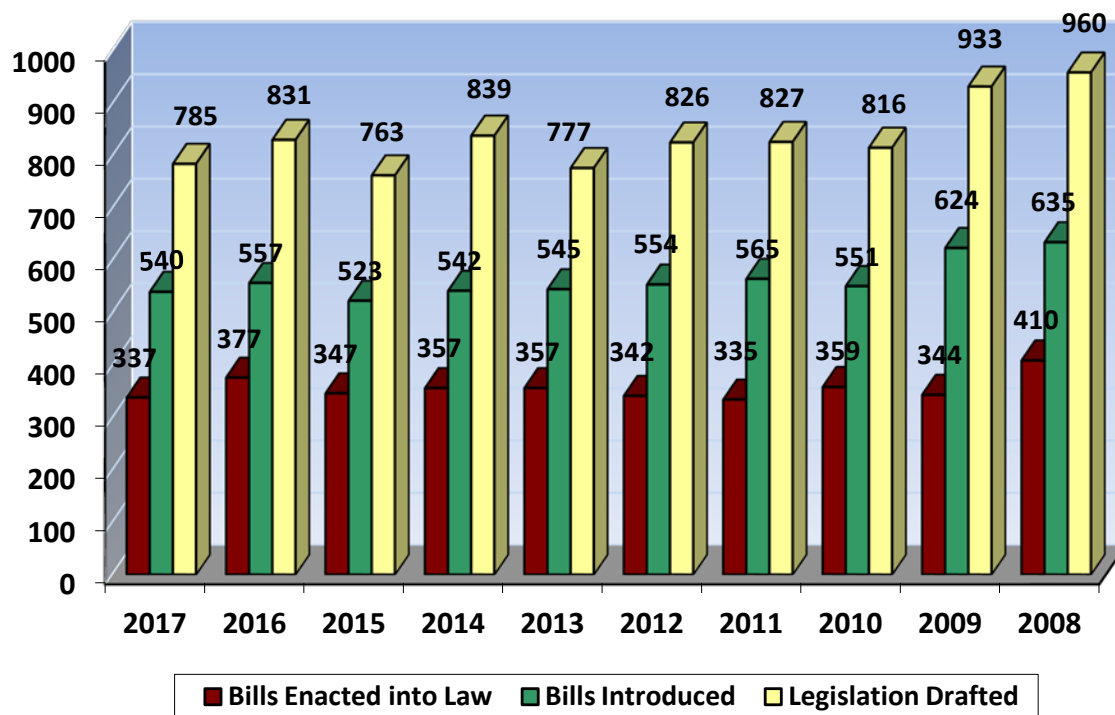
In terms of statewide budget matters, revenue projections for FY 2018 represent the seventh consecutive year of economic growth in the state. This trend was illustrated in the economic forecasts by the Economic Outlook and Revenue Assessment Committee, which estimated revenue growth of 4.6% for FY 2018 over a 5.4% growth estimate for FY 2017 (this was consistent with the Governor's forecast). The Legislature also funded the recommendations of the Joint Change in Employee Compensation Committee, which included a 3.0% merit increase for state employees. (*See General Fund Comparison on the last page of this report.*)

This Sine Die Report includes information relating to: the volume of legislation drafted; administrative rule review; legislation vetoed by the Governor; and a budget summary and highlights.

Volume of Legislation and Length of Session

During the 2017 legislative session, 785 proposed pieces of legislation were prepared for legislative committees and individual legislators. From that initial group of draft proposals, 540 bills were actually introduced, along with another 75 resolutions, memorials and proclamations. By the end of the session, 345 bills had been passed. After final legislative action, and following the Governor’s review, 337 introduced bills became law, with the majority of the new laws to become effective July 1, 2017. Eight bills were vetoed by the Governor.

**From Drafting to Enactment
10-Year Comparison**



Length of Session

When the Legislature adjourned sine die on March 29th, it had been in session for 80 days. The 2017 legislative session was 5 days longer than the previous session.

Length of Recent Sessions (Days)

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
80	75	89	74	88	81	88	78	117	87

Rules Review

At the beginning of each legislative session, the Legislature takes up the important task of reviewing all pending, pending fee and temporary rules that have been promulgated by state agencies. The Legislature can prevent pending rules from going into effect, as well as prevent final rules from remaining in effect, by rejecting them. Pending fee rules go into effect only if the Legislature approves them. Temporary rules expire at the end of the legislative session unless approved by the Legislature.

During the 2017 legislative session, the Senate and the House of Representatives were each asked to review 190 individual rulemaking dockets, totaling 1,416 pages. This figure is up from the 174 dockets reviewed during the 2016 legislative session and down from the 194 dockets reviewed during the 2015 legislative session.

Nine of the 164 pending rule dockets reviewed were rejected entirely or in part:

1. An entire rulemaking docket of the Idaho Department of Lands relating to Rules Governing Conservation of Oil and Natural Gas in the State of Idaho (HCR 5);
2. Parts of a Department of Health and Welfare docket relating to Rules Governing the Idaho Child Care Program (HCR 8);
3. Two entire rulemaking dockets of the Idaho Wheat Commission relating to Rules of the Idaho Wheat Commission (HCR 15 and HCR 16);
4. Parts of a State Board of Education docket relating to Rules Governing Administration (HCR 27);
5. Parts of a Board of Veterinary Medicine docket relating to Rules of the State of Idaho Board of Veterinary Medicine (SCR 102);
6. An entire rulemaking docket of the Division of Building Safety relating to Rules of the Public Works Contractors License Board (SCR 112);
7. An entire rulemaking docket of the State Board of and State Department of Education relating to Rules Governing Uniformity (SCR 118); and
8. Parts of a State Board of and State Department of Education docket relating to Rules Governing Thoroughness (SCR 119).

The proclamation adopted by the Board of Correction was approved.

Parts of a temporary rule docket were rejected, which was a State Board of and State Department of Education rule docket relating to Rules Governing Thoroughness, Idaho Science Standards Incorporated by Reference. All of the other five temporary rule dockets were approved and extended (SCR 121).

Two of the nineteen pending fee rules were rejected, which included a Board of Veterinary Medicine fee rule docket relating to Rules of the State of Idaho Board of Veterinary Medicine, and parts of a Sexual Offender Management Board fee rule docket relating to Rules of the Sexual Offender Management Board. All other pending fee rule dockets were approved (SCR 120).

2017 Legislative Action on Major Issues

Agriculture

S 1063 Provides that lands belonging to the state, to which an irrigation district has apportioned benefits, are subject to the levy and collection of assessments for those benefits.

S 1064 Clarifies the exclusion fee schedule depending on location and size of parcels proposed for exclusion, provides that exclusion process-related fees are to be borne by the petitioner, extends the irrigation district investigation and hearing timeline and clarifies that current and prior year assessments remain due and owing prior to exclusion.

S 1101 Provides that fees for stockwatering right claims, regardless of the number of claims filed, shall only be imposed on the first four claims per claimant and provides that there shall be no other fees or costs imposed on such claims.

S 1111 Provides that no agency of the federal government, nor any agent acting on its behalf, shall acquire a stockwater right unless the agency owns livestock and puts the water to beneficial use for the watering of livestock. The bill also provides that those with permits on federally administered grazing allotments will not be considered agents of the federal government.

Business and Economic Development

H 209 Repeals current notary statutes and establishes the Revised Uniform Law on Notarial Acts so that notarial acts may be performed electronically. Also requires the Secretary of State to provide a course to educate applicants and notaries on provisions of the new law.

H 315 Allows the director of the Idaho Department of Administration to authorize the Division of Public Works to accept existing leases incidental to the acquisition of a facility

by the Idaho State Building Authority. The Department of Administration worked with the Idaho State Building Authority to purchase the Hewlett Packard Campus. This gave the director statutory authority to allow the Division of Public Works to accept management of tenant leases currently held by HP, Inc. and will lease-back space as part of the purchase and sale agreement. The Department of Administration will use the lease fees to maintain the campus. The department estimates property management costs of \$5.5 million in dedicated funds for campus maintenance in FY 2018.



Criminal Justice

H 093 Allows any person who is a current member of the U.S. armed forces to carry a concealed handgun in Idaho.

H 104aaS Relaxes the prohibitions against dog racing to permit certain live exhibition-style dog races and certain sled dog races.

H 146 Ensures that a victim of sexual assault will not be denied a medical examination and provides that an inability to pay for an examination will not be an obstacle to an examination. This bill also requires retention of sexual assault evidence kits for a certain amount of time and ensures the victim is notified upon the kit's destruction.

S 1005 Amends the Child Protective Act to include human trafficking in the definition of an abused child.

S 1023 Revises the penalties for knowingly interfering with a funeral procession where intentional interference is a misdemeanor and all other violations are an infraction.



S 1088 Requires registered sex offenders to submit DNA samples for the DNA database.

S 1089 Allows facility dogs to remain at the witness stand with a child during testimony, in certain instances, to help support child witnesses.

S 1093aaH Raises the penalty for unlawful entry committed while the offender is fleeing from police to a felony and provides for restitution for victims.

S 1105 Provides that a person can commit theft of rental equipment, other than a vehicle, if the equipment is not returned within forty-eight hours after the time specified.

S 1109 Provides that initial reviews on parole, pardon, commutation and firearm restoration for convicted felons may be held in executive session and provides that the granting or denying of firearm restoration shall be made in executive session.

S 1113 Revises the composition of the Commission of Pardons and Parole to allow decisions to grant or deny parole without a quorum and provides that certain sanctions and rewards may be imposed without a hearing. This bill also directs the commission to consider certain factors such as risk assessment, criminal history, misconduct, and pro-

gram participation, compliance and completion in making any parole or commutation decision.

S 1144 Repeals and replaces the existing law regarding the prohibition on the sale of alcoholic beverages at businesses that display certain sexual conduct. This bill also provides an exemption for certain venues that host a performance that expresses serious literary, artistic, scientific or political value.

S 1154 Authorizes the Peace Officer Standards and Training Council to obtain and retain certain confidential criminal justice information for the purposes of certification, suspension or revocation of certification of peace officers and public safety personnel.

Education

H 018 Expands the class of Idaho National Guard members eligible to participate in the State Tuition Assistance Program when furthering their education.

H 070 Authorizes the award of a STEM (science, technology, engineering and mathematics) designation to a school or a school program.

H 073 Provides that upper division courses at community colleges are subject to approval by the State Board of Education, and clarifies the appropriate taxing district for community college upper division courses.

H 074 Clarifies the number and sequence of appointments to the Public Charter School Commission.

H 105 Provides that a higher education institution may use multiple measures when assessing the teaching skills of preservice teachers relating to reading.

H 108 Exempts an individual or entity that offers a program, school or course regarding the instruction or practice of yoga from having to register as a proprietary school with the State Board of Education.

H 142 Requires state institutions of higher education to obtain property through a state open contract unless it is able to obtain an equal or better price from another vendor.

H 185 Increases the annual individual state income tax deduction for contributions to a college savings program.

H 186aa Adds wireless LAN services to the Education Opportunity Resource Committee's powers and duties. The bill authorizes the committee to provide technical and other assistance for all connectivity to and between Idaho's school districts.

H 199 Clarifies that the Department of Education may withhold funding for third-party Pay-For-Success contracts until an external evaluator has determined whether the terms of the contract have been met.

H 228 Authorizes the Idaho Department of Education to establish an adult education and parent resource online portal.

H 242 Authorizes the Board of Education to waive the minimum instructional hours required for school districts impacted by a natural disaster that has created unsafe conditions for students.

H 253 Revises definitions to clarify that certificated teachers working in a mentoring capacity are considered instructional staff.

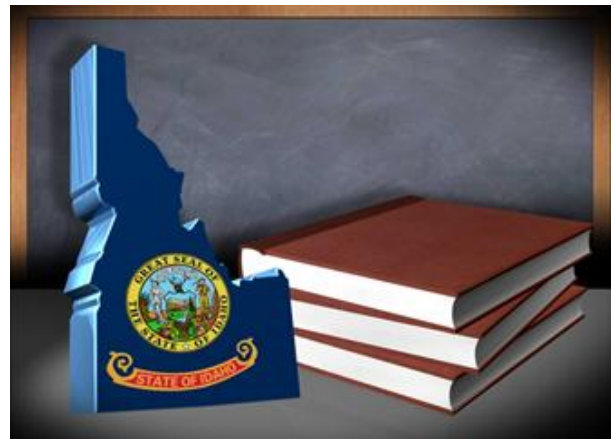
H 254 Removes term limits for public charter school commissioners.

H 257 This bill provides that matching funds may be accepted for a postsecondary credit scholarship from a foundation affiliated with the postsecondary institution, if the funds were donated specifically as a match for the scholarship program, when a student has graduated from an Idaho high school and is attending college in Idaho.

H 262 Increases funding for public school counselors and for college and career advisors.

H 279 Revises the requirements for pub-

lic charter schools relating to charter school petitions, the requirements for starting or converting to a new public charter school, the applicability of federal law, state law and collective bargaining, and the procedures for admission; and authorizes technical support and workshops in the formation of new public charter schools.



S 1029 Requires school districts to provide counseling services to students regarding the granting of postsecondary credit for career technical courses. It also authorizes the school district to grant credit for career technical courses.

S 1030 Provides that the dual enrollment of a student in a public charter school has no effect on the charter school's maximum enrollment restrictions, nor may it be used to circumvent the charter school's lottery requirements.

S 1034aa Removes a requirement for a broadband infrastructure improvement grant and revises the duty of the State Board of Education to make related rules.

S 1041 Amends and adds to existing law to provide that JFAC shall consider replacing moneys in the Public Education Stabilization Fund that were withdrawn for certain budgetary shortfalls in the following fiscal year.

S 1059 Extends eligibility for master teacher premiums to pupil service staff employees under certain conditions, and redesignates the premiums as master educator premiums.

S 1123 Restores transportation funding for field trips authorized by a school board.

SCR 105 Authorizes the State Board of Education to enter into agreements with the Idaho State Building Authority to finance the construction of the Idaho Cybercore Integration Center and the Idaho Collaborative Computing Center.

Elections

H 013 Removes the waiting period for a change in party affiliation to take effect for a partisan office holder.

H 149 Authorizes the use of a concealed weapons permit or an enhanced license to carry concealed weapons as acceptable voter identification that may be presented at the polls.



H 188 Provides for the electronic filing of campaign finance reports with the Secretary of State and local clerks.

S 1190 Rewrites the law relating to election contests for legislative and executive elected seats pertaining to jurisdiction, grounds for a contest, legislative rules, misconduct of election judges, procedures for contesting a legislative or executive election, a summary dismissal under certain conditions, testimony by witnesses, subpoenas and the examination, care and custody of records, security bonds, remedies for violations, appeals and the award of costs.

SCR 124 Stating findings of the Legislature and providing for a new Rule 22 of the Joint Rules of the Senate and the House of Repre-

sentatives of Idaho that governs the determination of election contests for executive officials.

SR 101 Stating findings of the Senate and providing for a new Senate Rule 54 to govern the determination of election contests for Senate seats.

General Government

H 097 Clarifies that attorney's fees in civil actions may be awarded when the judge finds that the case was brought frivolously, unreasonably or without foundation.

H 100 Assists insurers, insurance groups and the state Department of Insurance in maintaining awareness of risks in the industry. This bill is based on a model act developed by the National Association of Insurance Commissioners after the 2008 recession. State adoption of this legislation allows the department to maintain its accreditation as a regulator by the National Association of Insurance Commissioners.

H 102 Requires insurers and insurance groups to file a confidential corporate governance annual disclosure report with the Idaho Department of Insurance. This enables the department to understand the corporate governance structure of the insurer and assists the department in its regulatory duties.

H 130 Revises the duties of city treasurers and satisfies publication requirements; revises provisions regarding the examination of accounts of fiscal officers; and revises the contents of a treasurer's monthly report for public depository law purposes.

H 136 Establishes a penalty for bail agents who compensate incarcerated persons for encouraging other incarcerated persons to engage the services of the bail agent or the bail agent's company.

H 143 Establishes that the administrator of the Division of Purchasing may authorize agencies to participate in cooperative purchasing agreements and utilizes contracts of

other agencies.

H 145aaS Revises the definition of “employer covered under PERSI” to provide that all new employers added to PERSI must be in compliance with IRS regulations on governmental retirement plans.

H 148 Permits the appointment of co-guardians for minors in certain instances, sets the standards for co-guardians and clarifies the standards for the appointment of temporary guardians.

H 166 Replaces existing statute on unlawful state contracts with a new statute that is intended to be more equitable to the contracting parties. Contracts found to be unlawful may be terminated, with compensation paid to the contractor for any goods delivered or services provided prior to termination. A contract may also be voided if the contractor acted fraudulently or in bad faith. Penalties for state officers or employees who acted fraudulently or in bad faith are also clarified.

H 201 Clarifies who can petition for a name change for a minor, provides that an emancipated minor may petition for a name change and specifies the relatives of the minor who must be listed in the name change petition.

H 244 Requires that the holder of an individual life insurance policy be afforded the option of designating one person, in addition to the holder, to receive notice if the policy is about to lapse or be terminated due to a premium not being paid. The purpose is to protect policyholders and their beneficiaries from losing the policy in the event of the holder’s death, incapacity, or other inability to pay the premium on time.

H 315 Provides that the director of the Department of Administration may authorize the Division of Public Works to enter into leases incidental to the acquisition of a facility by the Idaho State Building Authority.



HCR 011 Honors Ray Houston, a principal budget and policy analyst in the Legislative Services Office, upon his retirement.

HCR 019 Authorizes the Legislative Council to appoint an interim committee to undertake and complete a study of the foster care system in Idaho.

HCR 029 Authorizes the Department of Administration to enter into agreements with the Idaho State Building Authority to finance the purchase of new or existing office or warehouse space to establish a single-destination complex to house state agencies. This resolution authorizes the Idaho State Building Authority to finance the purchase of property at 11311 Chinden Boulevard to serve as a state office complex. In addition to the authorization to sell up to \$140 million in bonds to finance the project, the fiscal note states a onetime General Fund appropriation is necessary to relocate the Idaho State Tax Commission to that property.

S 1074aa Revises and updates the political subdivision procurement laws to allow for greater efficiency in the procurement process. Revisions include increasing the dollar threshold amounts for bidding processes and clarifying the ability of county commissioners to delegate their procurement authority.

S 1076aa Clarifies that a public employee must be acting in good faith to qualify for protection against adverse action by the employer when the employee is participating or giving information in a court proceeding or other inquiries concerning the employer’s conduct.

S 1083 Establishes standards of training, education and certification of emergency communications officers, emergency call takers and dispatchers.

S 1108 Increases the salaries of judges at different levels of the judiciary throughout the state.

SCR 109 Honors Cathy Holland-Smith, manager of the Division of Budget and Policy Analysis in the Legislative Services office, upon her retirement.

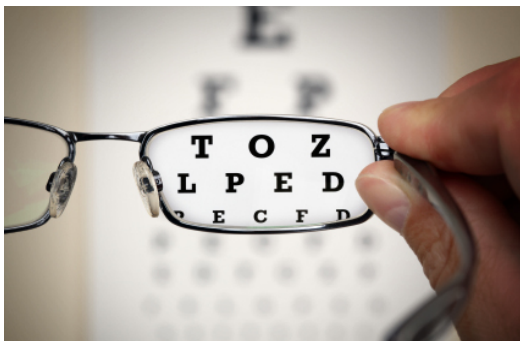
SCR 122 Authorizes the Legislative Council to appoint a committee to undertake and complete a study of potential approaches to mitigate the risk of bias in contested cases.

Health and Human Services

H 005 Enables students of the health professions to access the state's prescription monitoring program database when the students are acting under the supervision of a licensed practitioner. This legislation also requires that information submitted to the database be retained for five years.

H 006 Revises the lists of Schedule I, III, IV and V controlled substances to conform to federal law. Substances added to the lists include eluxadoline, a medication used to treat symptoms of irritable bowel syndrome, and brivaracetam, an antiepileptic drug.

H 011aaS Provides that licensed optometrists must be certified to use therapeutic pharmaceutical agents by January 1, 2021. Optometrists licensed prior to 1990 are excused from having to obtain the certification.



H 041 Provides that Idaho residents who have set up an Achieving a Better Life Experience (ABLE) account in another state will have the account disregarded if they apply for assistance programs such as Medicaid or supplemental security income; i.e., an ABLE account will not negatively affect a person's eligibility for assistance.

H 043 Establishes Medicaid eligibility for children with serious emotional disturbance from a family whose income is up to 300% of the federal poverty level. Serious emotional disturbance is an emotional or a behavioral disorder or a neuropsychiatric disability that results in a substantial impairment of functioning in the child's family, school or community.

H 081 Revises the Idaho Conrad J-1 Visa Waiver Program, which allows the placement of foreign-trained physicians in federally designated shortage areas, to provide that no more than 10 of the 30 annual waiver slots may be used for certain specialist physicians. The purpose of the revision is to preserve slots for the physicians who are needed most, including those who practice in pediatrics, internal medicine, family medicine, obstetrics and gynecology, psychiatry and general surgery.

H 128 Permits the Department of Health and Welfare to enter agreements with Medicaid providers for a fee arrangement based on the quality, rather than the quantity, of services and improves the health outcomes of Medicaid recipients while reducing costs to the state.

H 191 Allows pharmacists to prescribe drugs and devices to patients when the patient's condition is minor or does not require a new diagnosis or when the condition threatens the health or safety of the patient if the drug or device is not immediately dispensed. No controlled drug, compounded drug or biological product may be authorized under the rules.

H 195 Establishes standards and educational requirements for chiropractic physicians who wish to be certified in clinical nutrition. Certified chiropractic physicians may administer vitamins and minerals through injectable or intravenous routes in the treatment of their patients.



H 212 Allows psychologists who meet certain educational and clinical experience requirements to obtain a certificate to prescribe drugs or controlled substances to their patients. The drugs or controlled substances must be relevant to the practice of psychology and must appear in a formulary established in rules of the Board of Psychologist Examiners.

H 222 Enables the Department of Health and Welfare to establish a secure treatment facility for persons with intellectual or developmental disabilities who pose a threat to others, if existing facilities are insufficient to protect the public, while simultaneously providing patients with the treatment they need.

HCR 003 States the Legislature's support for family caregivers and for the recommendations adopted in the Idaho Lifespan Family Caregiver Action Plan, which include: (1) increasing public awareness of the costs and benefits of family caregiving, (2) training family caregivers, and (3) improving support for family caregivers.

HCR 009 States the Legislature's support for alleviating the effects of rare diseases on Idahoans, especially children, and for recruiting more pediatric physicians to practice in this state. Idaho currently suffers a shortage of pediatric physicians whose practice involves treating rare diseases.

S 1005 Revises the definition of "abused" in the Child Protective Act to include human

trafficking in order to bring Idaho into compliance with the federal Justice for Victims of Sex Trafficking Act of 2015, which amends requirements for state grant programs.

S 1038aa Allows the Board of Dentistry to commence emergency disciplinary proceedings against a licensed dentist when the public health, safety or welfare is in immediate danger.

S 1060 Provides that the Department of Health and Welfare shall make available information about cytomegalovirus (CMV), a disease that can affect infants in utero and cause serious disabilities.



S 1139aa Provides that physicians, physician assistants and advanced practice nurses may be granted the privilege to admit patients to hospitals or other health care facilities if the admitting privileges are recommended by the medical staff and approved by the governing board of the hospital or facility. The purpose is to ensure that enough practitioners at the hospital or facility have admitting privileges so that someone is available at all times to admit patients.

S1150 Enables individuals with high-risk medical conditions who are enrolled in individual health benefit plans to be reinsured through the Idaho High Risk Reinsurance Pool. The purpose is to stabilize the individual health insurance market and to encourage insurers to offer health benefit plans to Idaho consumers.

S1191 Revises and updates the Dietetic Practice Act, originally enacted in 1994, to

clarify the scope of dietetic practice and to provide grounds for professional discipline.

Natural Resources

H 051 Revises the definition of "license year" as it relates to outfitters and guides to mean that period of time beginning on April 1 and expiring on March 31 the following year.

H 052 Ratifies, approves, adopts and confirms the Interstate Compact to Conserve Oil and Gas, allowing Idaho to become a full member of the commission.

H 053 Authorizes the State Board of Land Commissioners to issue oil and gas leases on state or school lands for periods of time less than 10 years.

H 064 Revises the permitting and hearing processes used for applications filed with the Oil and Gas Conservation Commission and simplifies the integration process. The bill also clarifies time frames and processes for notification, publication, review, and approval.

H 092 This bill revises the definition of "dessert wine" to provide that dessert wine shall have the taste, aroma and characteristics attributed to "port," "sherry" and "Madeira"; and it increases the maximum alcohol content from 21% to 24% by volume for this type of wine and provides that Idaho wineries are not required to purchase a beer license to sell wine on the winery's original licensed premises.

H 096 Provides for alternate commissioners to the Bear River Commission to act in the absence of appointed commissioners.

H 104aaS Provides exceptions to applicability of prohibitions against dog racing for exhibition-style live dog races and sled dog races, provided certain conditions are met.

H 140 Provides that, in addition to complying with requirements of the Constitution of the State of Idaho relating to the submission of any change in the state water plan to the Legislature upon the first day of a regular

session following the change, the Water Resource Board shall also use best efforts to provide notice of changes to each member of the Legislature on or before the first day of the regular session following any change.

H 141 Defines "commercial wildlife tannery," revises provisions regarding records of commercial wildlife tanneries and provides for the seizure and confiscation of wildlife or portions thereof in the possession of commercial wildlife tanneries under certain conditions.

H 168 Modifies the amount of salmon and steelhead permit fees that are directed to the fish and game set-aside account designated for the acquisition, development and maintenance of parking areas, access sites, boat ramps and sanitation facilities in salmon and steelhead fishing areas, for management of research on steelhead trout and salmon problems and for technical assistance with litigation concerning steelhead and salmon originating in Idaho.

H 169 Requires legislative approval of any effort to introduce or reintroduce species in the State of Idaho by any state or state or federal agency.



H 170 Provides that, in addition to primacy over the management of its fish and wildlife, Idaho asserts primacy over the management of its water resources, and any introduction or reintroduction of any aquatic or terrestrial species within the state or into state waters without state consultation and approval is against the policy of the state and prohibited.



H 171 Provides that existing fishway requirements do not apply to the Hells Canyon Hydroelectric Project.

H 211 Increases the invasive species sticker fee for nonresidents from \$22.00 to \$30.00 per motorized vessel and sailboat.

H 230 Revises resident license fees effective December 1, 2017, and authorizes the Fish and Game Commission to implement a price lock discount order, which will provide a fee discount for eligible resident sportsmen who purchase a season license every year for at least five years.

H 301aa Revises the membership and duties of the Oil and Gas Conservation Commission and the duties of the Department of Lands as they relate to oil and gas, and provides for well spacing and setback requirements, unit integration, reporting requirements and the rights and remedies of royalty owners.

H 319 Provides that temporary approvals may be granted for use of water, not intended to become an established water right, for prevention of flood damage, for groundwater recharge, for ground or surface water remediation or for any other use, which shall not exceed a total diverted volume of five acre-feet for the duration of the approval, and also provides that temporary approval shall not be required for reservoir flood control authorized by state or federal law.

HJM 002 Supports actions by the Governor and Attorney General to oppose passage and introduction of salmon or steelhead above

Hells Canyon Dam, the State of Oregon having attempted to require Idaho Power Company to implement fish passage and reintroduction of anadromous fish above the Hells Canyon Project into Idaho waters in the process of relicensing by the Federal Energy Regulatory Commission.

HJM 004 Encourages western states and the federal government to establish cooperative and coordinated efforts with the State of Idaho to prevent, to whatever extent possible through efforts including inspections, decontamination policies, enforcement of invasive species laws and rapid response protocols, the further spread of quagga and zebra mussels and containment where they are established, until viable tools for their eradication are discovered.

HJM 008 Urges Congress to appropriate \$8 million of the authorized \$20 million for FY 2018 to the four Northwest states of Idaho, Montana, Oregon, and Washington, according to the Water Infrastructure Improvements for the Nation Act (WIIN), which includes the Water Resources Development Act of 2016 (WRDA). The \$8 million in federal matching funding will be used to enhance funds already allocated by the states for watercraft inspection and decontamination stations with the purpose of protecting the Columbia River Basin against invasive mussels.

S 1098 Requires oil and gas producers to file monthly reports with the State Tax Commission. The reports will include the name, description and location of wells and the fields where those wells are located. The report will also include information relating to the oil and gas produced, saved and sold or transported from the premises in Idaho.

S 1099aaH Establishes a new administrator position within the Department of Lands to handle matters of oil and gas conservation.

S 1101 Provides that fees for stock watering right claims, regardless of the number of claims filed, shall only be imposed on the first

four claims per claimant and that there shall be no other fees or costs imposed for such claims.

S 1118 Provides that individuals or landowners that have been issued a kill permit by the director of the Department of Fish and Game or his designee may, in conjunction with their responsibility for field dressing the animals taken, keep one animal for their personal use and that under certain conditions, a second animal subsequently taken may be kept by the individual or landowner.

SJM 102 Requests that Congress provide protections for adoption and implementation of state sage-grouse conservation plans and provide a mechanism for the Governor to ensure state sage-grouse plans can be implemented on lands operated by the Bureau of Land Management and the U.S. Forest Service.

Taxation

H 024 Establishes the right of a taxpayer to an independent administrative redetermination of a notice of deficiency (protest), and provides restrictions on ex parte communications among State Tax Commission staff.

H 026 Updates references to the Internal Revenue Code for 2016 and brings Idaho into conformance with the IRC.

H 029 Removes obsolete language regarding past grocery tax credit increases and establishes the amount of the grocery tax credit.

H 030 Specifies a market discount rate in determining the valuation of operating property of rate-regulated electric utility companies for assessment purposes.

H 031 Excludes nontaxable Roth individual retirement account distributions from a person's income calculation for the purposes of property tax relief eligibility.



H 032 Adjusts existing law by increasing the time a nonresident can use a tax-exempt motor vehicle in Idaho from 60 days to 90 days.

H 153 Extends a sunset date on the use of certain criteria regarding timber productivity valuation and forest management cost allowances.

S 1080 Removes language specifying a date after which a county auditor must deliver a missed property roll to the tax collector and allows taxpayers to receive their tax notice sooner.

Transportation

H 020 Removes the additional registration fee for all-gasoline hybrid vehicles while continuing to charge the fee for plug-in hybrids and exempts neighborhood electric vehicles from the electric vehicle fee.

H 078 Revises provisions regarding unattended motor vehicles to allow such vehicles that are running and locked or running and on private property to remain unattended.

H 131aa Prohibits Idaho licensed motor vehicle dealers and salesmen who are convicted of certain offenses from reapplying for a license until all outstanding customer complaints are resolved, to the satisfaction of the Idaho Transportation Department, for a period of three years for a first-time misdemeanor conviction and seven years for every subsequent conviction and for a period of ten years for all felony convictions.

H 132 Allows drivers of passenger cars, motorcycles and pickup trucks, not towing any other vehicle, to drive an additional 15 miles per hour over the posted speed limit while passing on the left on a highway divided by two lanes, with one lane of traffic in each direction, and requires a return to the posted limit within a practicable distance.



H 156 Provides for the titling, licensing and registration of park model recreational vehicles (PMRVs) and provides that the registration fees paid for PMRVs greater than 8 1/2 feet wide will be returned to the counties where they are located. PMRVs that are attached to foundations, have attached additions or have been substantially modified may be titled but not licensed or registered.

H 204 Authorizes the operation of personal delivery devices on sidewalks and crosswalks and provides that counties, municipalities and highway districts may adopt regulations for the safe operation of personal delivery devices.

H 334 Provides that one of the categories competing for Strategic Initiative Program selection and funding will be a category relating to child pedestrian safety on the state and local systems.

S 1019 Provides that it is unlawful for a vehicle operator to disregard directions from a school safety patrol member and provides for the reporting of violations to law enforcement.

S 1069 Provides that when the Idaho Transportation Board and the Idaho Transportation Department achieve approval by the Department of Homeland Security for issuance of REAL ID compliant driver's licenses and identification cards, applicants shall be offered a choice of compliant or noncompliant cards.

S 1086 Extends the time in which highway district commissioners may agree on a replacement commissioner in the event of a vacancy.

S 1107 Places a \$190 cap on the fees that may be charged by contractors administering commercial driver's license skills tests.

S 1206 Authorizes GARVEE bonding to finance highway transportation projects and extends the 2015 surplus eliminator for two years. Provides for distribution from the sales tax account for certain transportation projects, repeals the sunset clauses on cigarette tax and lottery revenues, and revises distributions from the Strategic Initiatives Program.

2017 Interim Committees

New Committees:

Commercial Vehicle Annual Registration Fee Interim Committee: Authorized by SCR 116 in the 2017 session, the Legislative Council will appoint a committee to undertake and complete a study regarding an annual registration fee and an operating fee by weight class of vehicles, based on the total miles the owner operated such vehicle on roads and highways in Idaho.

Ongoing Committees:

Administrative Hearing Officer Interim Committee: This committee began its work in 2016 (SCR 151) and was reauthorized in 2017 (SCR 122). The resolution authorizes the Legislative Council to appoint an interim committee to continue a study of potential approaches to mitigating the risk of bias in contested cases.

Criminal Justice Reinvestment Oversight Committee: Authorized by S 1393 in the 2014 session, this committee monitors performance and outcome measures as set forth in the Justice Reinvestment Act and studies the data-driven justice reinvestment and resource allocation approach and policies to improve public safety, reduce recidivism and reduce spending on corrections in Idaho. This committee will sunset in 2019.

Foster Care System Interim Committee: This committee began its work in 2016 (HCR 59) and was reauthorized in 2017 (HCR 19) to complete its study of the foster care system in Idaho.

Idaho Council on Indian Affairs: Monitors and reviews legislation and state policies that impact state/tribal relations and advises the Governor, the Legislature, and state departments and agencies on state/tribal relations. The council consists of two members of the House of Representatives, two members of the Senate, one person representing the Office of the Governor, and five members who represent each of the five Indian tribes of the state.

Natural Resources Interim Committee: Reauthorized by SCR 114 in the 2017 session to continue its study of natural resource issues.

Public School Funding Formula Interim Committee: This committee began its work in 2016 (HCR 33) and was reauthorized in 2017 (HCR 12) to continue its study of the public school funding formula and to make recommendations.

State Employee Group Insurance Plan Interim Committee: This committee began its work in 2016 (HCR 61) and was reauthorized in 2017 (HCR 13) to continue its study of the state's employee group insurance plan structure and total compensation package, including salary and benefits, and to make recommendations.

2017 Legislation Vetoed by the Governor

H 067aaS, aaS Amends, repeals and adds to existing law to provide a sales and use tax exemption for food sold for human consumption (groceries); repeals the grocery tax credit; and to revise a distribution relating to revenue sharing to local units of government.

H 139 Repeals, amends and adds to existing law to establish licensing and other provisions for occupations providing barber and cosmetology services.

H 197 Amends existing law to revise the procedure for filling a vacancy in the U.S. House of Representatives.

H 202aaS Amends existing law to revise which property is subject to civil forfeiture and under which conditions, to establish a right of replevin upon court order, to require certain findings by the court, to remove payment of the state's costs, to provide for disposition of the seized property and to establish reporting requirements.

H 274aaS Amends and adds to existing law to establish the position of administrator of invasive species policy; to revise the duties of the director of the Idaho Department of Agriculture; to authorize the director to apply for search warrants under certain conditions, to provide that certain check stations may have extended operating hours; to provide penalties for any person failing to stop at a check station; to provide that the director shall pursue federal government partnerships and funding; to provide that the director under certain conditions shall enter into cooperative agreements; and to provide for formal memoranda of agreement with certain entities.

H 318 Appropriates an additional \$40,900 to the Executive Office of the Governor for fiscal year 2017; authorizes one additional full-time equivalent position one time for fiscal year 2017; appropriates an additional \$142,700 for fiscal year 2018; and authorizes one additional full-time equivalent position ongoing for fiscal year 2018.

S 1046 Amends existing law to provide that a high-deductible health plan shall be made available to state employees on an optional basis and to provide that the Department of Administration shall make an annual deposit of a certain amount in a health savings account.

S 1057 Amends existing law to revise a provision regarding job evaluation and to provide that the annual survey shall contain certain data.

Budget Summary

GENERAL FUND BUDGET UPDATE FISCAL YEAR 2017

	Gov's Revised Recommendation	Legislative Action
<u>REVENUES</u>		
1. Beginning Balance	\$ 50,456,300	\$ 50,456,300
2. Reappropriation	7,004,400	7,004,400
3. FY 2016 After Year-End Cash Reversions	19,112,600	19,112,600
4. Adjusted Beginning Balance	<u>76,573,300</u>	<u>76,573,300</u>
5. DFM Revised Rev Est (5.4% increase over FY 2016 actual)	3,354,545,000	3,354,545,000
6. Additional Recognized Revenue	0	39,171,800
7. Total Revenues	<u>3,354,545,000</u>	<u>3,393,716,800</u>
8. TOTAL REVENUES AND BEGINNING BALANCE	\$ 3,431,118,300	\$ 3,470,290,100
<u>TRANSFERS</u>		
9. 2016 Legislative Session Transfers	(44,700,400)	(44,700,400)
10. H16 & H49 Deficiency Warrants	(381,000)	(381,000)
11. S1402 of 2016 Revolving Development Fund - Water Resources	0	2,400,000
12. S1141 Consumer Protection Fund - Attorney General	0	7,448,000
13. S1141 Emergency Relief Fund - Military Division	0	(50,000,000)
14. S1141 Disaster Emergency Fund - Military Division	0	(2,000,000)
15. S1206 Budget Stabilization Fund §57-814 IC	0	(31,836,900)
16. Net Transfers In (Out)	<u>(45,081,400)</u>	<u>(119,070,300)</u>
17. NET REVENUES AND TRANSFERS	\$ 3,386,036,900	\$ 3,351,219,800
<u>APPROPRIATIONS</u>		
18. FY 2017 Original Appropriations	3,272,991,000	3,272,991,000
19. Reappropriations	7,004,400	7,004,400
20. Supplementals & Rescissions	(8,184,600)	49,801,900
21. Cash Transfers to Other Funds	0	(52,000,000)
22. FY 2017 Total Appropriations	<u>3,271,810,800</u>	<u>3,277,797,300</u>
23. FY 2017 ESTIMATED ENDING BALANCE	\$ 114,226,100	\$ 73,422,500

**GENERAL FUND BUDGET UPDATE
FISCAL YEAR 2018**

<u>REVENUES</u>	<u>Gov's Revised Recommendation</u>	<u>Legislative Action</u>
1. Estimated Beginning Balance	\$ 114,226,100	\$ 73,422,500
2. DFM Orig Rev Est (4.6% increase over FY 2017 forecast)	3,507,437,000	3,507,437,000
3. Proposed Executive Branch Legislation	(1,597,500)	0
4. H31 Circuit Breaker, Taxable Income, Roth IRA	0	(5,000)
5. H32 Sales Tax Exemption, Use Nonresident Vehicles	0	(25,000)
6. H54 Business Filing Fees	0	(12,500)
7. H185 Increase Credit for College Savings Program	0	(1,100,500)
8. S1206 Sales Tax for Roads - Congestion Mitigation Fund	0	(15,171,300)
9. Total Revenues	3,505,839,500	3,491,122,700
10. TOTAL REVENUES AND BEGINNING BALANCE	\$ 3,620,065,600	\$ 3,564,545,200
 <u>TRANSFERS</u>		
11. S1206 Budget Stabilization Fund §57-814 IC	(33,545,500)	0
12. H297 Wolf Control Depredation Fund - Wolf Control Board	(400,000)	(400,000)
13. S1129 Workforce Development Training Fund - Dept of Labor	(5,000,000)	(2,500,000)
14. S1177 Idaho Opportunity Fund - Dept of Commerce	(3,000,000)	(2,000,000)
15. S1177 Indirect Cost Recovery Fund - Dept of Commerce	31,800	31,800
16. S1194 Perm Bldg Fund - ISU Gale Life Science Bldg Remodel	(5,000,000)	(5,000,000)
17. S1194 Perm Bldg Fund - State Hospital West and South Remodel	(10,296,200)	(10,296,200)
18. S1194 Perm Bldg Fund - BSU Center for Materials Science	(10,000,000)	(10,000,000)
19. S1194 Perm Bldg Fund - LCSC Career-Technical Education Bldg	(10,000,000)	(10,000,000)
20. S1194 Perm Bldg Fund - UI Ctr for Ag, Food & Environment (CAFE)	(10,000,000)	(10,000,000)
21. Net Transfers In (Out)	(87,209,900)	(50,164,400)
22. NET REVENUES AND TRANSFERS	\$ 3,532,855,700	\$ 3,514,380,800
 <u>APPROPRIATIONS</u>		
23. FY 2018 Appropriations	3,519,238,400	3,500,739,700
24. Net Cash Transfers to Other Funds	(53,696,200)	(50,164,400)
25. FY 2018 Original Appropriations	3,465,542,200	3,450,575,300
26. FY 2018 ESTIMATED ENDING BALANCE	\$ 67,313,500	\$ 63,805,500

General Fund Revenue Collections and Estimates

The Economic Outlook and Revenue Assessment Committee (EORAC), appointed by leadership and made up of nine members from the Senate and nine members from the House, convened before the session and heard testimony from economists and key industry representatives from throughout the state. The committee then reviewed the FY 2017 and FY 2018 General Fund revenue forecasts presented to the First Regular Session of the 64th Idaho Legislature in the Governor's State of the State speech. The committee concluded that total General Fund revenues available for appropriation be \$3,354.5 million for FY 2017, and \$3,507.4 million for FY 2018. The committee's median forecast was lower than the executive forecast by 0.3%, or \$9.7 million, for FY 2017, and 0.5%, or \$16.8 million, higher for FY 2018.

The Joint Finance-Appropriations Committee accepted the executive forecast for both FY 2017 and FY 2018. The numbers below include adjustments from legislation impacting General Fund revenues. The bill number, description, and estimated fiscal impact of each of the law changes can be found on the General Fund Budget Update. At Sine Die, JFAC recognized surplus revenue generated through January 2017 for budgeting purposes, but did not identify specific revenue sources or change the forecast.

REVENUE SOURCE	Revenue Estimates				
	FY 2016	FY 2017		FY 2018	
	Actual Collections	January Forecast	With Law Changes	January Forecast	With Law Changes
Individual Income Tax	\$1,513,168,519	\$1,590,851,700	\$1,590,851,700	\$1,666,778,000	\$1,665,660,000
Corporate Income Tax	186,869,097	202,458,400	\$202,458,400	215,894,000	215,894,000
Sales Tax	1,303,027,519	1,379,670,000	\$1,379,670,000	1,447,141,000	1,431,944,700
Product Taxes					
Cigarette Tax	7,899,996	9,947,500	9,947,500	7,306,000	7,306,000
Tobacco Tax	11,595,623	11,430,900	11,430,900	11,679,000	11,679,000
Beer Tax	1,934,403	1,991,000	1,991,000	2,016,000	2,016,000
Wine Tax	4,481,223	4,677,000	4,677,000	4,856,000	4,856,000
Liquor Transfer	25,890,004	28,880,000	28,880,000	30,184,000	30,184,000
Total Product Taxes	51,801,249	56,926,400	56,926,400	56,041,000	56,041,000
Miscellaneous Revenue					
Kilowatt Hour Tax	1,876,626	1,900,000	1,900,000	2,000,000	2,000,000
Mine License Tax	(247,401)	500,000	500,000	600,000	600,000
State Treasurer	324,425	(482,400)	(482,400)	2,119,000	2,119,000
Judicial Branch	6,251,398	9,013,400	9,013,400	9,143,000	9,143,000
Insurance Premium Tax	72,123,281	73,007,700	73,007,700	69,616,000	69,616,000
State Police	0	0	0	0	0
Secretary of State	2,781,488	3,209,500	3,209,500	3,410,000	3,410,000
Unclaimed Property	9,928,448	6,500,000	6,500,000	6,500,000	6,500,000
Estate Tax	276	0	0	0	0
Other/Dept. Transfers	35,789,042	30,990,300	30,990,300	28,195,000	28,195,000
Total Miscellaneous Revenue	106,264,962	124,638,500	124,638,500	121,583,000	121,583,000
TOTAL REVENUES*	\$3,183,693,967	\$3,354,545,000	\$3,354,545,000	\$3,507,437,000	\$3,491,122,700
% Change from prior year	4.2%	5.4%	5.4%	4.6%	4.1%
With Beginning Balances Revenue Adjustment	44,946,500	76,573,300	76,573,300	73,422,500	73,422,500
REVENUES & BALANCES	\$3,228,640,500	\$3,431,118,300	\$3,431,118,300	\$3,580,859,500	\$3,564,545,200

*Forecast numbers have been adjusted for rounding

FY 2017 General Fund Revenues

In January 2017, the Division of Financial Management (DFM) revised the FY 2017 August forecast up by \$12 million, to \$3,354,545,000, which increased the expected percentage growth from 5% to 5.4% over the FY 2016 actual revenues. After accounting for the fiscal impact of legislation from the 2016 session, the FY 2017 adjusted revenue growth was 4.7%. In both the Governor's and the EORAC recommendation, the dollar amount projected for FY 2017 is \$40.3 million more than estimated last year at Sine Die.

Once the 2017 session began and the state began to accrue revenue above the year-to-date forecast, JFAC recognized an additional \$39.2 million in revenue and dedicated it for statewide disaster relief through the Office of Emergency Management in the Military Division. The effect of this change was to increase estimated growth in FY 2017 up to 6.6% over FY 2016 actual expenditures.

To finalize the General Fund budget for FY 2017, the Legislature relied upon a beginning balance of \$50.5 million accumulated from the previous year, \$7 million for reappropriations, and \$19.1 million for after-year end reversions, for an available balance of \$3,470.3 million to appropriate.

FY 2017 Deficiency Warrants and FY 2017 Transfers

The Legislature appropriated \$381,000 for deficiency warrants. **H 049** transferred \$38,400 from the General Fund for reimbursement to the Military Division for costs associated with the cleanup of 20 hazardous materials incidents throughout Idaho in FY 2016. **H 016** transferred \$342,600 from the General Fund to the Department of Agriculture, of which \$26,300 was for exotic pest monitoring, \$1,100 for potato cyst nematode monitoring, and \$315,200 for Japanese Beetle treatment paid for in FY 2016.

A total of \$74 million was appropriated and transferred into various dedicated funds during this legislative session. Last session the Legislature appropriated and transferred \$44.7 million for a total of \$119.1 million for FY 2017 including deficiency warrants. **S 1402** from the 2016 legislative session counted \$2.4 million from the Idaho Water Board from the sale of Pristine Springs to the College of Southern Idaho (CSI). CSI received a \$1.2 million General Fund supplemental to match with its own funds to purchase Pristine Springs to access geothermal water to augment existing rights to heat campus facilities. **S 1141** transferred \$7.4 million from the Attorney General's Consumer Protection Fund into the General Fund, and also transferred \$52 million out of the General Fund, of which \$2 million went into Disaster Emergency Fund and \$50 million into the Emergency Relief Fund to assist with disaster response and statewide emergency road and bridge repair to be managed by the Military Division. In addition, **S 1206**, the bill that triggers a surplus eliminator for transportation and additional savings at the end of the fiscal year, also changed the timing of the statutory deposit to the Budget Stabilization Fund to the end of FY 2017 instead FY 2018, resulting in an estimated transfer of \$31.8 million on June 30, 2017.

Supplementals and Rescissions

The net impact of supplemental appropriations and rescissions resulted in \$2,198,100 of reduced expenditures in the General Fund for FY 2017.

Supplementals:

Agency	General Fund	Purpose
College of Southern Idaho	\$1,200,000	Purchase Pristine Springs
Dept of Health & Welfare:		
Child Welfare	\$868,100	Increased Demand for Services
Division of Medicaid	\$370,800	KW Lawsuit Compliance, Home & Community Based Services, Non-emergency Medical Transportation
Mental Health Services	\$127,700	Jeff D Lawsuit Agreement
Psychiatric Hospitalization	\$500,000	Projected Budget Shortfall
Public Health Services	\$128,600	Expanded Access Program
Division of Welfare	\$116,300	Aid to the Aged, Blind and Disabled (AABD) Project- ed Shortfall
Dept of Correction:		
Management Services	\$370,500	Offender Management System Evaluation and Balla Lawsuit
Medical Services	\$134,900	Contract Healthcare Shortfall
ISP Brand Inspection	\$250,000	Animal Identification Software
Dept of Lands	\$66,400	Oil & Gas Conservation Division (new program)
Dept of Agriculture	\$1,379,900	Methyl Bromide Project, Animal Tracking Software, and Watercraft Inspection Stations
Dept of Commerce	\$100,000	Recruit F-35 Mission for Gowen Field
Historical Society	\$1,000,000	Exhibit Museum Design
Exec Office of the Governor	\$64,900	Director of Information Security
Legislature	\$125,000	HCR13 Study Employee Benefits Interim Committee
State Tax Commission	\$2,000,000	Moving and Relocation Expenses
Secretary of State	\$2,222,200	Business Entities IT Upgrade
<i>Total Supplementals</i>	<i>\$11,025,300</i>	

Rescissions:

Agency	General Fund	Purpose
Catastrophic Health Care	(\$4,945,100)	Excess FY 2016 Appropriation
Dept of Health & Welfare:		
Indirect Support	(\$244,900)	Pay for PHS and AABD Supplemental Appropriations
Division of Medicaid	(\$6,461,700)	Hospital Cost Settlements & Non-emergency Medical Transportation
Mental Health Services	(\$500,000)	Community Hospitalization Transfer
Dept of Correction:		
County Placements	(\$907,300)	County Bed Utilization
Correctional Alternative Placement (CAPP)	(\$164,400)	Bed Utilization
<i>Total Rescissions</i>	<i>(\$13,223,400)</i>	

FY 2018 General Fund Revenues

The Governor, EORAC, and JFAC all supported using DFM's General Fund forecast of 4.6% over the FY 2017 of \$3,354,545,000 estimate to build the FY 2018 budgets. The original revenue estimate of \$3,507,437,000 was impacted by five bills.

The net impact of these bills reduces General Fund revenue by \$16,314,300 or (0.5%):

- **H 031** removes Roth IRA withdrawals that have already been included in the income calculations for circuit breaker property tax relief with an estimated reduction to revenues of \$5,000.
- **H 032** increases from 60 to 90 days the amount of time a nonresident may drive a newly purchased vehicle in Idaho without paying sales tax at an estimated reduction to revenues of \$25,000.
- **H 054** makes corrections to the Idaho Uniform Business Organization Code with an estimated reduction to revenues of \$12,500.
- **H 185** increases the amount of state tax credit from \$4,000 to \$6,000 (double for married filers) for the Idaho College Savings Program with an estimated reduction to revenues of \$1,100,500.
- **S 1206** directs 1% of the sales tax revenues to the Transportation Expansion and Congestion Mitigation Fund in the Idaho Transportation Department with an estimated reduction to revenues of \$15,171,300.

The adjusted revenue forecast of \$3,491,122,700 represents a 4.1% General Fund increase for FY 2018 beginning with DFM's FY 2017 revenue forecast. When considering the additional revenue that JFAC recognized for FY 2017 of \$39,171,800, the FY 2018 percentage increase is reduced to 2.9%, removing any requirement to make a statutory transfer into the Budget Stabilization Fund in FY 2018.

FY 2018 Transfers and Appropriations

- **H 636** transferred \$400,000 into the Wolf Control Depredation Fund;
- **S 1129** appropriated \$2.5 million to the Workforce Development Training Fund in the Department of Labor;
- **S1177** appropriated \$2 million to the Idaho Opportunity Fund and transferred in \$31,800 from the Indirect Cost Recovery Fund in the Department of Commerce;
- **S1194** appropriated and transferred a total of \$45,296,200 to the Permanent Building Fund. Of that amount, \$5 million is for the Idaho State University's Gale Life Sciences Building remodel; \$10,296,200 to build an adolescent psychiatric unit at State Hospital West and remodel the vacated unit at State Hospital South in Blackfoot into a secure mental health unit for adults; \$10 million for BSU's Center for Materials Science, \$10 million for Lewis Clark State College's Career-Technical Education Building, and \$10 million for the University of Idaho's Center for Agriculture, Food, and Environment.

The Legislature appropriated \$3,450,575,300 from the General Fund in FY 2018, for a 5.4% increase over FY 2017 Original Appropriations. This is \$177,584,300 million more than in FY 2017, and is split \$3,424.7 million for ongoing expenditures and \$25.9 million for one-time expenditures.

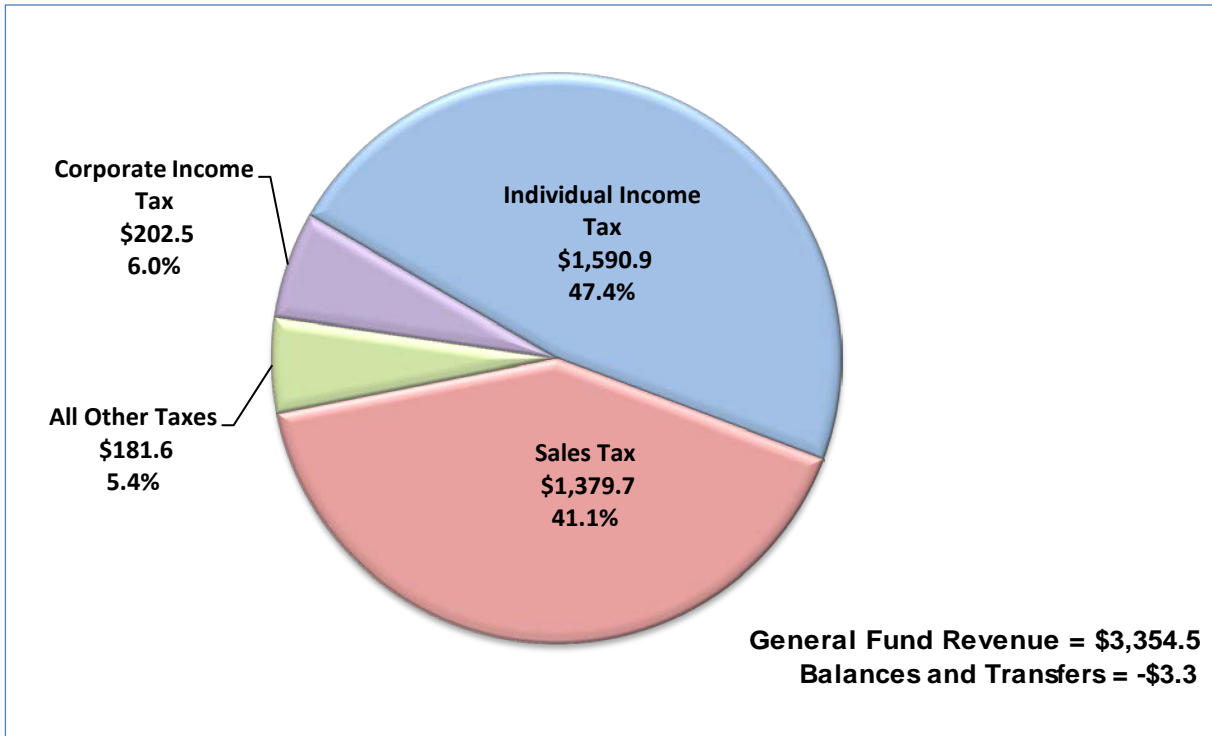
**General Fund Comparison Original Appropriation
to Governor's Recommendation & JFAC Action**

Department/Agency	FY 2017 Orig Approp	FY 2018 Gov's Revised Rec	Change from 2017 Orig	FY 2018 JFAC Action	Dollar Difference from Governor	Dollar Difference from FY 2017	Change from 2017 Orig
Education							
Public School Support	1,584,669,400	1,686,083,700	6.4%	1,685,262,200	(821,500)	100,592,800	6.3%
Ag Research & Extension Service	30,516,700	31,263,300	2.4%	31,263,300	0	746,600	2.4%
College and Universities	279,546,500	285,590,200	2.2%	287,053,200	1,463,000	7,506,700	2.7%
Community Colleges	36,919,000	39,272,200	6.4%	39,400,900	128,700	2,481,900	6.7%
Education, Office of the State Board of	3,477,000	9,585,600	175.7%	5,584,900	(4,000,700)	2,107,900	60.6%
Health Education Programs	13,514,000	15,594,200	15.4%	15,594,200	0	2,080,200	15.4%
Career Technical Education	62,057,600	64,176,300	3.4%	65,372,000	1,195,700	3,314,400	5.3%
Public Television, Idaho	3,022,100	3,327,600	10.1%	3,327,200	(400)	305,100	10.1%
Special Programs	15,430,100	18,682,800	21.1%	15,562,200	(3,120,600)	132,100	0.9%
Superintendent of Public Instruction	14,184,800	14,994,500	5.7%	14,189,200	(805,300)	4,400	0.0%
Vocational Rehabilitation	8,336,100	8,391,500	0.7%	8,589,000	197,500	252,900	3.0%
Health & Human Services							
Catastrophic Health Care Program	18,000,000	17,999,500	(0.0%)	17,999,500	0	(500)	(0.0%)
Health & Welfare, Department of	157,492,500	182,702,900	16.0%	174,203,600	(8,499,300)	16,711,100	10.6%
Medicaid, Division of	519,607,200	538,085,900	3.6%	531,903,900	(6,182,000)	12,296,700	2.4%
Public Health Districts	9,289,500	9,342,800	0.6%	9,341,700	(1,100)	52,200	0.6%
Independent Living Council, State	124,100	214,700	73.0%	214,700	0	90,600	73.0%
Public Safety							
Correction, Department of	215,229,500	218,331,700	1.4%	220,432,300	2,100,600	5,202,800	2.4%
Judicial Branch	42,415,900	49,822,500	17.5%	49,400,200	(422,300)	6,984,300	16.5%
Juvenile Corrections, Department of	40,967,500	41,745,900	1.9%	41,715,600	(30,300)	748,100	1.8%
Police, Idaho State	27,352,500	29,501,500	7.9%	29,162,400	(339,100)	1,809,900	6.6%
Natural Resources							
Environmental Quality, Department of	17,908,000	19,401,100	8.3%	19,621,100	220,000	1,713,100	9.6%
Lands, Department of	5,344,900	5,701,300	6.7%	6,070,100	368,800	725,200	13.6%
Parks & Recreation, Department of	3,336,700	3,357,900	0.6%	3,356,600	(1,300)	19,900	0.6%
Water Resources, Department of	18,530,400	18,700,800	0.9%	19,300,500	599,700	770,100	4.2%
Economic Development							
Agriculture, Department of	11,175,800	11,490,900	2.8%	14,634,200	3,143,300	3,458,400	30.9%
Commerce, Department of	5,713,800	5,730,500	0.3%	5,780,500	50,000	66,700	1.2%
Labor, Department of	389,600	341,200	(12.4%)	341,200	0	(48,400)	(12.4%)
Self-Governing Agencies							
Building Safety, Division of	270,000	273,100	n/a	234,500	(38,600)	(35,500)	(13.1%)
Hispanic Affairs, Commission on	134,300	136,400	1.6%	161,400	25,000	27,100	20.2%
Historical Society, Idaho State	2,776,800	3,962,300	42.7%	3,952,800	(9,500)	1,176,000	42.4%
Libraries, State Commission for	4,002,300	4,025,300	0.6%	4,025,300	0	23,000	0.6%
Public Defense Commission	5,796,900	5,827,700	0.5%	5,827,700	0	30,800	0.5%
State Appellate Public Defender	2,636,600	2,889,200	9.6%	2,889,200	0	252,600	9.6%
Veterans Services, Division of	1,056,400	1,126,900	6.7%	1,117,700	(9,200)	61,300	5.8%
General Government							
Administration, Department of	7,665,700	7,677,400	0.2%	7,677,400	0	11,700	0.2%
Attorney General	22,699,900	23,147,700	2.0%	23,135,800	(11,900)	435,900	1.9%
Controller, State	7,524,400	8,375,700	11.3%	8,346,000	(29,700)	821,600	10.9%
Office of the Governor							
Aging, Commission on	4,531,000	4,527,400	(0.1%)	4,527,400	0	(3,600)	(0.1%)
Arts, Commission on the	782,900	785,500	0.3%	810,500	25,000	27,600	3.5%
Blind & Visually Impaired, Comm for th	1,455,500	1,461,600	0.4%	1,461,600	0	6,100	0.4%
Drug Policy, Office of	320,700	321,900	0.4%	321,900	0	1,200	0.4%
Financial Management, Division of	1,769,800	1,857,400	4.9%	1,857,400	0	87,600	4.9%
Governor, Executive Office of the	2,160,500	2,348,100	8.7%	2,348,100	0	187,600	8.7%
Military Division	6,661,500	6,805,100	2.2%	6,848,700	43,600	187,200	2.8%
Species Conservation, Office of	538,100	1,288,400	139.4%	1,288,400	0	750,300	139.4%
STEM Action Center	2,420,700	4,489,500	85.5%	4,489,500	0	2,068,800	85.5%
Legislature	6,755,000	6,755,000	0.0%	7,255,000	500,000	500,000	7.4%
Legislative Services Office	5,112,500	5,224,100	2.2%	5,224,100	0	111,600	2.2%
Performance Evaluations, Office of	889,200	886,500	(0.3%)	886,200	(300)	(3,000)	(0.3%)
Lieutenant Governor	170,000	172,900	1.7%	172,900	0	2,900	1.7%
Tax Appeals, Board of	565,300	606,700	7.3%	606,700	0	41,400	7.3%
Tax Commission, State	35,162,600	35,814,100	1.9%	35,798,300	(15,800)	635,700	1.8%
Secretary of State	3,175,600	3,909,200	23.1%	3,220,800	(688,400)	45,200	1.4%
State Treasurer	1,405,600	1,414,100	0.6%	1,413,600	(500)	8,000	0.6%
STATEWIDE TOTAL	3,272,991,000	3,465,542,200	5.9%	3,450,575,300	(14,966,900)	177,584,300	5.4%

FY 2017 General Fund Revenue & Appropriations

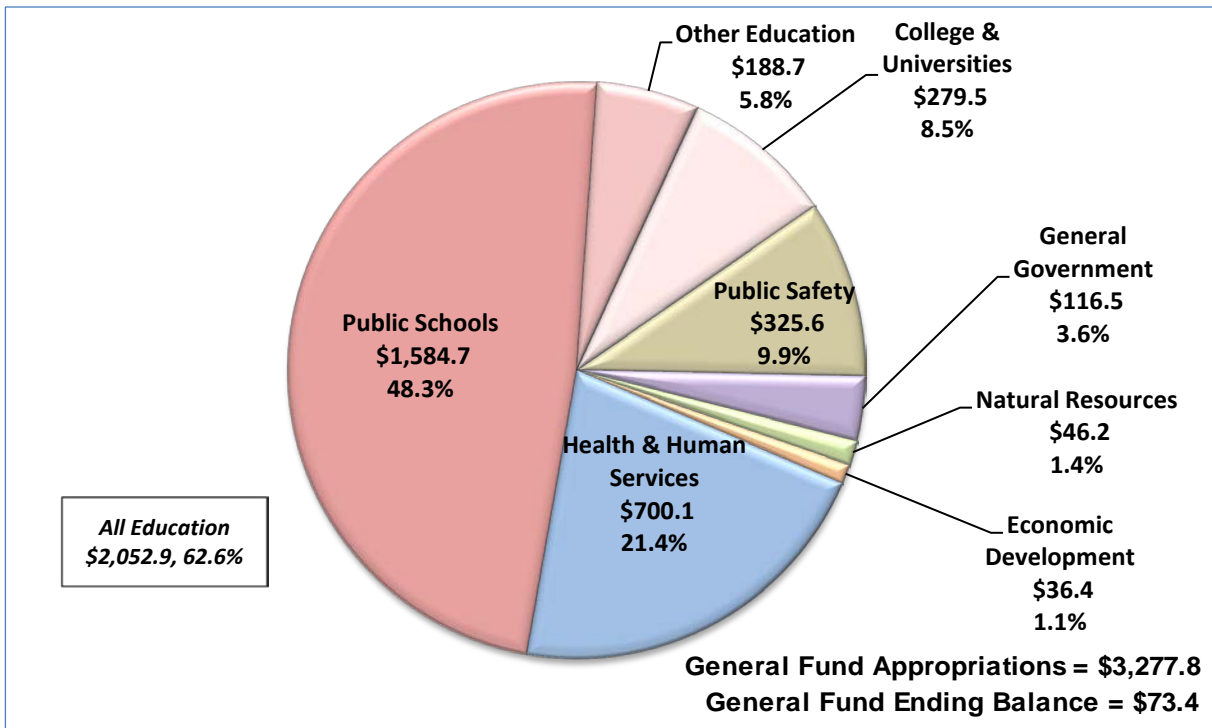
"Where the money comes from . . ."

Dollars In Millions (Percent of Revenue)



"Where the money goes . . ."

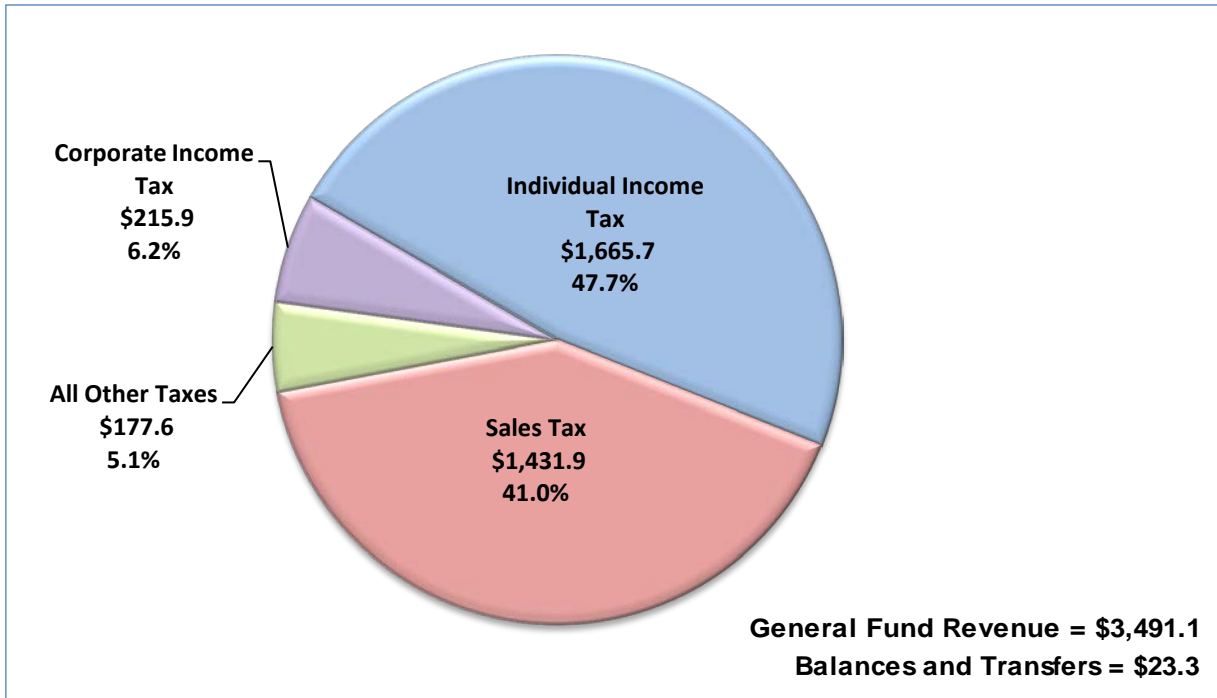
Dollars In Millions (Percent of Appropriations)



FY 2018 General Fund Revenue & Appropriations

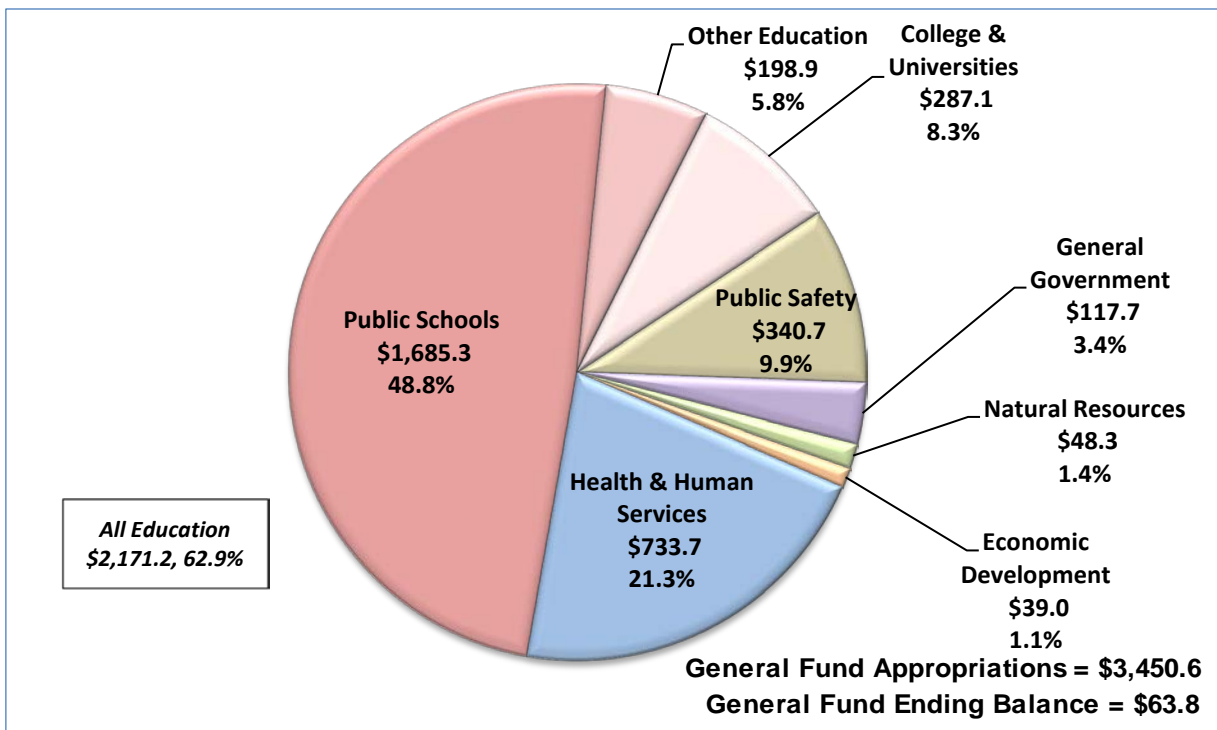
"Where the money comes from ..."

Dollars In Millions (Percent of Revenue)



"Where the money goes ..."

Dollars In Millions (Percent of Appropriations)



State of Idaho Major Reserve Fund Balances

Emergency Funds include: 1) Governor's Emergency, Section 57-1601, Idaho Code; and 2) Disaster Emergency, Section 46-1005A, Idaho Code, which includes both Federal Emergency Management Act and state moneys.

In Millions of Dollars	Budget Stabilization Fund	Public Ed Stabilization Fund	Economic Recovery Reserve	Idaho Millennium Fund	Higher Ed Stabilization Fund	Emergency Funds	TOTAL
1. Balance June 30, 2003	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	(\$ 0.218)	(\$ 0.218)
2. Balance June 30, 2004	\$ 0.000	\$ 7.135	\$ 0.000	\$ 22.872	\$ 0.000	\$ 0.154	\$ 30.161
3. Balance June 30, 2005	\$ 15.971	\$ 12.135	\$ 22.044	\$ 44.677	\$ 0.000	\$ 0.132	\$ 94.960
4. Balance June 30, 2006	\$ 108.648	\$ 7.771	\$ 24.632	\$ 67.436	\$ 0.000	\$ 0.281	\$ 208.768
5. Balance June 30, 2007	\$ 121.566	\$ 109.030	\$ 2.657	\$ 64.079	\$ 0.000	\$ 0.875	\$ 298.207
6. Balance June 30, 2008	\$ 140.625	\$ 112.046	\$ 66.133	\$ 70.207	\$ 0.000	\$ 3.337	\$ 392.349
7. Balance June 30, 2009	\$ 128.225	\$ 17.979	\$ 68.101	\$ 74.206	\$ 0.000	\$ 0.720	\$ 289.231
8. Balance June 30, 2010	\$ 30.820	\$ 23.174	\$ 48.847	\$ 76.967	\$ 0.000	\$ 0.792	\$ 180.600
9. Balance June 30, 2011	\$ 0.100	\$ 11.154	\$ 0.054	\$ 74.589	\$ 0.000	\$ 3.339	\$ 89.235
10. Balance June 30, 2012	\$ 23.869	\$ 36.968	\$ 0.056	\$ 14.156	\$ 0.367	\$ 4.233	\$ 79.648
11. Balance June 30, 2013	\$ 135.138	\$ 49.049	\$ 0.057	\$ 15.492	\$ 0.942	\$ 3.424	\$ 204.103
12. Balance June 30, 2014	\$ 161.514	\$ 72.851	\$ 0.057	\$ 20.235	\$ 3.227	\$ 3.373	\$ 261.256
13. Balance June 30, 2015	\$ 243.821	\$ 90.948	\$ 0.057	\$ 25.409	\$ 3.492	\$ 2.795	\$ 366.522
FY 2016 Actuals							
14. Interest Earnings and Revenues		0.427	0.035	0.123	0.015	1.502	2.102
15. Transfers In (Out) S1190 ERRF		4.956	20.000	5.059	(0.443)	(0.001)	29.571
16. Disbursements		(7.780)		(0.805)		(1.728)	(10.313)
17. Transfers from GF §57-814 Δ 4.15%	4.658						4.658
18. End-of-Year Surplus Eliminator	10.966						10.966
19. Balance June 30, 2016	\$ 259.444	\$ 88.551	\$ 20.092	\$ 29.787	\$ 3.064	\$ 2.567	\$ 403.505
General Fund Revenue = \$ 3,183.7	8.1%	2.8%	0.6%	0.9%	0.1%	0.1%	12.7%
The balance in Idaho's major reserve funds at the end of FY 2016 (line 19) was \$403.5 million or 12.7% of the FY 2016 General Fund Revenue Collections.							
* FY 2017 Estimates							
20. Interest Earnings and Revenues		0.506	0.089	0.298	0.049	3.137	4.078
21. Transfers In (Out)		2.332	(19.840)	5.000	5.730		(6.778)
22. Disbursements		(5.656)	(0.001)	(1.048)		(3.509)	(10.213)
23. Transfers from GF §57-814 Δ 6.60%	31.837						31.837
24. End-of-Year Surplus Eliminator							0.000
25. Estimate* June 30, 2017	\$ 291.281	\$ 85.734	\$ 0.340	\$ 34.036	\$ 8.843	\$ 2.195	\$ 422.429
General Fund Revenue = \$ 3,393.7	8.6%	2.5%	0.0%	1.0%	0.3%	0.1%	12.4%
The balance in Idaho's major reserve funds at the end of FY 2017 (line 25) is estimated to be \$422.4 million or 12.4% of the FY 2017 General Fund Revenue Estimate.							
* FY 2018 Estimates							
26. Interest Earnings and Revenues		0.857	0.003	0.338	0.088		1.287
27. Transfers In (Out)				5.000			5.000
28. Disbursements				(1.296)			(1.296)
29. Transfers from GF §57-814 Δ 2.87%							0.000
30. End-of-Year Surplus Eliminator							0.000
31. Estimate* June 30, 2018	\$ 291.281	\$ 86.591	\$ 0.343	\$ 38.078	\$ 8.931	\$ 2.195	\$ 427.420
General Fund Revenue = \$ 3,491.1	8.3%	2.5%	0.0%	1.1%	0.3%	0.1%	12.2%
The balance in Idaho's major reserve funds at the end of FY 2018 (line 31) is estimated to be \$427.4 million or 12.2% of the FY 2018 General Fund Revenue Estimate.							

Budget Highlights

Education

Public Schools

H 284 through **H 290** comprise the FY 2018 K-12 Public Schools appropriation and resulted in a total of \$2,041,238,400. The increase from the General Fund is \$100.6 million over the current year, which is the third year in a row that the Legislature has committed over \$100 million of new dollars to K-12 education.

	FY 2017 Original Appropriation	FY 2018 Original Appropriation
Sources of Funds:		
General Fund	\$1,584,669,400	\$1,685,262,200
Dedicated Funds	77,496,200	91,637,700
Federal Funds	264,338,500	264,338,500
TOTAL APPROPRIATIONS	\$1,926,504,100	\$2,041,238,400
General Fund Percent Change:		6.3%
Total Funds Percent Change:		6.0%

As shown above, the appropriation includes a 6.3% increase from the General Fund over the current year funding. The highlights in this budget include an additional \$62 million to fund the third year of the career ladder teacher compensation system and \$23 million to maintain and increase discretionary dollars per support unit to \$26,748. This is a 4.1% increase over the current year. Nearly \$7.0 million for a 3% base salary increase was provided for administrators and classified staff. A \$5 million increase was funded for classroom technology, which is a 27% increase above the current year. Funding for information technology staff was increased by \$5 million, bringing the total amount to \$7.5 million. Funding for enrollment growth is based on 278 support units (179 for growth in FY 2018 and 99 units to address the growth in FY 2017 that was above the current appropriation).

College and Universities

S 1152 appropriated \$64,958,700 for FY 2018, and provided a 2.7% General Fund increase, with an overall increase of 1.5%. New funding from the General Fund included:

- \$329,400 of one-time funding for replacement items,
- \$2,088,800 for BSU's economic workforce development programming,
- \$1,677,200 for occupancy costs for all four institutions,
- \$1,827,900 for ISU's polytech initiative,
- \$200,000 for ISU's Center for Education Innovation planning in collaboration with the College of Southern Idaho,
- \$582,000 for UI's library investment,
- \$255,500 for the expansion of health education programs at LCSC,
- \$338,500 for advising and the expansion of the Work Scholars Program at LCSC, and

- \$2,379,700 to restore formula-generated Enrollment Workload Adjustment (EWA) for ISU, UI, and LCSC.

The individual General Fund increases for the institutions are as follows: BSU, 3.5%; ISU, 3.0%; UI, 2.0%; and LCSC, 1.4%.

Health Education Programs

H 247 appropriated \$15,905,800 for FY 2018 and included a 15.4% increase from the General Fund. This included \$1,550,000 to expand residencies in partnership with the Family Medical Residencies and Boise Internal Medicine programs. Funding was also included to support two additional seats for the second year class of the University Of Utah School Of Medicine Program.

Special Programs

H 260 appropriated \$98,400 for the one-time purchase of replacement items including specialty equipment to the Forest Utilization Research program, Geological Survey Program, and the Museum of Natural History program. Funding was also provided to Special Programs under the State Board of Education in the amount of \$1.4 million to grow the GEAR UP Scholarship Program for underprivileged youth. An amount of \$93,400 was also provided to hire a Development Officer for the Museum of Natural History in Pocatello.

Community Colleges

H 294 appropriated \$40,000,900 for FY 2018, which includes an average 6.7% increase from the General Fund. Supplemental funding for FY 2017 was approved for \$1.2 million to the College of Southern Idaho to purchase Pristine Springs from the Idaho Department of Water Resources. CSI will match the appropriation, and upon payment, the Department of Water Resources will transfer the total purchase price of \$2,400,000 to the General Fund.

Career-Technical Education

H 261 appropriated 14.50 FTP and \$1,878,200 ongoing from the General Fund to expand postsecondary capacity at eleven postsecondary CTE programs throughout the state and alleviate program waiting lists. Additionally, funding for additional line items adult basic education, secondary education incentive program, and personnel at Eastern Idaho Technical College was provided.

Vocational Rehabilitation

S 1156 appropriated \$28,175,900 with FTP capped at 152.50 for FY 2018. This appropriation included \$214,300 for a 5.7% increase in provider rates for community rehabilitation programs throughout the state through the agency's Extended Employer Services Program.

Health and Human Services

Catastrophic Health Care Cost (CAT) Program

S 1153 reduced the FY 2017 General Fund appropriation for the CAT Program by \$4,945,100. These savings are as a result of the CAT Board conducting medical reviews, a dual Medicaid-indigence application, and more individuals being covered by insurance. The bill also includes the FY 2018 appropriation for the program at \$17,999,500, which is \$500 less than the FY 2017 Original Appropriation.

Department of Health and Welfare

The FY 2018 appropriation for the Department of Health and Welfare is \$2,860,795,300, consisting of \$706,107,500 from the General Fund, \$400,541,000 in dedicated funds, and \$1,754,146,800 in federal funds. This reflects an increase from the FY 2017 original appropriation of 5.0% from the General Fund and 2.9% in total funds. The number of authorized personnel was increased by 25.95.

Child Welfare

S 1164 is the FY 2017 supplemental appropriation and FY 2018 Original Appropriation bill for Child Welfare. The division received a 7.8% General Fund increase, and a total increase of 4.4% from the FY 2017 original appropriation for all funds. Enhancements to support Child Welfare programs, include:

- \$1.8 million from the General Fund to meet the demand for child welfare services. This money replaced federal funding that has been declining, while the demand for services has increased.
- \$1.03 million to implement the second year of modernizing the Child Welfare Information System. It is expected this new system will take 5-6 years to fully implement and cost about \$25 million from all funds, of which 29% will be from the General Fund.
- \$409,600 to hire two additional social workers and six additional client service technicians. The goal is to reduce the caseload numbers and overall workload per licensed social worker.
- \$839,100 to increase the foster care reimbursement rate by 20%. Of the amount, 41% is from the General Fund.

Medicaid

S 1174 includes an FY 2017 supplemental appropriation and the FY 2018 Original Appropriation for the Medicaid Division. The General Fund increase from the FY 2017 original appropriation for Medicaid is 3.6% and a total increase of 2.9% for all funds. Enhancements for all funds include:

- \$53.8 million for changes in caseloads, mandatory price changes, and the federal match rate, of which \$15.6 million was from the General Fund.
- \$654,100 to do extensive gap analysis from existing reporting requirements, make system changes required to modify existing data, and capture and report on additional data elements. This requires a match of \$65,400 from the General Fund.
- \$52,100 to hire an additional position in the Estate Recovery Program. It is estimated that this position will recoup about \$500,000 for the General Fund each year.
- \$69,000 to hire an additional position in the Early Periodic Screening, Diagnosis and Treatment (EPSDT) benefit, which allows a child under 21 to receive medically necessary services that exceed the limits of the Idaho Medicaid plan; including dental, mental health, developmental, and specialty services.

Mental Health Services and Psychiatric Hospitalization

S 1189 is the FY 2017 supplemental appropriation and FY 2018 Original Appropriation bill for behavioral health services and includes Mental Health Services that received an 23.2% General Fund increase, and a total increase of 16.8% for all funds from the FY 2017 original appropriation; and Psychiatric Hospitalization received a 2.7% increase from the General Fund, and a total increase of 0.2% for all funds from the FY 2017 original appropriation. Enhancements to support mental health care in the community and in the state hospitals include:

- \$1.9 million and 18.00 FTP to improve the Children's Mental Health Program. These positions are being added in accordance with a settlement agreement reached in the judicial process, related to the Jeff D Lawsuit. \$946,200 is from the General Fund.
- \$1.52 million of annualized funding to fully establish and operate two behavioral health community crisis centers in Twin Falls and Southwest Idaho (Boise Area); all funds are from the General Fund.
- \$5.6 million from the General Fund to provide mental health services for felony probationers and parolees in Idaho.
- \$2 million from the General Fund to pilot the department's new Homes with Adult Residential Treatment (HART) model, which will provide care for Idahoans with serious mental health issues living in assisted living facilities.
- \$540,700 for various alteration and repair projects as well as replacement items at each hospital.
- \$191,400 from the General Fund to increase the compensation for the physicians that work in Idaho's mental hospitals.
- \$295,700 from the General Fund to increase the number of contracted beds with the Department of Correction for patients that are dangerous and seriously mental ill, and have been committed to the state, but have not been deemed competent to stand trial. The state also appropriated in **S1042** an additional \$10.3 million from the General Fund to build a new adolescent unit in the Treasure Valley and remodel existing space at State Hospital South for a secure mental health unit.

Other Department of Health and Welfare Budget Highlights

- **S 1193:** Indirect Support Services received an additional \$1.1 million in dedicated and federal funds to purchase a fraud and abuse detection software program. The program also received \$3,499,700 for various alteration and repair projects and replacement items. Licensing & Certification received an additional \$196,300 to provide pay increases for various surveyor positions, primarily for registered nurses. Healthcare Policy Initiatives received \$875,000 to add medical residency seats in the graduate medical education programs.
- **H 281:** Public Health Services received \$46,000 to increase the pay of the state's epidemiologist; this aligns with action taken for the physicians at Idaho's state hospitals. The bill also includes \$613,000 for the sixth year of paying for immunizations for children covered by TRICARE; \$128,600 to fund an additional 15 slots in the Expanded Access Program that provides for treatment-resistant epilepsy in children; and \$941,700 in federal funds to implement an AIDS grant and prescription drug abuse awareness grant.
- **H 274:** Division of Welfare received \$8 million to transition the Child Support Enforcement System off the State Controller's mainframe and into the department's eligibility system; this is year two of three. The division also received \$3.4 million to increase the subsidy amount paid to providers in the Child Care Support Program. This is the second year of increases and raises the average subsidy from 45% to 65% of market rates. Finally, the division received \$950,300 from the General Fund for significant increases in caseload in the Aide to the Aged, Blind, and Disabled Program.

State Independent Living Council

H 312 was a trailer appropriation to **H 041** and provided \$90,000 to conduct research, development, training, and provide technical assistance related to the Achieving a Better Life Experience Act of 2014 (ABLE Act of 2014) and emergency preparedness throughout the state.

Public Safety

Department of Correction

S 1116 appropriated an additional \$690,400 to the Department of Correction for FY 2017 to pay for an evaluation of the department's offender management system and for litigation fees. The bill also reduced the department's FY 2017 appropriation by \$1,071,700 to account for updated offender forecasts and bed utilization counts.

S 1192 appropriated \$241,944,700 to the Department of Correction for FY 2018 and capped the number of authorized full-time equivalent positions at 1,987.85. Additional funding was provided as follows:

- \$254,000 for wireless access;
- \$463,800 for cloud-based software subscriptions;
- \$377,300 to give pay raises to the department's instructors that correspond with those received by instructional staff in the public school setting;
- \$411,200 to allow the department to pay overtime wages to its security staff as an alternative to allowing compensatory time to accrue;
- 2.00 FTP and \$159,600 for an instructor and clinician to supplement the existing clinical staff at the Idaho Maximum Security Institution to allow the department to provide educational programming;
- a reduction of \$255,000 for training savings;
- 1.00 FTP and \$108,400 for expansion of the vocational work program to the South Boise Women's Correctional Center;
- \$129,600 for wastewater treatment;
- \$280,000 for expansion of a firing range;
- \$53,600 to align the Correctional Alternative Placement appropriation with updated offender forecasts and bed utilization estimates;
- 12.00 FTP and \$1,161,700 to hire new probation and parole officers (PPOs) in order to achieve offender-to-PPO caseload ratios of 50:1 for high, high-moderate, and low-moderate risk offenders and 170:1 for low risk offenders, as provided by Section 20-219(4), Idaho Code;
- \$36,500 to provide substance use disorder services; and
- \$1,985,000 to align the Medical Services appropriation with updated offender forecasts and bed utilization estimates.

As a budget law exception, the department was provided with carryover authority of unspent portions of the FY 2017 appropriation for an offender management system evaluation. As a statewide decision, \$2,500 was provided for cybersecurity insurance.

Commission of Pardons and Parole

H 306 appropriated \$3,011,600 to the Commission for Pardons and Parole for FY 2018 and capped the number of authorized full-time equivalent positions at 34.00. A single line item was included, which provided 1.00 FTP and \$51,600 for a victim services technician.

S 1113 repealed portions of **S1357** of 2014, (commonly referred to as the Justice Reinvestment Initiative). In particular, **S 1113** removed intermediate sanctions, which were implemented to divert certain parole violators from lengthy prison stays. Though the precise effect was not quantified, the repeal of intermediate sanction is expected to result in significant increases to the incarcerated population. To mitigate these effects, **S 1113** increased the number of members on the commission from five to seven; allows the commission to address disposition of parole violations with a panel of two commissioners; and increased their pay by 50%. The bill's fiscal note also contemplated a need for staff support, which consists of a technical records specialist and two additional hearing officers in addition to the 19 existing hearing officers.

S 1199 appropriated an additional \$307,900 to the Commission of Pardons and Parole for FY 2018 to address the fiscal impact of **S 1113**, which, in relevant part, increased the number of members on the commission from five to seven; allows the commission to address disposition of parole violations with a panel of two commissioners; and increased their pay by 50% (from \$200 to \$300 per day). **S 1199** provided \$101,600 for these purposes. The bill also provided 1.00 FTP and \$52,800 for a technical records specialist; and 2.00 FTP and \$153,500 for hearing officers.

Judicial Branch

S 1160 appropriated \$71,656,300 to the Supreme Court for FY 2018 and exempted the appropriation from object and program transfer limitations. Nine line items were included, which provided:

- \$3,734,500 one-time for the fourth phase of the court's five-year court technology implementation plan;
- a net-zero shift of 1.75 FTP and \$169,200 from the Federal Grant Fund to the General Fund for the Court Improvement Program;
- an increase of 5.00 FTP and \$415,200 to expand the Court Monitoring of Protected Persons Program statewide;
- \$51,300 to restore senior judge day allocations to FY 2016 levels at FY 2017 salary rates;
- \$79,900 for substance use disorder services, including access to inpatient and recovery services for problem-solving court offenders;
- \$82,500 for vacation leave payouts;
- \$115,000 for membership dues;
- 1.00 FTP and \$123,700 for a magistrate judge to be chambered in Bonneville County; and
- \$467,500 for the recruitment and training of approximately 187 additional volunteer guardian ad litem for appointments in proceedings under the Child Protective Act.

As a statewide decision, \$81,000 was provided for cybersecurity insurance.

S 1108 addressed judicial compensation by increasing annual pay for magistrate judges by 2.75% from \$116,500 to \$119,700; district judges by 2.49% from \$128,500 to \$131,700; Court of Appeals judges by 5.92% from \$130,000 to \$137,700; and Supreme Court justices by 4.79% from \$140,000 to \$146,700. It also increased pay for leadership positions, which include the Chief Justice, Chief Judge of the Court of Appeals, and the seven administrative district judges, from \$2,000 to \$3,000

per year in addition to the regular salary.

S 1201 appropriated an additional \$707,800 to the Supreme Court for FY 2018 to address the fiscal impact of **S 1108**, which provided for judicial salary increases.

S 1042 appropriated an additional \$384,100 to the Department of Administration for FY 2017 in order for the Division of Public Works to renovate the basement of the Supreme Court Building and convert storage space to office space.

Department of Juvenile Corrections

H 246 appropriated \$52,029,400 to the Department of Juvenile Corrections for FY 2018 and capped the number of authorized full-time equivalent positions at 413.00. Four line items were included, which provided:

- \$484,100 to match instructor pay with public school teachers;
- a net-zero program/object transfer for community program grant administration;
- a net-zero object transfer and 1.00 FTP to hire a vocational program instructor; and
- a net-zero program transfer of 3.00 FTP and associated personnel costs to realign three office specialist positions.

As a statewide decision, \$3,600 was provided for cybersecurity insurance.

Idaho State Police

S 1115 appropriated an additional \$250,000 to the Brand Inspection Program for FY 2017 to purchase and implement an electronic livestock software system. Under budget law exceptions, Brand Inspection was also provided with carryover authority of any unspent appropriation for the development and implementation costs of the system from FY 2017 to FY2018.

S 1166 appropriated \$77,568,300 to the Idaho State Police for FY 2018 and capped the number of authorized full-time equivalent positions at 587.85. Fifteen line items were included, which provided:

- FTP and \$124,500 from the Brand Board Fund for brand inspectors;
- 3.00 FTP and \$564,000 for specialists to conduct crash reconstruction investigations;
- 2.00 FTP and \$421,000 for a sergeant and trooper to expand the drug detection K9 program;
- 2.00 FTP and \$148,600 for IT information technicians;
- \$32,000 for instrument maintenance;
- \$292,400 for conducted energy devices;
- \$24,400 for advanced malware protection;
- 1.00 FTP and \$57,300 for a technical records specialist;
- 1.00 FTP and \$48,000 for an office specialist;
- \$102,000 for digital imaging;
- \$150,000 for additional costs associated with the Regional Communications Centers console system;
- 2.00 FTP and \$369,400 ongoing for commercial vehicle safety specialists;

- \$143,400 in one-time trustee & benefit payments from the Idaho Horse Council Youth Programs Account within the Pari-mutuel Distributions Fund to be used solely for youth equine education and promotion of equine-related youth development programs of the Idaho Horse Council;
- \$7,300 in one-time trustee & benefits payments from the Breed Distribution Account within the Pari-mutuel Distributions Fund for a transfer to the Public School Income Fund to offset amounts that were improperly distributed to the Idaho Quarter Horse Association; and
- \$65,200 in one-time trustee & benefits payments from the Breed Distribution Account within the Pari-mutuel Distributions Fund for a transfer to the Public School Income Fund to offset amounts that were improperly distributed to the Idaho Thoroughbred Association.

As a statewide decision, \$89,800 was provided for cybersecurity insurance. Under budget law exceptions, the agency was provided with carryover authority of unspent appropriations for FY 2017 from the Economic Recovery Reserve Fund, which were appropriated for the one-time costs associated with the Regional Communications Centers console system. The bill also expressed legislative intent regarding the use of funds from the Idaho Horse Council Youth Programs Account; and regarding the transfer of funds from the Breed Distribution Account to the Public School Income Fund.

S 1088 amended Idaho Code to require DNA collection from any person required to register as a sex offender, including individuals who move to Idaho from other states.

S 1200 appropriated an additional \$183,500 to the Idaho State Police for FY 2018 to address the fiscal impact of **S 1088**, which requires DNA collection from all registered sex offenders, including individuals who move to Idaho from other states. Each DNA sample costs \$100. The bill provided an ongoing amount of \$30,000 to pay for the processing of the estimated 300 samples per year from individuals moving into Idaho. And a one-time amount of \$153,500 was provided to pay for the processing of the estimated 1,535 samples from individuals who have already moved into Idaho.

Natural Resources

Department of Environmental Quality

S 1187 appropriates \$67,899,900 to the Department of Environmental Quality for FY 2018. The budget transfers \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation Fund, expresses legislative intent regarding an annual progress report of the superfund cleanup, and acknowledges that the Water Pollution Control Fund is being used for a variety of water quality projects not specified in Idaho Code.

The budget includes six line items:

- \$1,099,900 for the fourth year of the takeover of primacy of the National Pollutant Discharge Elimination System. Costs at full build-out in 2022 are estimated at 29.00 FTP and \$3.1 million. The line item includes funding for 9.00 FTP from the General Fund, and provides \$212,000 for consulting services, \$10,800 for computer equipment, \$18,000 for office furniture, and \$39,200 for specific use equipment from the Hazardous Waste Emergency Fund;
- 1.00 FTP and \$88,700 for an air quality permitting staff engineer;
- \$340,000 from dedicated user fees offset by a reduction of \$180,000 in federal funds for an increase of \$160,000 to maintain the Underground Storage Tank Program. Last session, JFAC provided \$160,000 from the Economic Recovery Reserve Fund, one-time, to offset a like reduc-

tion in federal funds, while seeking approval of user fees. **S1028** created the Idaho Underground Storage Tank Program Fund;

- A shift of \$73,700 from operating expenditures to personnel costs in the Environmental Remediation (Basin) Fund; a transfer \$26,300 of Environmental Remediation (Basin) Fund operating expenditures from the Waste Program (DQAE) to the Administration & Support Program for ongoing administrative expenses, and the recognition of a reduction in federal fund support. This shift will be used to fund DEQ staff salaries working on match eligible projects;
- The transfer of \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation Basin Fund;
- \$500,000 ongoing from the General Fund for a statewide agricultural best management practices program.

Department of Fish and Game

S 1010 is an FY 2017 supplemental for \$400,000 from the Fish and Game Set-aside Fund in addition to the \$269,000 base appropriation. Moneys are used for the Winter Feeding Program to address emergency winter conditions throughout the state. The source of funding is from \$0.75 of each elk, deer, and antelope tag sold.

S 1136 provides an FY 2017 supplemental for \$125,000 from the Expendable Big Game Depredation Fund for payments to landowners. The department notified the Legislature due to severe winter conditions, depredation claims are estimated to exceed the current \$600,000 appropriation.

S 1136 appropriates \$102,551,800 to the Department of Fish and Game for FY 2018. The bill includes approval of ten line items including: the shift of \$178,300 from federal funds to dedicated funds to support wildlife programs; \$650,000 for lease payments on a new region 3 office building; \$175,000 to improve shooting ranges; \$899,000 for fish screening and fishing access; \$119,000 for hunter and trapper education; \$216,200 for wildlife monitoring; \$116,800 for wildlife habitat management; \$210,000 for Sockeye salmon trapping and transport; \$500,000 for hatchery repairs; and \$800,000 for weir reconstruction.

H 317 is an additional \$5,493,300 FY 2018 appropriation upon the passage of **H 230**, which created a new fee to increase funding for wildlife depredation compensation, prevention of wildlife damage to private land, and sportsman access programs. The full-year fiscal impact was estimated at \$2 million. Furthermore, resident license fees were increased and a Price Lock discount order was provided, which would provide a discount, for at least five years, for eligible resident sportsmen who purchase a license annually. The full-year fiscal impact was estimated at \$3 million.

This appropriation bill provides funding as follows:

- \$500,000 for depredation prevention;
- \$419,300 for seven landowner sportsmen coordinators (one for each district);
- \$500,000 for depredation payments to landowners;
- \$400,000 for enforcement training and equipment costs;
- \$60,000 for fish food and operation of remote fish spawning stations;
- \$250,000 to address deferred hatchery maintenance;
- \$50,000 for pheasant stocking;
- \$100,000 for challenge grant cost share;

- \$419,100 for fish stocking;
- \$120,000 for boating and fishing access maintenance;
- \$250,000 from license moneys matched with \$750,000 from federal Pittman-Roberson moneys for wildlife management area maintenance;
- \$250,000 from license moneys matched with \$750,000 from Pittman-Robertson moneys for deer and elk management;
- \$200,000 for predation management of fox, raccoons, skunks, and feral cats;
- \$75,000 for improving the sportsman digital information network; and
- \$100,000 from license moneys matched with \$300,000 from Pittman-Robertson moneys for shooting range development.

H 320 is the trailer appropriation to **H 184aaS**, which amends Idaho Code to clarify that the State Treasurer’s office is authorized to administer programs related to merchant services. The Treasurer currently manages a contract with Visa and MasterCard for the use of credit and debit cards. The contract requires agencies that accept credit or debit cards to be Payment Card Industry (PCI) compliant. This trailer appropriation provides an appropriation to the Department of Fish and Game of up to \$40,000 per year to be paid to the Treasurer for annual reports assuring PCI compliance.

Endowment Fund Investment Board

S 1135 appropriates \$753,600 in dedicated funds to the Endowment Fund Investment Board for FY 2018 and caps the number of authorized FTP at 3.70. The bill funds three line items:

- The shift of 69,900 from the Miscellaneous Revenue Fund to the Endowment Administrative Fund to account for the time dedicated to the various portfolios.
- \$36,800 to double-fill the retiring manager of investments and pay off vacation time.
- \$40,100 to potentially increase the salary of the manager of investments by \$33,000 from \$164,600 to \$197,600 per year.

Department of Lands

S 1168 appropriates \$54,359,100 to the Idaho Department of Lands for FY 2018. The appropriation includes approval of 19 line items as follows:

- \$200,000 for the third phase of the Lands and Waterways Information System;
- \$179,200 and 1.00 FTP for an off-highway program specialist;
- \$60,000 for electronic records management;
- \$22,800 for a wide area network failsafe;
- \$103,300 for mapping software and storage;
- \$44,600 for IT equipment and network software;
- \$274,200 and 1.00 FTP, one-time, for the sage grouse conservation initiative;
- \$65,600 and 1.00 FTP for an oil and gas program specialist;
- \$33,800 for SITPA to pay the forest service for dispatch services;
- The shift of \$84,200 from one dedicated fund to another for the navigable waterways program;
- \$250,000 for a navigable waterways study;

- \$36,200 for additional equipment for the Forest Resource Management, Lands and Waterways, and Forest and Range Fire Protection programs;
- \$40,000 to scan mineral documents;
- \$200,000 for the abandoned mine program;
- \$750,000 and 2.00 FTP for the Good Neighbor Authority Agreement;
- \$398,800 for additional costs of the Coeur d'Alene Office Expansion;
- \$112,400 to convert 13.05 FTP from temporary to permanent;
- \$20,000 for project learning tree;
- \$23,800 for Timber Protective Association inflation and employee compensation.

The budget for the Forest and Range Fire Protection Program is lump sum, meaning that the department may transfer appropriation from operating expenditures to personnel costs in that program if needed.

S 1203 is a trailer appropriation to **S 1099aaH**, which establishes a new division administrator within the Idaho Department of Lands to handle oil and gas conservation matters. The division administrator will serve the Idaho Oil and Gas Conservation Commission and must possess the qualifications necessary to successfully implement a professional oil and gas conservation program in Idaho.

An additional appropriation of \$375,000 from the General Fund is provided for the new oil and gas division administrator and two support staff. Funding is provided in the amount of \$120,000 for annual salary and \$40,700 for benefits for the administrator; \$79,300 is provided for an analyst 3; and \$53,000 is provided for an administrative assistant. This bill also provides \$22,000 for administrative overhead and \$60,000 for contracted hearing officers and professional engineering services.

An emergency clause, added to **S 1099aaH** by the House of Representatives, adds two months or one-sixth of personnel costs and operating expenditures, and accelerates one-time capital outlay of \$3,900 for FY 2017 for three personal computers and monitors for a total of \$66,400.

Department of Parks and Recreation

S 1167 appropriates \$41,229,200 to Parks and Recreation for FY 2018 and caps the number of authorized FTP at 154.64. The budget is 8% from the General Fund, 76% from dedicated funds and 16% from federal funds. It provides \$3,405,700 in dedicated and federal funding for park repairs and replacement items. The bill funds 14 line items:

- \$2,200,000 for an RV campground at Eagle Island State Park;
- \$160,000 for a group-use shelter at Round Lake;
- \$35,000 of backup generators for Old Mission State Park;
- \$50,000 for a marina expansion study at Lucky Peak;
- \$50,000 to do a conceptual design for the development of the Kokanee Cove area at Ponderosa State Park previously occupied by the Nazarene church camp;
- \$90,000 for a CXT and day use shelters at Henry's Lake;
- \$50,000 for decks and furnishings for yurts at Harriman State Park;
- \$250,000 for a primitive campground at McCrosky State Park;
- \$45,000 for a seasonal housing yurt at Land of the Yankee Fork State Park;

- \$13,900 and 1.00 FTP to convert two group positions to one permanent trail maintenance equipment operator;
- \$3,000 in federal funds and 0.75 FTP to convert a benefited part-time employee to permanent part-time boating program coordinator;
- \$117,700 for 2.00 FTP park rangers;
- \$602,900 for additional Land and Water Conservation Grants;
- \$848,800 for additional Recreational Vehicle Program Grants.

Department of Water Resources and Water Resource Board

S 1176 appropriates \$26,311,800 to the Department of Water Resources for FY 2018. The source of funding is 72.2% from the General Fund, 19% from dedicated funds, and 8.8% from federal funds. Nine line items are approved:

- Transfers \$716,000 to the Aquifer Planning and Management Fund for aquifer monitoring, measurement, and modeling statewide. Moneys are from the eighth year of loan repayments from Groundwater users for purchase of the water rights at Pristine Springs;
- \$300,000 for water data collection;
- \$82,700 and 1.00 FTP for a water bank resource agent;
- \$77,100 for a remote access server solution;
- \$80,200 and 1.00 FTP for a stream channel program specialist;
- \$93,700 and 1.00 FTP for a technical hydrogeologist needed at the state office;
- \$24,600 for state office Wi-Fi infrastructure;
- \$159,800 for software application development;
- \$88,400 to upgrade the phone system in the state office in Boise.

Legislative intent was included in last year's appropriation bill directing the Water Resource Board to sell the Pristine Springs property for the appraised value and deposit the proceeds to the General Fund.

S 1197 is a trailer appropriation bill to **S 1101**, which encourages stockmen grazing livestock on federal lands to file for stock water rights deferred in the Snake River Basin Adjudication. The \$300,000 appropriation is based on the assumption of processing 1,000 stock water right claims per year for each of the next ten years. It is based on the estimate that each water resource agent could process 500 water right claims per year. The fiscal impact includes \$15,000 ongoing operating expenditures for the two positions, \$100,000 per year for publication of legal notices, \$15,000 one-time for initial claims taking, and \$20,000 one-time for equipment costs.

Economic Development

Department of Agriculture

H 016 transfers \$342,600 from the General Fund to the Pest Control Deficiency Fund for FY 2017. Actual costs were \$26,300 for exotic pest survey, \$315,200 for Japanese Beetle survey and treatment, and \$1,100 for potato cyst nematode monitoring.

H 208 is an FY 2017 supplemental appropriation for \$1,019,900 to the Idaho State Department of Agriculture for two items:

- \$519,900 for continuation of the methyl bromide project composed of \$169,900 from the General Fund and \$350,000 from federal funds. Funding includes \$57,700 for commodity and water sampling and testing; \$350,000 for disposal of over 3,800 tons of hay; \$35,200 for grower contracts; \$75,000 for the remaining balance of a \$275,000 INL burn study; and \$2,000 for personnel costs;
- \$500,000 from the General Fund for the development of a software program that will make it more efficient for the Department of Agriculture to track animal identification numbers and other data pertaining to livestock movements into and out-of-state. The software will also be able to pass information electronically to the Brand Board for its use, as well as capture relevant data from the Brand Board software.

S 1112 appropriates an additional \$710,000 from the General Fund and \$300,000 from the Invasive Species Fund, one-time for FY 2017, to pay for additional hours for road-side watercraft inspections. The bill also funds three additional stations. When combined with the base appropriation, this brings the total invasive species watercraft inspection program budget up from \$2.21 million to \$3.22 million for FY 2017.

H 308 appropriates \$44,939,600 for FY 2018. The bill includes funding for eight line items.

- \$79,600 and 1.00 FTP for a purchasing agent;
- \$160,000 one-time for continuation of the methyl bromide project;
- \$87,700 and 1.00 FTP for a network security analyst;
- \$87,700 and 1.00 FTP for an information technology programmer;
- \$99,200 and 1.00 FTP for a rangeland management specialist;
- \$80,700 and 1.00 FTP to make an organic food inspector ongoing;
- 4.00 FTP and \$4,143,300 composed of \$3,143,300 from the General Fund and \$1,000,000 from federal funds to increase the number and hours of operation of the invasive species watercraft inspection stations;
- \$447,000 and 1.00 FTP from federal funds for food safety modernization.

Public Utilities Commission

H 048 is an FY 2017 supplemental appropriation to the Public Utilities Commission for \$100,000 from the Indirect Cost Recovery Fund. The commission's only federal grant, which is for the Pipeline Safety Program, recently expanded allowable indirect costs from a 20% ceiling to the actual negotiated indirect rate.

S 1132 is the FY 2018 appropriation to the Public Utilities Commission for \$6,561,800, and limits the number of authorized FTP to 52.00. Replacement items are funded at \$91,500 for computer equipment, furniture, and one vehicle.

H 303 increases the salaries for the three Public Utilities Commissioners by 3% from \$100,733 to \$103,755 per year. The bill includes an additional \$11,000 from the Public Utilities Commission Fund for the salary and benefit increases.

Department of Commerce

H 124 appropriates an additional \$100,000 to the Department of Commerce for FY 2017; and authorizes carryover of any unspent balances of those moneys into FY 2018. Funding will be used to support education, promotion, and outreach efforts to recruit the F-35 mission to Gowen Field.

S 1177 appropriates \$38,829,600 to the Department of Commerce and limits the number of authorized full-time equivalent positions to 43.00 for FY 2018. There were five line items:

- \$2,510,900 for additional tourism grants that will boost promotion of statewide tourism.
- \$2,000,000 for additional Idaho Opportunity grants. This is a cash transfer from the General Fund. These funds are made available at the discretion of the director to offset public costs associated with the recruitment of companies to Idaho. As promulgated by rule, these moneys have been used for public infrastructure projects for cities and counties.
- \$50,000 for additional Rural Community Block Grants. These grants fund infrastructure necessary to support local economic development projects.
- \$40,000 appropriation from the Indirect Cost Recovery Fund that will transfer moneys back to the General Fund and Tourism and Promotion Fund.
- \$43,000 for leave benefits that were accrued to the Indirect Cost Recovery Fund from federal grants.

Department of Insurance

S 1128 appropriates \$9,690,600 to the Department of Insurance for FY 2018 and limits the number of authorized full-time equivalent positions to 76.50. Authorization was given to add 3.00 FTP and \$291,600 to replace existing contractors with state employees. Two positions will be insurance examiners who will conduct financial condition examinations of insurance entities domiciled in Idaho. These positions are required to meet national accreditation standards whether they are contractors or in-house employees.

Department of Labor

S 1129 is the FY 2018 appropriation to the Department of Labor in the amount of \$97,785,700 with full-time equivalent positions capped at 700.00. This bill also included an FY 2017 supplemental of \$80,000 for the AmeriCorps Career Advisors Program. Additionally, this bill includes funding for replacement items which include two vehicles, and two network switches. New funding was authorized for the following items:

- \$100,000 to replace critical network storage equipment and hardware.
- \$79,000 for facility security equipment including control and security software.
- \$67,500 for building maintenance and repair.
- Transfer of \$50,000 from the UI Administration Program to the Wage & Hour Program to fully fund an existing position.
- Transfer of \$500,000 from operating expenditures to trustee & benefit payments to pay benefits for unemployed workers caused by trade agreements. These programs are for workers who have lost their jobs as a direct result of trade and their jobs have been moved overseas.
- \$125,000 from the Miscellaneous Revenue Fund to pay for services requested by other state agencies.
- \$7,463,000 base reduction for the Penalty and Interest Fund and the Special Administration Fund.
- Transfer of \$2.5 million from the General Fund to the Workforce Development Training Fund.

Idaho Transportation Department

H 312 was legislation that passed during the 2015 session that helped increase funding for Idaho's aging transportation infrastructure. It also created a strategic initiatives program in the Idaho Transportation Department for transportation projects that are proposed by the department and rated competitively on their return on investment in safety, mobility, economic opportunity, plus repair and maintenance of bridges and the purchase of right-of-way. It was funded by a General Fund surplus eliminator of \$54.7 million at the end of FY 2015 and \$10.97 million at the end of FY 2016. It is the intent of the Legislature that all of the additional funds raised in this legislation will be used exclusively for maintenance of bridges and road and replacement projects at the state and local level. **S 1036**, approved this session, provided a supplemental appropriation of \$24,760,900 to the Transportation Department. This included the \$10.97 million General Fund surplus eliminator for FY 2016 as well as an additional \$13,795,300 in redistribution of federal obligation authority and federal grants.

H 314 is the FY 2018 appropriation to the Idaho Transportation Department for \$353,619,400 in dedicated funds and \$311,547,000 in federal funds for a total of \$665,166,400. The FY 2018 budget includes a full-time equivalent position cap of 1,648.00. This bill includes \$1,434,100 for an increased cost of benefits, \$24,748,800 for replacement items, an increase of \$165,700 for statewide cost allocation, \$68,700 for cybersecurity insurance, and \$3,143,800 for an ongoing 3% merit-based increase in employee compensation for permanent employees to be distributed at the discretion of agency heads.

This bill funds also funds 15 line items:

- \$22,840,100 in one-time capital outlay and \$356,400 in ongoing capital outlay from the dedicated State Highway Fund and \$4,679,700 in ongoing capital outlay from the federal State Highway Fund for construction projects on the state highway system. This line item represents a variety of revenue sources above forecast for FY 2018.
- A total of \$3,286,300 one-time to provide covered storage, winterized maintenance facilities, and additional winter road equipment to make winter response faster and more efficient.
- A total of \$550,000 one-time to update the Idaho Airport System Plan and the Economic Impacts of Idaho Airports study, and additional funding for the Idaho Airport Aid Program (IAAP) which provides matching funds and/or direct assistance to approximately 80 airports statewide for public airport improvements, safety improvements, and maintenance of infrastructure.
- \$5,700 ongoing and a total of \$23,200 one-time for a new DMV office in Kootenai County and funding for eight computers and electronic equipment at various county offices.
- A total of \$2,681,700 and \$35,000 ongoing for a technical refresh including improved functionality of backup and recovery infrastructure, a third party consultant to advise on cloud computing integration, and forensics software that will enable administrators to minimize the effects of cybersecurity breaches.
- \$753,900 to adjust for an additional FAST Act apportionment. These funds will primarily be used for research and planning programs.
- A total of \$3,350,000 in one-time federal pass-through funding paid to local transit providers to enhance mobility for seniors and individuals with disabilities and maintain bus facilities in rural areas.
- \$1,000,000 ongoing in federal funds for Motor Vehicle program improvements such as the Commercial Driver's License Information System, and installation of Weigh-in-Motion technology at Port of Entry throughout the state.

- \$200,000 for ongoing pass-through federal funding to disadvantaged entities through On-The-Job Training Supportive Services, Equal Employment Opportunity, and Disadvantaged Business Enterprise programs.
- A reduction of 30.00 FTP from the Highway Operations Division. As with prior FTP deletions, funding will be retained and used to fund Highway Operations Horizontal Career Path pay adjustments.

Idaho Historical Society

H 050 is a \$1 million General Fund supplemental to the State Historical Society for FY 2017. The funds will be used, only if necessary, for cash flow to ensure that the agency can execute a change order to begin exhibition fabrication at the renovated and expanded State History Museum that is scheduled to reopen in the spring of 2018.

S 1157 is the FY 2018 appropriation to the State Historical Society for \$3,952,800 from the General Fund, \$1,730,300 in dedicated funds, and \$1,730,300 in federal funds for a total of \$8,056,600. Full-time equivalent positions are capped at 55.00.

Line item 1 provides \$1,139,000 and 5.00 FTP to operate and manage the remodeled and expanded historical museum which is scheduled to be reopened to the public in spring 2018. Of the amount appropriated, \$255,000 is for personnel costs for the five positions, \$676,300 is for operating expenditures, and \$207,700 is for furniture for use in the educational programming space, for public spaces, to replace outdated office furniture, and for the space that will be available for lease to the public. Funding is also included for museum store shelving, fixtures, and security cameras. Line item 2 provides \$40,600 and 1.00 FTP to reclassify two existing positions and create a new one at the State Record Center. The personnel are responsible for records management services for state government and for accepting archival material from local governments. Line item 3 provides \$800,000 from federal funds to spend grants the agency has applied for as part of their exhibit fundraising efforts. The agency has submitted a grant request to the National Endowment for the Humanities for \$400,000 and another for \$400,000 from the Institute for Museum and Library Services.

Public Defense Commission

S 1021 transferred \$100,000 from trustee & benefit payments to operating expenditures in FY 2017 so that the Public Defense Commission can contract with Boise State University to conduct a public defender workload study.

S 1159 appropriated \$5,827,700 to the Public Defense Commission for FY 2018 and capped the number of authorized full-time equivalent positions at 6.00. One line item was included, which transferred \$40,800 from trustee & benefit payments to personnel costs in order to recruit and retain regional coordinators.

State Appellate Public Defender (SAPD)

H 305 appropriated \$2,889,200 to the Office of the State Appellate Public Defender. Three line items were included, which provide \$196,200 for the deputy SAPD retention plan; \$48,300 one-time for capital evidentiary hearing costs; and a decrease of \$25,000 from the Miscellaneous Revenue Fund in order to remove the appropriation related to the Idaho Criminal Justice Commission. The bill also expressed legislative intent regarding the use of funds appropriated for outside counsel costs and capital representation. As a statewide decision, \$200 was provided for cybersecurity insurance.

General Government

Department of Administration

H 328 is the FY 2018 appropriation to Department of Administration for \$3,347,400 from the General Fund and \$24,575,4700 in dedicated funds for a total appropriation of \$27,922,800. Full-time equivalent positions are capped at 140.00. The following line items were approved:

- \$221,300 was provided for procurement training.
- \$1,000,000 to buy new office space for the Division of Purchasing. Legislative intent language was included that states the funds shall be used to participate in the auction of the 590 West Washington Street property in Boise, Idaho, only if the Idaho Board of Land Commissioners proceeds with the disposition of the property during FY 2018.
- \$69,700 for a claims adjudicator in the Office of Risk Management.
- \$78,900 for an IT security analyst.
- Transfer of \$59,100 from operating expenditures to personnel costs to hire a construction field representative in the Division of Public Works.
- \$49,000 for an email security license.
- \$99,900 for a licensing IT systems position.
- \$545,000 for increased firewall capacity.
- \$52,600 for a cybersecurity penetration test.

Administration was also appropriated \$5.5 million in **H 326** which is a trailer appropriation to **H 315**, which adds language to Section 67-5708, Idaho Code, allowing the director of the Department of Administration to authorize the Division of Public Works to accept existing leases incidental to the acquisition of a facility by the Idaho State Building Authority. The department is working with the Idaho State Building Authority to purchase the Hewlett Packard Campus. If the purchase is made, the director needs statutory authority to allow the Division of Public Works to accept management of tenant leases. Hewlett Packard currently has tenants leasing space on the campus and will lease-back space as part of the purchase and sale agreement. Administration will use the lease fees to maintain the campus. The department estimates property management costs of \$5.5 million for campus maintenance in FY 2018. The authority to bond for the purchase of the Hewlett Packard campus is found in **HCR 29**. The estimate to acquire the land and existing buildings located at 11311 Chinden Boulevard in Boise, Idaho is between \$110,000,000 and \$140,000,000.

Permanent Building Fund

S 1042 is a FY 2017 supplemental appropriation to the Permanent Building Fund for \$384,100 to complete the renovation of the basement in the Supreme Court Building. **S 1194** is the FY 2018 appropriation to the Permanent Building Fund for \$71,425,700. Projects with a sub-total of \$16,127,600 are appropriated for the following items:

- Statewide Building Alterations and Repairs: \$13,911,100
- Asbestos Abatement: \$200,000
- Statewide American Disability Act Compliance: \$800,000
- Capitol Mall Maintenance: \$1,216,500

Additionally, this appropriation includes \$55,298,100 from the Permanent Building Fund for eight capital construction projects. Of that amount, \$45,296,200 was generated by a cash transfer from the General Fund to the Permanent Building Fund in the following amounts:

- \$5,000,000 for the Idaho State University Gale Life Sciences Building remodel
- \$10,296,000 for a Psychiatric Hospital Transformation
- \$10,000,000 for the Boise State University Center for Materials Science
- \$10,000,000 for the Lewis-Clark State College Career Technical Education Building
- \$10,000,000 for the University of Idaho Center for Agriculture, Food and the Environment

Intent language includes direction on the timing of the use of the funds for the Lewis-Clark State College Career Technical Education Building and the University of Idaho Center for Agriculture, Food and the Environment. It states that their portion of the funds (\$10,000,000/each) shall be expended only after institution presidents have secured pledges for their portion of the project costs. Verification of such pledges shall be confirmed by signed attestation letters from the presidents of the University of Idaho and Lewis-Clark State College to the Division of Public Works in the Department of Administration.

Attorney General

S 1158 appropriated \$24,714,400 to the Attorney General for FY 2018 and capped the number of authorized FTP at 208.60. Three line items were included, which provided 1.00 FTP and \$104,900 for a deputy attorney general to be assigned to the Department of Environmental Quality; 1.00 FTP and \$104,900 for a deputy attorney general to be assigned to the Tax Commission; and 1.00 FTP and a program transfer of \$74,300 from Special Litigation to State Legal Services to fund a crime analyst position. As a statewide decision, \$32,400 was provided for cybersecurity insurance. The Attorney General was provided lump sum authority.

Military Division

S 1062 was an FY 2017 supplemental appropriation to the Military Division for \$4,400,000 in federal funds for military construction and maintenance projects throughout the state.

S 1141 appropriated \$2 million from the General Fund to the Disaster Emergency Fund for state assistance in response to state and federal declared disasters. These funds will replenish the Disaster Emergency Fund, which has been depleted due to natural disasters across the state. Additionally, \$50 million was appropriated from the General Fund to the Emergency Relief Fund in the Office of Emergency Management. **S 1141** provided an assistance grant process that state and local entities could apply for financial assistance on a winter storm related capital project to permanently repair or restore a road or bridge. These applications would be analyzed by a recovery review panel that includes a representative from the Idaho Transportation Department, the Local Highway Technical Assistance Council, the Idaho Association of Counties, the Idaho Association of Cities, the Association of Highway Districts, and a representative from the Governor's Office. This is a needs based program to deal with the destruction of roads and bridges due to severe weather and flooding, enabling communities to recover and restore access to key transportation corridors when other funding is not available.

H 265 was the FY 2018 appropriation to the Military Division, in the amount of \$92,091,200 with an FTP cap of 323.80. Funding was provided for the following items:

- an ongoing appropriation of \$50,000 to expand the Tuition Assistance Program.
- \$63,800 for security personnel at Gowen Field.
- \$90,000 for the Smartnet Warranty, which provides next-day replacement items and critical network monitoring.
- \$87,200 and 1.00 FTP for a contracts manager due to increased federal contracts.

- \$12,000 for server storage drives.
- \$32,000 was provided for network site monitors.
- \$12,000 to purchase additional microwave GPS calibration units.
- \$22,000,000 in federal funds for construction projects at the Orchard Combat Training Center.

Commission on the Arts

H 224 is the FY 2018 appropriation to the Idaho Commission on the Arts for \$810,500 from the General Fund, \$106,300 in dedicated funds, and \$1,070,200 in federal funds for a total appropriation of \$1,987,000. The agency received an increase of \$25,000 from the General Fund for grants to public arts programs in communities across Idaho.

STEM Action Center

H 298 provided \$500,000 from the General fund to expand current STEM Action Center program and operations. An additional \$2,000,000 was approved for computer science programs and initiatives throughout the state. Finally, \$71,500 and 1.00 FTP was approved for a grant and contracts analyst to provide in-house oversight and administration of grants and contracts and seek additional revenue sources.

Wolf Depredation Control Board

H 297 appropriates and transfers \$400,000 from the General Fund to the Wolf Control Fund Other Money Subaccount for FY 2018. The responsibility of the Wolf Control Board is to allocate the money for control actions approved by the Fish and Game Commission for wolves, when there is a depredation conflict between wolves and livestock, or unacceptable levels of conflict between wolves and wildlife. The board has a cooperative services agreement and a work plan with Wildlife Services.

State Tax Commission

S 1179 appropriated \$43,376,700 with FTP capped at 455.00 for FY 2018. It includes \$408,200 to replace three vehicles, desktop computers, laptops, servers, other IT equipment, security software, and software for W-2 processing. Line item 1 allows a program transfer of 11.00 FTP and \$718,500 from the Collections Division to the General Services Division creating a Taxpayer Resource Program within General Services. The primary goal of the reorganization is to efficiently use existing resources to increase voluntary compliance by communicating more effectively, with an emphasis on taxpayer education. The other stated benefit of the restructure is to improve overall customer service and provide taxpayers with clear and accurate information in more timely, convenient, and technologically current methods. Line item 2 provides 1.00 FTP and \$78,300 for an IT programmer in the Property Tax Division to help with the re-write and modernization of Property Tax Software used by 22 counties. Phase 1 of the modernization was initially approved by the Legislature for FY 2015. Line item 3 provides 3.00 FTP and \$203,000 for new auditors to help alleviate the additional work created by addressing identity theft and fraudulent tax returns. These auditors will be stationed in the Tax Discovery Bureau and follow leads on non-compliant taxpayers. Line item 4 provides \$300,000 for new storage technology.

H 303 increases the salaries for the four Tax Commissioners by 3% from \$93,389 to \$96,191 per year at a cost of \$13,500 for the salary and benefit increases.

H 329 appropriated \$2 million from the General Fund to move the Tax Commission from the MK Plaza to the new state complex at the old Hewlett Packard property on Chinden Boulevard. This was a FY 2017 supplemental appropriation with carryover authority into FY 2018.

Office of Energy Resources

H 047 provides an FY 2017 supplemental appropriation to the Office of Energy Resources. It increases personnel costs by \$50,000 and decreases operating expenditures by \$50,000 to account for personnel costs of the State and Local Policy Program and match requirements in the State Energy Program.

H 238 appropriates \$1,300,700 to the Office of Energy Resources for FY 2018 and caps the number of authorized full-time equivalent positions at 8.00. There are two line-items.

- \$58,000 from the Petroleum Price Violation Fund for the Government Leading by Example Program. Moneys will allow for the expansion of energy audits to more state and local government facilities;
- \$5,200 from the Petroleum Price Violation Fund for a paid intern.

Office of Species Conservation

S 1134 appropriates \$14,131,500 to the Office of Species Conservation for FY 2018 and caps at 12.63 the number of authorized FTP. There is one line-item for \$750,000 from the General Fund for sage-steppe ecosystem conservation. Funding includes moneys for sage-grouse population surveys, making stock tanks safe for sage grouse, creating fuel breaks, assisting rangeland fire protection associations, and continuing rangeland restoration projects on state and private lands. Moneys will also be used to complete the mitigation strategy for sage grouse and transition to an ecosystem-based conservation approach.

Millennium Fund

For FY 2018, the Legislature appropriated \$9,136,200 from the Idaho Millennium Income Fund with \$2,691,500 to be distributed to various non-governmental entities, and \$6,444,700 to be transferred to several state entities, which includes ongoing funding for the Department of Health and Welfare and the Public Health Districts. Individual grant awards include:

- \$2,706,700 to the Department of Health and Welfare for Project Filter tobacco cessation services and counter marketing campaign;
- \$747,000 to the Department of Juvenile Corrections for youth prevention and cessation programs;
- \$194,700 to the Office of Drug Policy for a prescription drug abuse awareness program that will be done in cooperation with the Board of Pharmacy;
- \$750,000 to the Public Health Districts for tobacco cessation programs;
- \$187,100 to the Idaho State Police for tobacco permittee compliance inspections as required by law;
- \$1,859,200 to the Department of Correction for community-based substance abuse treatment services;
- \$300,000 to the Association of Counties for continued funding for the eight community recovery centers;
- \$194,200 to the American Cancer Society for a women's health program and cancer screening awareness;
- \$159,000 to the Boys & Girls Club for the Teen Empowerment Project;

- \$24,000 to the Community Coalitions of Idaho to assist communities in establishing and maintaining local anti-drug coalitions;
- \$205,100 to Idaho Drug Free Youth for the iDFY project;
- \$83,000 to the Idaho Academy of Family Physicians for awareness on the consequences of tobacco use;
- \$100,000 to the Idaho Youth Ranch for the organizations' Anchor House, which is a family therapy and support center in Coeur d'Alene that serves children, teens, and families throughout North Idaho;
- \$229,000 to the American Lung Association for youth tobacco prevention programs;
- \$649,900 to the Idaho Meth Project for meth prevention and awareness;
- \$495,300 to the Truth208 organization to provide prescription drug abuse awareness;
- \$90,600 to the Nez Perce Tribe for the Supporting Fathers, Supporting Children program; and
- \$161,400 to the Shoshone-Bannock Tribes for peer recovery support services.

Secretary of State

S 1020 appropriated an additional \$2,222,200 to the Secretary of State for FY 2017 for upgrades to the Secretary's Business Entities IT system.

S 1137 appropriated \$3,220,800 to the Secretary of State for FY 2018 and capped the number of authorized full-time equivalent positions at 29.00. Additional funding was provided for:

- \$18,500 for business entities IT maintenance;
- 1.00 FTP and \$92,000 for IT support staff;
- \$40,000 for publication of the Idaho Blue Book; and
- \$8,600 for conference costs of the Commission on Uniform State Laws.

As a statewide decision, \$77,600 was provided for cybersecurity insurance.

State Treasurer

H 304 appropriated \$4,203,500 to the State Treasurer for FY 2018 and capped the number of authorized FTP at 26. An additional \$135,900 was appropriated from the Unclaimed Property Fund for an annual fee associated with a hosted unclaimed property management system. As a statewide decision, \$14,900 was provided for cybersecurity insurance. The bill also expressed legislative intent regarding conference related activity, payment of bank service fees, and mitigation of bank service fees.

Employee Compensation, including Salary and Benefits

The Division of Human Resources recommended a 3% salary increase for state employees in its statutorily-required report to the Governor on state employee compensation and benefits. The Governor recommended a 3% increase in funding distributed on merit for permanent state employees and did not include a compensation increase for group and temporary positions. He also recommended that the pay schedule be shifted upwards by 3% at the minimum, the policy, and the maximum pay rates in each pay grade. The Governor's recommendation provided funding for a 7% increase for the cost of health insurance, for a total employer-paid premium of \$13,100 per eligible FTP. The Legislature's joint Change in Employee Compensation (CEC) Committee opted to recommend the compensation and health insurance increases, as well, and JFAC funded those recommendations. The health insurance premium costs will also increase for state employees; the exact

amount per employee depends on which plan the employee is enrolled in and whether or not there are dependents on their plan.

With the exception of the Attorney General, statewide-elected officials will receive a 1.5% pay increase in January 2018, as authorized during the 2014 session. The Attorney General's pay was adjusted to match state district judges' pay at the beginning of his term of office. **S 1108** adjusts the judicial salary schedule, effective July 1, 2017, by increasing pay for magistrate judges by 2.75% from \$116,500 to \$119,700; district judges by 2.49% from \$128,500 to \$131,700; Court of Appeals judges by 5.92% from \$130,000 to \$137,700; and Supreme Court justices by 4.79% from \$140,000 to \$146,700. It also increases pay for leadership positions, which include the Chief Justice, Chief Judge of the Court of Appeals, and the seven administrative district judges, from \$2,000 to \$3,000 per year in addition to the regular salary.

Appointed officials in the Public Utilities Commission, the Tax Commission, and the Industrial Commission all received a 3% CEC in **H 303**.

Appointed Official	Current	FY 2018
Public Utilities Commissioner	\$100,733	\$103,755
Tax Commissioner	\$93,389	\$96,191
Industrial Commissioner	\$98,049	\$100,990

There was no increase in the PERSI retirement contribution rates for FY 2018, they remain at 11.32% for employers and 6.79% for employees. The current portfolio value is approximately \$15 billion and is 90% funded. The annual payout to PERSI retirees is approximately \$751 million with an average monthly payment of \$1,473. Nearly 90% of those retirees live in Idaho and pay state and federal income tax on their retirement income.