

SINE DIE REPORT

THE IDAHO STATE LEGISLATURE



A Summation of the 2018 Legislative Session

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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 available on the website, including statements of purpose, fiscal notes and legislative action.

Cover photo: Idaho State Capitol

2018 Legislative Leadership

Senate

Brent Hill, President Pro Tempore

Chuck Winder, Majority Leader

Steven Vick, Assistant Majority Leader

Kelly Arthur Anthon, 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



2018 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

Tax relief dominated the Second Regular Session of the 64th Idaho Legislature. The Session began on January 8, 2018, shortly after Congress passed federal tax reform. The state's economy continued to strengthen, which allowed the Legislature again to address areas of vital interest to Idahoans. Important legislative action included reductions in income tax rates (individual and corporate rates) and increases in public education support.

With improving economic conditions and strong revenue growth, the Legislature cut taxes for most individuals and businesses in the state, providing nearly \$142 million in tax relief. Federal tax reform played a role in driving these changes and, in response, the Legislature reduced income tax rates by nearly half a percentage point; the Legislature also provided a new child tax credit of \$205 for eligible children. The net impact of the Legislature's tax package, while accounting for conformity to federal tax reform, resulted in a fiscal impact of approximately \$129.5 million less revenue to the General Fund.

Regarding education, for the fourth year in a row the Legislature increased the General Fund appropriation for K-12 by more than \$100 million. Included in K-12 funding is \$41.6 million for the fourth year of the five-year phase-in of the career ladder compensation system for teachers. The K-12 appropriation reflects a 5.9% increase in General Fund support over last year's appropriation. Other notable increases in General Fund appropriations include a 10% increase for Medicaid and a 20% increase for Health Education programs.

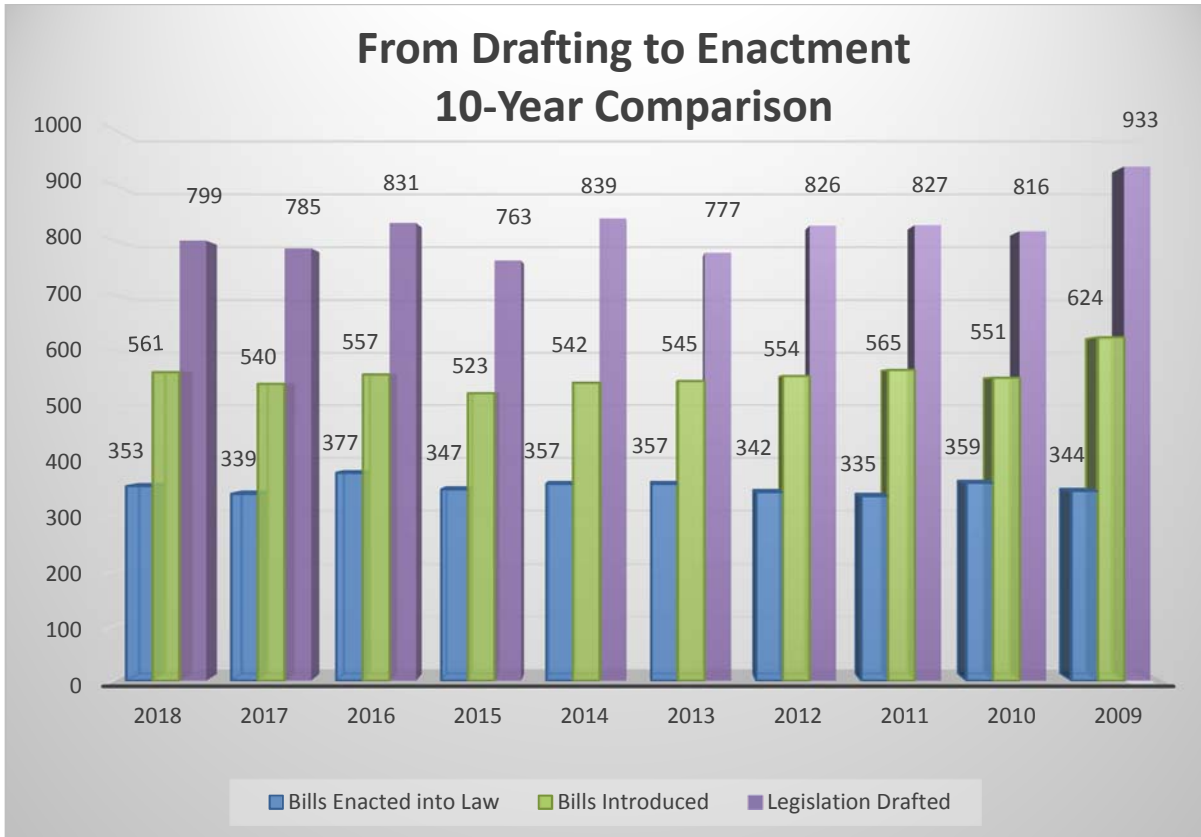
The Legislature also accomplished the following, among many other matters: revised the Idaho Child Protective Act by providing more review and oversight of the foster care system as recommended by the Foster Care Interim Committee; in response to national incidents of school violence, revised and updated current law prohibiting persons from threatening to do violence on school grounds (a misdemeanor) and that to make such threats while in possession of a deadly weapon is a felony; provided suicide awareness and prevention training for teachers and other public school personnel; provided for certain adult students to be eligible for Idaho Opportunity Scholarships if they meet certain criteria; provided further transparency in government, by requiring that the open meetings law applies to meetings of public agencies established by executive order of the Governor and that meeting agendas be posted online if the agency has an online website; expanded provisions regarding self-defense to allow for the defense of oneself, others, a home or habitation, place of business or employment, or an occupied vehicle; and finally, the Legislature followed most of the recommendations of the Joint Change in Employee Compensation Committee, which included a 3% salary merit increase for state employees.

Regarding statewide budget matters, revenue projections for fiscal year 2019 represent the eighth consecutive year of economic growth in the state. In January 2018, the Division of Financial Management revised the FY 2018 forecast upward to \$3.63 billion, reflecting a 5.3% revenue growth over actual FY 2017 collections. While the Economic Outlook and Revenue Assessment Committee concurred with the projections from the Executive Branch, JFAC later used \$3.65 billion (or \$20 million more than the EORAC projection) for the purposes of setting budgets. General Fund revenue collections have come in \$111 million higher than anticipated through February 2018. For FY 2019 the original forecast of \$3.78 billion was increased in January to \$3.82 billion, due to a number of factors including current economic conditions, actual collections and the recently passed federal Tax Cuts and Jobs Act. Both EORAC and JFAC concurred in this assessment.

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

Volume of Legislation and Length of Session

During the 2018 legislative session, 799 proposed pieces of legislation were prepared for legislative committees and individual legislators. From that initial group of draft proposals, 561 bills were actually introduced, along with another 78 resolutions, memorials and proclamations. By the end of the session, 355 bills had been passed. After final legislative action, and following the Governor’s review, 353 introduced bills became law, with the majority of the new laws to become effective July 1, 2018. Two bills were vetoed by the Governor.



Length of Session

When the Legislature adjourned sine die on March 28th, it had been in session for 80 days. The 2018 legislative session was the same length as the previous session.

Length of Recent Sessions (Days)

<u>2018</u>	<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>
80	80	75	89	74	88	81	88	78	117

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 2018 legislative session, the Senate and the House of Representatives were each asked to review 191 individual rulemaking dockets, totaling 1,478 pages. This figure is up slightly from the 190 dockets reviewed during the 2017 legislative session.

Eight of the 175 pending rule dockets reviewed were rejected entirely or in part:

1. Parts of a Department of Fish and Game docket relating to Rules Governing the Taking of Big Game Animals in the State of Idaho (HCR 33);
2. An entire rulemaking docket of the State Board of Dentistry relating to Rules of the Idaho State Board of Dentistry (HCR 46);
3. An entire rulemaking docket of the Department of Health and Welfare relating to Rules Governing the Temporary Assistance for Families in Idaho (TAFI) Program (HCR 47);
4. Parts of a Department of Juvenile Corrections docket relating to Rules and Standards for Secure Juvenile Detention Centers (HCR 55);
5. Parts of a State Public Defense Commission docket relating to Rules Governing Standards for Defending Attorneys that Utilize Idaho's Principles of an Indigent Defense Delivery System (HCR 56);
6. Parts of a Commission of Pardons and Parole docket relating to Rules of the Commission of Pardons and Parole (HCR 57);
7. An entire rulemaking docket of the Public Employee Retirement System of Idaho (PERSI) relating to PERSI Contribution Rules (HCR 62); and
8. Parts of an Idaho State Police docket relating to Rules of the Idaho Peace Officer Standards and Training Council (SCR 137 and SCR 139).

All five temporary rule dockets were approved and extended (SCR 150).

All eleven pending fee rule dockets were approved (SCR 149).

2018 Legislative Action on Major Issues

Agriculture

H 407 GOATS, WOOL ASSESSMENTS - Provides that goats may be assessed by the Idaho Sheep and Goat Health Board on a per head basis and removes the condition that such assessment be comparable to the assessment on wool.



H 537 PRODUCE SAFETY LAW - Authorizes the Idaho State Department of Agriculture to administer and enforce the Idaho Produce Safety Law, not to exceed the standards required by federal law. Designates the department as the contracting agency for inspections in the State of Idaho that are contracted by the United States Food and Drug Administration for the inspection of nonretail activities subject to registration under Section 415 of the federal Food, Drug and Cosmetic Act.

H 658aaS PROPERTY TRESPASS - Amends civil, criminal and hunting laws regarding trespassing on private property to make them more uniform in their treatment of three key areas: an owner's "No Trespassing" posting requirements, penalties and damage awards, and exceptions to the trespass laws. It also allocates a portion of fines for criminal trespass to be applied to education programs regarding private property rights and land user responsibility from the Idaho Rangeland Resources Commission and requires the Idaho Department of Fish and Game to provide permission forms and

information regarding property owners' rights and sportsmen's duties.

H 718 STOCKWATER RIGHTS - Provides that an agency of the federal government cannot obtain or retain stockwater rights unless it actually owns livestock, puts the water to beneficial use and provides a procedure for forfeiture.

S 1207aa SEED INDENMNITY FUND - Provides that the Director of the Idaho State Department of Agriculture may deny the issuance of a seed buyer license or renewal based on specified criteria after a public hearing and provides for judicial review of final determinations.

S 1268 DRAINAGE DISTRICTS - Allows the compensation of drainage commissioners to be fixed by the board of the drainage district, clarifies a limitation on the use of assessments for the payment or retirement of any bonds or warrants, revises provisions regarding the sale of personal property of a drainage district and provides for the trade-in or exchange of personal property of the district.

S 1305 STOCKWATER, LIVESTOCK - Provides that for rights to the use of water for in-stream or out-of-stream livestock purposes associated with grazing on federally owned or managed land as established under the diversion and application to beneficial-use method of appropriation, the stockwater rights shall be an appurtenance to the base property.

S 1306aaH PLANING, DEVELOPMENT APPLICATION - Requires planning and zoning authorities to notify water delivery entities that have requested notice in writing of any proposed rezoning, subdivision or any other site-specific land development proposals.

Economic Development

H 527 LABOR, FRANCHISE EMPLOYEES - Provides that neither a franchisee nor a franchisee's employee shall be considered an employee of a franchisor unless the franchisor exercises an unusual degree of control over the franchisee or the franchisee's employee. This legislation is intended to clarify that the franchisee is the ultimate employer of the franchisee's employees for purposes of employment litigation.

S 1233 STEM ACTION CENTER - Provides for the STEM Action Center Advisory Board, to revise the terms of certain members of the board, to provide for staggered terms, to revise the duties of the STEM Action Center and to provide that the administrator shall report the progress of the STEM Action Center.

Criminal Justice and Public Safety

H 429aaS CRIME VICTIMS COMPENSATION - Provides that the health insurance plan of an alleged victim of sexual assault cannot be billed for the costs of forensic and medical examinations.

H 430 CRIME VICTIMS CONFIDENTIALITY - Allows victims of stalking, human trafficking and malicious harassment to participate in the Secretary of State's Address Confidentiality Program.

H 447 CIVIL FORFEITURE, PROPERTY - Revises which property is subject to civil forfeiture and under what conditions vehicles would not be subject to forfeiture in connection with mere possession of a controlled substance absent a trafficking charge; that property that is merely in proximity to a controlled substance is not subject to forfeiture absent a meaningful connection; and that the presence of currency, without other evidence of wrongdoing, is not sufficient cause for a seizure or forfeiture.

H 448 BREASTFEEDING EXEMPT, OBSCENITY - Provides exemptions from inde-

cent exposure and obscenity for breastfeeding mothers.

H 499 RECORDS, LAW ENFORCEMENT RECORDING - Provides requirements for the classification, retention and destruction of law enforcement media recordings.



H 500 PUBLIC RECORDS - Provides that law enforcement records regarding the reporting of child abuse are exempt from public disclosure.

H 530 COURTS - Revises how the proceeds from fines and payments in criminal cases are distributed.

H 551 IGNITION INTERLOCK SYSTEM, DUI - Provides for the installation of an ignition interlock system for persons who are convicted of driving under the influence for the first time, with certain exceptions.

H 565 FIREARMS, RETIRED LAW ENFORCEMENT - Allows retired law enforcement officers to carry a concealed weapon at schools and public colleges and universities.

H 584 SEX CRIMES - Clarifies provisions regarding when a person is guilty of video voyeurism and provides exceptions for voluntary exposure in commercial settings and disclosure made in the public interest.

H 649 MEDICAL HELP, OVERDOSE, CHARGES - Provides that persons acting in good faith who are seeking or needing medical assistance for a drug-related overdose shall not be charged or prosecuted for pos-

sessing, using or being under the influence of a controlled substance.

H 658aaS TRESPASSING - Revises the requirements and penalties for civil and criminal trespass.

H 665 SCHOOL VIOLENCE - Revises provisions regarding threatening school violence to account for threats made off campus or electronically and provides that threats made while in possession of a deadly weapon shall be a felony.



S 1254 WIRELESS PHONE SERVICE, TRANSFERS - Authorizes a court to issue an order to transfer wireless telephone service, billing responsibility and telephone numbers to a party that is not the account holder in order to allow victims of domestic violence to retain use of an existing number.

S 1269 AGGRAVATED SEXUAL BATTERY - Provides for the crimes of sexual battery and aggravated sexual battery, provides punishments and provides that the Sexual Offender Registration Notification and Community Right-to-Know Act shall apply to any person who commits aggravated sexual battery.

S 1270aa FORCIBLE PENETRATION, FOREIGN OBJECT - Revises the conditions for committing the crime of forcible penetration by a foreign object by removing the requirement that the act was done for sexual arousal, gratification or abuse.

S 1313 SELF-DEFENSE, STAND YOUR GROUND - Revises provisions regarding self-defense to allow for the defense of self, others, a habitation, place of business or employment, or an occupied vehicle.

S 1314aa CRIMINAL RECORDS, EXPUNGEMENT - Allows for the expungement of fin-

gerprint and criminal history records for a person who has had all charges dismissed.

Education

H 443 SCHOOL DISTRICTS, FIREARM EDUCATION - Authorizes a school district to offer an elective firearms safety education course to primary and secondary school students.

H 472 RURAL PHYSICIANS, STATE MATCH - Provides a two-to-one state match for student contributions to the Rural Physician Incentive Fund. The purpose of this legislation is to improve rural health care by providing more grants for student loan repayments to physicians who practice in rural areas, thereby encouraging physicians to practice in areas where the demand for health care providers is greater than the current supply. The appropriation for this bill is **S 1374**.

H 503 EDUCATION, CAREER LADDER - Allows the State Department of Education to place occupational therapists and physical therapists on the career ladder in accordance with their years of service as an occupational therapist or a physical therapist, as recommended by the Professional Standards Commission.

H 631 HIGHER EDUCATION, RESIDENCY REQUIREMENTS - Grants in-state residency status to graduate students attending an Idaho institution of higher education who earned their undergraduate degree at an institution of higher education in Idaho or who have resided in Idaho for at least a year.



H 634 EDUCATION, SUICIDE PREVENTION - Provides for suicide awareness and prevention training for teachers and

other public school personnel.

H 648 COMPUTER SCIENCE COURSES - Requires that public school districts make computer science courses available to all high school students.

S 1267aa STEM DIPLOMA - Provides that a high school student may receive a STEM diploma if the student earns a sufficient number of credits in science, technology, engineering and mathematics.

S 1279 IDAHO OPPORTUNITY SCHOLARSHIP - Allows Idaho Opportunity Scholarship funds to be awarded to adult students who have earned at least 24 credits and who are completing their first undergraduate degree or certificate at an Idaho postsecondary institution.

Elections

H 386 ELECTIONS - Revises the types of county election records that shall be retained for a specified number of years and provides that the statewide voter registration database shall constitute the register of electors.



H 568 INITIATIVES AND REFERENDA - Revises provisions regarding city and county initiative or referendum elections and providing that initiative and referendum procedures shall not apply to any local planning and zoning ordinances.

H 620 ELECTIONS - Prohibits the use of public funds to advocate for or against a candidate or certain ballot measures.

H 626 BONDED INDEBTEDNESS ELECTIONS - Requires the disclosure of the estimated average annual cost of a proposed bond to a taxpayer.

S 1280 SCHOOL DISTRICT BOARD OF TRUSTEES - Changes the date of school board elections from May in odd-numbered years to November in odd-numbered years. The purpose of the legislation is to increase voter turnout for these elections.

General Government

H 400 PERSI, ALLOWANCE COMPUTATIONS - Revises a provision regarding an initial retirement allowance, to provide for how a certain early retirement benefit is determined and to provide for how a certain accrued retirement allowance is determined.

H 433 ADMIN, MULTIAGENCY FACILITIES - Provides that the Director of the Department of Administration shall have exclusive control over certain multiagency facilities, revises terminology, removes reference to the State Building Authority and provides that certain funds deposited to the Permanent Building Account shall be accounted for separately.

H 493 STATE CONTROLLER - Authorizes the State Controller to modernize and replace the state's business information infrastructure, including its financial, payroll, human capital management (HR), budget and procurement systems. It also creates a leadership council to oversee the project, and a new continuously appropriated fund for procurement and implementation of the system, which will draw its revenue from the Indirect Cost Recovery Fund for a five-year period.

H 544 STATE FACILITIES, UPKEEP, FUNDING - Provides that rental rates at multiagency facilities shall include a provision sufficient to provide for the long-term maintenance and upkeep of the facilities, subject to the review and approval of the Permanent Building Fund Advisory Council.

H 547aaS BUILDING CODES - Provides that local jurisdictions shall not adopt versions of the residential building codes that have not been adopted by the Idaho Building Code Board, with certain exceptions.

H 605 ALCOHOL, WATERFRONT RESORTS - Provides that liquor licenses issued to waterfront resorts shall remain valid and may be transferred even if the body of water on which the resort is situated ceases to meet certain requirements. The purpose of the legislation is to protect licenses already

issued from being rendered invalid or non-transferable based on natural changes to water flow or other factors outside the license holder's control.

H 606 OPEN MEETINGS LAW, PUBLIC AGENCY - Amends the Open Meetings Law to include meetings of public agencies established by executive order of the Governor.

H 611 OPEN MEETINGS NOTICES, AGENDAS - Requires that meeting agendas for government entities be posted online if the entity has an online presence, and further requires that any agenda item that the entity intends to vote on at a meeting be labeled an "action item." The purpose of the legislation is to increase transparency and ensure that the public is notified when a government entity intends to take action.

H 670 STATE OFFICERS, SALARIES - Revises the salaries of the Governor, Lieutenant Governor, State Controller, Secretary of State, Attorney General, State Treasurer and Superintendent of Public Instruction.

S 1245aa, aa LEGAL IMMUNITY, VEHICLE ENTRY - Provides immunity from civil and criminal liability for entry, including forced entry, into a motor vehicle for the purpose of removing a person who appears to be in imminent danger of death or serious bodily harm. To qualify for such immunity, a person must use no more force than necessary to enter the vehicle and must contact law enforcement if feasible.

S 1274aa PUBLIC RECORDS - Revises a definition, provides that bonuses, severance packages, other compensation, or vouchered and unvouchered expenses for which reimbursement was paid to a public official are not exempt from disclosure, provides that social security numbers and driver's license numbers shall be exempt from disclosure, and provides that public agencies shall designate one person as custodian to receive public records requests and shall provide an alternate custodian or alternate custodians for contingencies.

S 1296 PERSONS WITH DISABILITIES - Revises the definition of a "disabled person" to include persons with mental disabilities and allows for the use of service dogs by such persons.



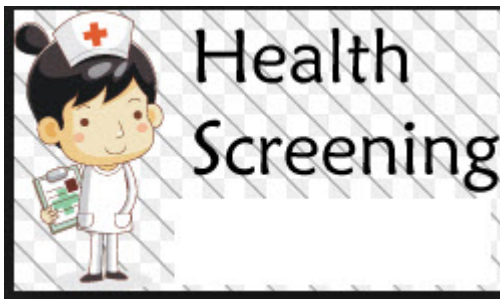
S 1306aaH PLANNING, DEVELOPMENT APPLICATION - Provides for notice to irrigation districts, ground water districts, Carey Act operating companies, nonprofit irrigation entities, and lateral ditch associations and drainage districts that have requested to receive notice whenever a county or city considers a proposed subdivision or any other site-specific land development application.

S 1324 BARBER AND COSMETOLOGY SERVICES ACT - Combines the Boards of Barber Examiners and Cosmetology, provides safety and disinfection training for licensees and certificate holders, and provides flexibility to individuals entering the profession by allowing them to select a more focused area of preparation and practice.

Health and Human Services

H 339 PHARMACY, DRUG SUBSTITUTIONS - Allows pharmacists to substitute drug products for patients when the substitute drug is in the same therapeutic class as the originally prescribed drug and when the substitute drug will have a substantially equivalent therapeutic effect as the originally prescribed drug. The purpose of a substitution would be to make the prescription more affordable to the patient. Before a substitution may be made, the prescriber must authorize the substitution, and the patient must agree to it.

H 353 VOLUNTEER HEALTH CARE PROVIDERS - Provides immunity from liability in a civil action for volunteer health care providers who participate in a community health screening event, such as health screenings offered by schools or churches. A health screening is an examination, an evaluation, or another assessment performed by a health care provider for the purpose of determining whether a person is fit to participate in a sport or another activity or for the purpose of determining whether a person needs further evaluation or treatment for a health condition. The legislation is intended to encourage health care providers to participate in community health screening events. The immunity is limited to civil actions relating only to the screening and does not cover provision of any treatment.



H 431 MEDICAL DIRECTORS, CLASSIFICATION - Provides that medical directors employed at state hospitals shall be nonclassified employees. The purpose of this legislation is to make recruiting and retaining physicians to serve as medical directors easier by ensuring that the medical directors' salaries are competitive.

H 465 MEDICAID, DENTAL SERVICES - Restores preventative dental care to the existing adult Medicaid population to the extent that such care was provided under the state's Medicaid plan prior to 2011. The appropriation for this bill is **S 1376**.

H 546 ANATOMICAL GIFTS, AGE OF DONATION - Provides that a minor aged fifteen years or older may make an anatomical gift with written consent of the minor's parent or guardian.

H 638 ABORTION, REPORTING ACT - Establishes reporting requirements for health care institutions and personnel for health complications arising as a result of abortion.

S 1243 ABORTION, POSTING INFORMATION - Requires that information regarding chemical abortion be provided to patients considering the procedure, including information about health care providers who may be consulted about the procedure.

S 1341 CHILD PROTECTIVE ACT - Provides more review and oversight of the foster care system in Idaho as recommended by the Foster Care Interim Committee. The legislation is intended to preserve sibling connections in foster care and strengthen support services for newly reunified families. The legislation establishes a system for increased accountability for child welfare outcomes through the use of Citizen Review Panels, enhances procedures that guide investigations of suspected child abuse and neglect, and clarifies the process and standard for contesting foster care and permanency placement. Funding for this bill can be found in **H 716**.

Insurance

H 335 EMPLOYMENT, TAXABLE WAGE RATES - Reduces the taxable wage rate used for determining employers' unemployment insurance taxes by adjusting the unemployment fund size multiplier downward.

H 454 INSURANCE DIVIDENDS - Allows a domestic insurer to declare a nonextraordinary dividend if the dividend does not exceed the greater of ten percent of surplus or the operating income for the preceding year, with Department of Insurance oversight.

H 519 TITLE INSURANCE, REIMBURSEMENTS - Allows a title insurer or title insurance agent to provide a reimbursement or discount of the premium otherwise payable for a title insurance policy and for any escrow fees otherwise charged in a transaction handled by the company or agent involving a bona fide employee's residence.

H 521 MOTOR VEHICLE SERVICE CONTRACTS - Provides for motor vehicle service contract requirements and provides that the Idaho Insurance Guaranty Association Act shall not apply to any motor vehicle service contract, mechanical breakdown insurance or motor vehicle service contract liability insurance policy.

H 522 CERTIFICATES OF INSURANCE - Allows a certificate of insurance to include reference to a contract number or description, or a project number or description.

H 548 INSURANCE, LONG-TERM CARE - Benefits provided by a long-term care rider shall be considered the same type of benefits as the base life insurance policy or annuity contract to which it relates, and a new assessment methodology is set forth that will split the coverage cost of long-term care policies, with fifty percent allocated to health member insurers, and fifty percent allocated to life and annuity member insurers.

S 1219 HEALTH INSURANCE, WAIVER - Provides a definition, an exception, and a certain waiver for health insurance.



S 1288 OUT-OF-STATE INSURERS - Provides that foreign insurers licensed and authorized to sell individual or group accident and sickness insurance in another state that have obtained a certificate of authority from the Idaho Department of Insurance may offer and sell individual or group accident and sickness insurance policies in Idaho as long as the individual or group accident and sickness policies provide the mandatory coverages under Idaho's insurance law.

S 1302 INSURANCE, ORGAN DONATION - Prohibits insurers from discriminating against living organ donors through higher premiums or denial or limitation of insurance cov-

erage. The purpose of the legislation is to protect those persons who save lives by serving as living organ donors and to remove barriers to serving as an organ donor.

Natural Resources

H 369 ROADLESS RULE COMMISSION - Codifies the Idaho Roadless Rule Implementation Commission that has been operating pursuant to executive order for the last decade. The commission is charged with cooperating and advising on proposed and ongoing projects, plans and policies occurring within or affecting Idaho roadless areas as defined in the Code of Federal Regulations.

H 371 CRITICAL GROUND WATER AREAS - Provides that water right holders participating in an approved ground water management plan shall not be subject to administration on a time priority basis as long as they are in compliance with the ground water management plan. Eliminates a requirement that the Director of the Department of Water Resources determine if there is sufficient ground water and issue a curtailment order by September 1 of the year prior to the year in which administration on a time priority basis shall occur.

H 372 WATER RIGHTS, APPLICATION FEE - Provides for a flat fee of \$50.00 per water right for a transfer application updating the legal description of the point of diversion or place of use for a water right when no physical change is proposed and no unauthorized water use change has occurred.

H 374 MINING, EXPLORATION - Allows any type of written submission for placer and dredge mining exploration notification, including electronic and digitized formats.

H 476 FISH & GAME, LICENSES, LIABILITY - Limits the liability of governmental entities, nongovernmental organizations and persons that provide funds, reasonably perform maintenance, reasonably make or support improvements, hold conservation easements or take similar reasonable action re-

garding land made available to the public without charge for recreational purposes.

H 538 WOLF CONTROL BOARD, SUNSET DATE - Extends the Idaho Wolf Depredation Control Board until June 30, 2020.

H 549 FISH AND GAME, ROADWAY SALVAGE - Allows for the salvage of a big game animal, upland game animal, upland game bird, furbearing animal, predatory wildlife or unprotected wildlife unintentionally struck and killed by a vehicle on a roadway, and the dispatch and salvage of such animal if severely injured, and requires that such action be reported to the Department of Fish and Game.

H 550aa FLOOD DISTRICTS, COMMISSIONERS - Sets forth criteria for the removal and replacement of a flood control district commissioner by the Director of the Department of Water Resources.

S 1218 ENVIRONMENTAL QUALITY, IPDES - Sets the groundwork for Idaho to receive authorization to implement a state National Pollutant Discharge Elimination System program to be known as the Idaho Pollutant Discharge Elimination System (IPDES) program.

S 1260 LAKE & RIVER COMMISSION - Provides that the Lake Pend Oreille, Pend Oreille River, Priest Lake and Priest River Commission shall have the authority to designate representatives to participate in proceedings regarding the Columbia River Basin and provides that moneys in the commission fund may also be used to provide for participation in proceedings regarding the Columbia River Basin.

S 1261 PRIEST LAKE - Clarifies that the Priest Lake outlet control structure shall be under the supervision and control of the Idaho Water Resource Board and revises provisions regarding the maintenance and regulation of the water surface level of Priest Lake.



S 1275 WOLF COLLARING - Sets forth the expectation of the Legislature that wolf collaring will be continued as one of the proactive management tools for packs that are predisposed to depredation on domestic livestock.

Taxation

Income Tax

H 355 INCOME TAXATION - This is the annual tax conformity bill for tax year 2017 which amends existing law to clarify what the term "Internal Revenue Code" means for state income tax purposes and to provide adjustments to taxable income for corporations. The new Tax Cuts and Jobs Act has a couple of provisions that affect the 2017 tax year. The first lowers the threshold to claim medical expenses from 10% down to 7.5%. The second is a provision that requires taxpayers to report and pay tax on previously unreported overseas earnings, known as repatriation.

H 384 INCOME TAXES - Allows for the use of net operating losses, Idaho credits and capital loss carryovers to offset an increase in taxable income due to a bonus depreciation adjustment.

H 451 INCOME TAXATION - Provides an income tax credit for charitable contributions made to medical residency placement organizations accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association or their designated nonprofit support organizations based in Idaho that are devoted to training residents in Idaho.

H 453 ADOPTION EXPENSES - Amends existing law to increase the amount of the income tax deduction for adoption expenses to a maximum of \$10,000 from \$3,000. Adoption expenses can include legal fees, medical expenses and other costs that adoptive parents may deduct from their taxable income.

H 463 TAXES - Provides for applicability of the Internal Revenue Code to different tax years; revises the calculation of a net operating loss; revises the calculation of net taxable income for corporations; reduces the individual and corporate income tax rate; and provides for a child tax credit.

H 514 TAXATION - Aligns the Idaho treatment of capital gains with the IRS treatment of capital gains with regard to the sale of a real estate partnership interest.

H 515 INCOME TAXATION - Aligns the Idaho treatment with the IRS treatment of the taxation of nonqualified withdrawals from a college savings plan, by only permitting the taxation of the interest portion of the withdrawal, not the principal.

H 624 TAXES - This is a trailer bill to the annual tax conformity bill. It updates references to the Internal Revenue Code for the definition of federal taxable income for businesses and individuals. Congress changed the Internal Revenue Code with the Bipartisan Budget Act of 2018, which extended several federal laws for deductions for mortgage insurance premiums, mortgage interest, and qualified tuition expenses. These changes affect taxpayers in tax year 2017.

H 675 INCOME TAXATION - This bill amends **H 463** by increasing the child tax credit to \$205 per eligible child from \$130. This amendment is intended to mitigate tax increases on families with three or more children due to taxable income changes for individuals caused by the federal Tax Cuts and Jobs Act.

General Tax

H 335 EMPLOYMENT SECURITY LAW - Reduces the taxable wage rate fund size multiplier and authorizes the Labor Department Director to adjust the taxable wage rates under certain circumstances.

H 363 FUELS TAXES - Revises the definition of a "distributor" and provides for the taxation of gaseous special fuels when delivered into a bulk fuel tank upon agreement between the seller and the customer.

H 462 FOREST LANDS TAXATION - Provides for a productivity classification of a forest land parcel to remain or revert to a certain classification status and requires a process by which a county assessor may seek to change the productivity classification in the future.

S 1234 IDAHO STATE TAX COMMISSION - Requires employees, employment applicants, contractors and subcontractors of the Tax Commission to have a criminal background check if they will have access to federal tax information.

S 1294 TOBACCO TAXES - Allows cigarette and tobacco tax revenue to be used for substance abuse prevention programs at the Idaho School for the Deaf and Blind.

Property Tax

H 390 PROPERTY TAXES, MAILING REQUIREMENT - Removes the requirement that county assessment roll abstracts be sent to the Idaho State Tax Commission by certified mail.

H 492 PROPERTY TAXES, DISABLED VETERANS - Creates a special property tax reduction for veterans who are 100% disabled.



H 559 TAX EXEMPT PROPERTY - Provides for a provisional property tax exemption for property that is under construction for a tax-exempt purpose.

H 591 TAX EXEMPTION, CAPITOL INVESTMENTS - Revises definitions and to provide application to operating property for the tax exemption for new capital investments.

H 594aaS TAX EXEMPT PROPERTY, HOP CROPS - Revises the definition of "agricultural equipment and machinery" for property tax exemption purposes.

S 1230 PROPERTY TAXES, DELINQUENCY - Clarifies that a payment shall be applied to the oldest delinquent account in the county's records first, for property tax purposes.

S 1231 PROPERTY TAXES, LATE CHARGES - Provides for the assessment of late charges and interest on delinquent accounts for property tax on the supplemental or missed property roll.

Sales Tax

H 513 SALES TAX, FREE/CHARITABLE CLINICS - Provides a sales tax exemption for the Idaho Association of Free and Charitable Clinics and its member clinics.

H 578 SALES AND USE TAX - Revises the definition of "retailer engaged in business in this state."

H 592 IDAHO NATIONAL LAB, SALES TAX - Revises the sales and use tax exemption for the Idaho National Laboratory.

Transportation

H 387 LICENSE PLATE FEES, PURPLE HEART - Allows a Purple Heart recipient who qualifies for a disabled veteran fee exemption the choice between a Purple Heart recipient license plate or a disabled veteran license plate. If the recipient chooses a Purple Heart recipient license plate, the recipient shall be exempt from license plate fees and

registration and re-registration fees for the recipient's motor vehicle.



H 388 MOTOR VEHICLES, EMERGENCY APPROACH - Provides that the operator of a vehicle, upon the approach of an emergency vehicle, should pull over to the nearest curb or edge on the right side of the road.

H 471 TRAFFIC, LEFT LANE - Prohibits operating a vehicle in the extreme left-hand lane of a road for a period of time that impedes the flow of traffic.

H 506aaS MILITARY VEHICLES - Allows members of the public to register, and operate on public highways, vehicles built for the United States armed forces.

Concurrent Resolutions & Joint Memorials

HCR 41 GROUP INSURANCE COMMITTEE - Authorizes the Legislative Council to appoint a committee to continue a study of the State Employee Group Health Plan structure and to make recommendations.

HCR 49 PUBLIC SCHOOL FUNDING FORMULA - Authorizes the Legislative Council to appoint a committee to continue an ongoing study of the specific changes needed to implement recommended changes to the state's public school funding formula.

HCR 51 STATE BUILDINGS, STUDY GROUP - Authorizes the formation of a study group to make recommendations regarding the locations of state government agencies.

HJM 11 COLUMBUS RIVER TREATY - A joint memorial urging the U.S. Department of State to support specified positions in negotiations with Canada regarding any modification or future implementation of the Columbia River Treaty, including the recogni-

tion and protection of the authorized purposes and water rights for storage projects in Idaho, such as irrigation, recreation, hydropower and local flood control, and urging support of the position that no increased flood control burden be placed on projects in Idaho.

HJM 14 NATIONAL MONUMENT DESIGNATION - A joint memorial stating opposition to any new federal national monument designations, or further designations of wilderness, in the State of Idaho without the approval of the United States Congress and the Idaho Legislature.



SCR 132 WILD & SCENIC RIVERS - A concurrent resolution recognizing the 50th Anniversary of the Wild and Scenic Rivers Act, celebrating the contributions that Idahoans have made to protect and appreciate rivers and streams in Idaho and across the nation.

SCR 134 TRANSPORTATION AUTHORITY - Authorizes the Legislative Council to appoint a committee to undertake and complete a study of the imposition of registration and operating fees for commercial vehicles and farm vehicles weighing over 60,000 pounds.

SCR 140 STATE HOSPITAL SOUTH, NURSING - Authorizes the Department of Health and Welfare to enter into an agreement with the Idaho State Building Authority to finance a new skilled nursing facility on the Idaho State Hospital South campus.

SCR 143 CAMPAIGN FINANCE - Authorizes a legislative study committee on campaign finance issues.

2018 Interim Committees

New Committees:

Occupational Licensing and Certification Laws Committee: Authorized by SCR 146 in the 2018 legislative session, stating findings of the Legislature and the Legislative Council to appoint a committee to undertake and complete a study of occupational licensing and certification laws and rules in Idaho.

Ongoing Committees:

Campaign Finance Reform Interim Committee: The committee began as a working group in 2017 and was reauthorized in the 2018 legislative session (SCR143). The resolution authorized the Legislative Council to appoint a committee to continue and complete a study of issues relating to campaign finance reform.

Commercial and Farm Vehicles Registration and Operating Fees Committee: The committee began its work in 2017 (SCR 116) and was reauthorized in the 2018 legislative session (SCR 134). The resolution authorized the Legislative Council to appoint a committee to continue and complete a study of the imposition of registration and operating fees for commercial vehicles and farm vehicles weighing over 60,000 pounds.

Criminal Justice Reinvestment Oversight Committee: Authorized by S 1393 in the 2014 session to monitor performance and outcome measures as set forth in the Justice Reinvestment Act and to study 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.

Idaho Council on Indian Affairs: Authorized by H 155aa in the 1999 legislative session, the 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 to represent each of the five Indian tribes of the state.

Natural Resources Interim Committee: Reauthorized by SCR 114 in the 2017 legislative session to continue and complete a two-year study of natural resource issues.

Public School Funding Formula Interim Committee: The committee began its work in 2016 (HCR 33) and was reauthorized in the 2018 legislative session (HCR 49). The resolution authorized the Legislative Council to appoint a committee to continue and complete a study of the specific changes needed to implement the recommendations of the Public School Funding Formula Interim Committee.

State Employee Group Insurance Plan Interim Committee: The committee began its work in 2016 (HCR 61) and was reauthorized in the 2018 legislative session (HCR 41). The resolution authorized the Legislative Council to appoint a committee to continue a study of the State Employee Group Health Plan structure and to make recommendations.

2018 Legislation Vetoed by the Governor

H 501 - EDUCATION - Amends existing law to revise a definition.

H 566aaS - EDUCATION - Amends existing law to establish provisions regarding certificates for charter school administrators.

Budget Summary

GENERAL FUND BUDGET UPDATE FISCAL YEAR 2018

	Gov's Revised Recommendation	Legislative Action
<u>REVENUES</u>		
1. Beginning Balance	\$ 100,886,800	\$ 100,886,800
2. Reappropriation	5,896,100	5,899,200
3. After Year-End Cash Reversions	2,634,900	2,634,900
4. Adjusted Beginning Balance	\$ 109,417,800	\$ 109,420,900
5. Revenue Est. Gov. 5.3% / JFAC 5.9% Above FY 2017	3,630,875,300	3,650,875,300
6. H355 - Tax Conformity	(6,400,000)	(6,400,000)
7. H493 - State Controller Data System Update	(18,517,100)	(18,517,100)
8. H624 - Tax Conformity pt. 2 (Extenders)	0	(4,200,000)
9. Total Revenues	\$ 3,605,958,200	\$ 3,621,758,200
10. TOTAL REVENUES AND BEGINNING BALANCE	\$ 3,715,376,000	\$ 3,731,179,100
11. 2017 Session Transfers (H291, S1129, S1177, S1194)	(50,164,400)	(50,164,400)
12. Budget Stabilization Fund §57-814, Idaho Code	(19,615,000)	(34,484,100)
13. Closed Program Cash - Dept. of Lands	20,900	20,900
14. H442 - Strategic Initiatives Program Fund - ITD	0	(27,669,500)
15. H685 - Fire Suppression Def Warrants - Dept. of Lands	0	(20,000,000)
16. H685 - Prior Adjustment Authorization - Dept. of Lands	0	(70,300)
17. H704 - Immunization Fund - Dept. Health and Welfare	3,557,200	3,557,200
18. H712 - Water Management Fund - Dept. Water Resources	0	(1,000,000)
19. S1237 - Exotic Pests Deficiency Warrants - Dept. of Ag	(209,700)	(209,700)
20. NET REVENUES	\$ 3,648,965,000	\$ 3,601,159,200
<u>APPROPRIATIONS</u>		
21. FY 2018 Original Appropriations	3,450,575,300	3,450,575,300
22. Reappropriations	5,896,100	5,899,200
23. Supplementals & Rescissions	36,583,000	26,326,400
24. FY 2018 Total Appropriations	\$ 3,493,054,400	\$ 3,482,800,900
25. FY 2018 ESTIMATED ENDING BALANCE	\$ 155,910,600	\$ 118,358,300

**GENERAL FUND BUDGET UPDATE
FISCAL YEAR 2019**

<u>REVENUES</u>	<u>Gov's Revised Recommendation</u>	<u>Legislative Action</u>
1. Estimated Beginning Balance	\$ 155,910,600	\$ 118,358,300
2. Revenue Est. Gov 5.3% / JFAC 4.7% Above FY 2018 Est.	3,823,128,000	3,823,128,000
3. Proposed Executive Branch Legislation	(2,525,700)	0
4. Sales Tax - Circuit Breaker - IDAPA Rule 700	(700)	(700)
5. H361 - Statement of Termination	0	(1,400)
6. H365 - Liquor Distribution for Community Colleges	0	(200,000)
7. H451 - Medical Residency Income Tax Credit	0	(25,000)
8. H453 - Adoption Expenses Tax Deduction	0	(156,200)
9. H463 - 2018 Tax Conformity, Income Tax Reduction	(96,700,000)	(104,500,000)
10. H492 - Circuit Breaker for Disabled Veterans	0	(1,064,000)
11. H493 State Controller Data System Update	(20,760,500)	(20,760,500)
12. H513 - Sales Tax Exemption for Free/Charitable Clinics	0	(9,100)
13. H514 - Capital Gains Taxes	0	(500,000)
14. H515 - 529 Withdrawals and ABLE Rollover	0	(108,700)
15. H599 - Driving Without Privileges	0	(39,300)
16. H643 - Magistrate's Division Funding	0	(1,507,300)
17. H675 - \$205 Child Tax Credit	0	(25,000,000)
21. Total Revenues	\$ 3,703,141,100	\$ 3,669,255,800
22. TOTAL REVENUES AND ESTIMATED BEGINNING BALANCE	\$ 3,859,051,700	\$ 3,787,614,100
23. H612 - Technology Infrastructure Stabilization Fund	0	(22,000,000)
24. H669 - STEM Education Fund	(2,000,000)	(2,000,000)
25. H677 - Water Resources Revolving Development Acct	(2,400,000)	(2,400,000)
26. H691 - Permanent Building Fund	(44,114,200)	(44,114,200)
27. H700 - Wolf Depredation Control Board	(400,000)	(400,000)
28. H715 - From Group Insurance Account	13,140,000	13,140,000
29. S1349 - Public Education Stabilization Fund	(32,000,000)	(32,000,000)
30. Transfer to ITD Aeronautics to Purchase New Aircraft	(1,475,000)	0
31. NET REVENUES	\$ 3,789,802,500	\$ 3,697,839,900
 <u>APPROPRIATIONS</u>		
32. FY 2018 Appropriations	\$ 3,678,928,900	\$ 3,652,724,800
33. FY 2018 ESTIMATED ENDING BALANCE	\$ 110,873,600	\$ 45,115,100

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 2018 and FY 2019 General Fund revenue forecasts presented to the Second 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 \$3,630.9 million for FY 2018 and \$3,823.1 million for FY 2019. The committee's median forecast was greater than the executive forecast by 0.2%, or \$6.3 million for FY 2018, and 0.4%, or \$17.1 million larger for FY 2019. The Joint Finance-Appropriations Committee used the executive forecast for FY 2019. But in FY 2018, due to greater than anticipated revenues by more than \$130 million to date, JFAC used \$3,650.9 million for the purposes of setting budgets. This is \$20 million more than EORAC's recommendation. 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.

REVENUE SOURCE	FY 2017 Actual Collections	Revenue Estimates			
		FY 2018		FY 2019	
		January Forecast	With Law Changes	January Forecast	With Law Changes
Individual Income Tax	\$1,651,196,217	\$1,779,673,200	\$1,789,073,200	\$1,853,194,300	\$1,738,004,400
Corporate Income Tax	214,021,077	215,776,200	\$215,776,200	234,960,400	219,860,400
Sales Tax	1,382,418,158	1,471,544,400	\$1,471,544,400	1,546,049,700	1,544,975,900
Product Taxes					
Cigarette Tax	9,974,999	7,305,800	7,305,800	10,809,500	10,809,500
Tobacco Tax	12,651,918	13,189,800	13,189,800	13,216,400	13,216,400
Beer Tax	1,935,200	1,949,200	1,949,200	1,984,400	1,984,400
Wine Tax	4,651,593	4,809,000	4,809,000	5,029,400	5,029,400
Liquor Transfer	28,879,996	30,960,000	30,960,000	32,491,200	32,291,200
Total Product Taxes	58,093,706	58,213,800	58,213,800	63,530,900	63,330,900
Miscellaneous Revenue					
Kilowatt Hour Tax	2,107,504	2,400,000	2,400,000	2,100,000	2,100,000
Mine License Tax	50,048	200,000	200,000	300,000	300,000
State Treasurer	(147,382)	(828,400)	(828,400)	1,935,700	1,935,700
Judicial Branch	8,443,898	8,582,000	8,582,000	8,709,500	7,162,900
Insurance Premium Tax	75,423,198	69,539,700	69,539,700	69,531,800	69,531,800
State Police	297,753	(300)	(300)	0	0
Secretary of State	2,926,547	3,560,500	3,560,500	3,711,000	3,709,600
Unclaimed Property	10,369,301	9,000,000	9,000,000	9,000,000	9,000,000
Estate Tax	0	0	0	0	0
Other/Dept. Transfers	43,263,563	33,214,200	14,697,100	30,104,700	9,344,200
Total Miscellaneous Revenue	142,734,430	125,667,700	107,150,600	125,392,700	103,084,200
TOTAL REVENUES*	\$3,448,463,588	\$3,650,875,300	\$3,641,758,200	\$3,823,128,000	\$3,669,255,800
% Change from prior year	8.3%	5.9%	5.6%	4.7%	0.8%
With Beginning Balances Revenue Adjustment	76,573,600	109,420,900	109,420,900	118,358,300	118,358,300
REVENUES & BALANCES	\$3,525,037,200	\$3,760,296,200	\$3,751,179,100	\$3,941,486,300	\$3,787,614,100

*Revenue forecast numbers have been adjusted for rounding

FY 2018 General Fund Revenues

In January 2018, the Division of Financial Management (DFM) revised the FY 2018 August forecast upward by \$51.6 million to \$3,630,875,300, which increased the expected percentage growth from 3.8% to 5.3% over the FY 2017 actual revenue collections. Both the Governor and the Economic Outlook and Revenue Assessment Committee (EORAC) concurred with that recommendation, which was \$123.5 million more than estimated last year at Sine Die.

Once the session began and the state began to accrue revenue above the year-to-date forecast, The Joint Finance-Appropriations Committee (JFAC) formally adopted \$3,650,875,300, or 5.9% over FY 2017 actual revenue collections, for setting budgets. This was \$20 million more than the Governor and EORAC recommended, which allowed for a transfer of \$20 million to the Fire Suppression Fund in FY 2018.

To finalize the General Fund budget for FY 2018, the Legislature relied upon a beginning balance of \$100.9 million accumulated from the previous year, \$5.9 million for reappropriations, and \$2.6 million for after-year-end reversions, for an available balance of \$3,760,296,200. Lastly, that amount was then adjusted downward by three pieces of legislation. **H 493** redirected \$18.5 million, which would have been transferred to the General Fund, to a newly created fund for the modernization of the State Controller's accounting system. **H 355** and **H 624** reduced General Fund revenue by a total of \$10.6 million for conformity to the federal Tax Cuts and Jobs Act and tax extender provisions in the federal Bipartisan Budget Act of 2018, both of which were retroactive to January 1, 2017. Those actions resulted in \$3,731,179,100 available for appropriations and transfers.

FY 2018 Deficiency Warrants and FY 2018 Transfers

Beginning with the \$3,731,179,100, the Legislature addressed deficiency warrants in two separate actions. First, it appropriated and transferred \$209,700, through **S 1237**, for deficiency warrants to address exotic and invasive species monitoring and control, including potato cyst nematode and Japanese Beetle treatment paid for in FY 2017. Second, through **H 685**, it appropriated and transferred \$20,000,000 to the Fire Suppression Fund for current and future fire costs. At the time JFAC took this action there were \$8.6 million of unpaid fire costs from the previous fire season.

In addition to deficiency warrants, a net amount of \$109.8 million was appropriated and transferred from the General Fund into various dedicated funds. Of this amount, \$50.2 million was transferred during the 2017 session for several building projects and the following \$59.6 million was the net result of statute or new legislation during the 2018 session:

- \$34,484,100 statutory transfer to the Budget Stabilization Fund (**§57-814 Idaho Code**)
- \$27,669,500 to the Strategic Initiatives Program for transportation projects (**H 442**)
- \$70,300 to the Department of Lands for prior period adjustments (**H 685**)
- \$1,000,000 to the Water Management Fund for flood reparation projects (**H 712**)
- \$3,557,200 into the General Fund from the Immunization Fund (**H 704**)
- \$20,900 into the General Fund from a closed Department of Lands program

Supplemental Appropriations

The Legislature approved \$26,326,400 of supplemental appropriations from the General Fund for FY 2018, as shown in the table below:

Agency	General Fund	Purpose
Dept. of Health & Welfare	\$3,318,900	Additional social workers, Home Visitation Program, Jeff D Settlement, community hospitalization shortfall, additional medical care at SHN, address an accounting error, eWic implementation, AIDS awareness, and a TRICARE cash transfer.
DHW, Medicaid Division	\$17,088,700	KW lawsuit compliance, backfill for FY 2017 payments, shift appropriation to align with actual costs, and a rate increase for community-based personal care services.
Dept. of Correction	\$5,754,400	Population-driven costs, hepatitis-C treatment, attorney and audit fees, facility expansions, and county and out-of-state placement of inmates.
ISP Brand Inspection	\$86,400	Livestock identification software system.
Comm. on Hispanic Affairs	\$26,000	Personnel fund shift from federal to General Fund.
Military Division	\$52,000	Land lease costs for the expansion of the Orchard Combat Training Center and for Gowen Field.
<i>Total Supplementals</i>	<i>\$26,326,400</i>	

FY 2019 General Fund Revenues

The Governor, EORAC, and JFAC all supported using DFM's General Fund forecast of \$3,823,128,000, which was 5.3% over the FY 2018 estimate, to build the FY 2019 budgets. However, the percentage was 4.7% when JFAC increased its FY 2018 revenue estimate by \$20 million. The \$3,823,128,000 estimate was then adjusted downward by several pieces of legislation estimated to reduce the General Fund revenues by a total of \$153,872,200. These included:

- **IDAPA Rule 700** Sales Tax/Circuit Breaker which reduced the General Fund by \$700.
- **H 361** – Removed the fee for filing a statement of termination, \$1,400 reduction.
- **H 365** - Increased liquor distributions to Community Colleges by \$200,000.
- **H 451** - Medical residency income tax credit, \$25,000.
- **H 453** - Adoption expenses tax credit, \$156,200.
- **H 463** - 2018 Tax conformity and income tax reduction. This legislation both increased revenues by \$97,400,000 to conform to the federal tax code and decreased revenues by \$201,900,000 by reducing both corporate and personal income tax rates for all tax brackets by 0.475 of a percentage points. This legislation also provided a dependent child tax credit of \$130 per eligible child. The net reduction to the General Fund was estimated at \$104,500,000.
- **H 492** - Circuit breaker eligibility for veterans disabled by service, \$1,064,000.
- **H 493** - State Controller data system modernization, \$20,760,500.
- **H 513** - Sales tax exemption for free and charitable clinics, \$9,100.
- **H 514** – Allows for profits from the sale of a real estate partnership interest to be taxed as capital gains rather than normal income, \$500,000.
- **H 515** - Removed taxes on principal of 529 withdrawals and ABLE rollovers, \$108,700.
- **H 599** - Reduced 1st and 2nd driving without privileges to infractions, \$39,300.
- **H 643** - Diverted \$6.00 from filings and infractions to county courts, \$1,507,300.
- **H 675** - Increased the per child tax credit to \$205. This provided additional tax relief and was estimated to further decrease General Fund revenue by \$25,000,000.

After accounting for legislation affecting General Fund revenues, the adjusted revenue forecast of \$3,669,255,800 represents a 0.8% increase over revenue forecast JFAC adopted for FY 2018. Lastly, the adjusted revenue amount plus the beginning balance of \$118,358,300 carried forward from FY 2018 provided a total of \$3,787,614,100 available for setting FY 2019 budgets.

FY 2019 Transfers and Appropriations

A net amount of \$89.8 million was appropriated and transferred from the General Fund into various dedicated funds during the 2018 legislative session. The transfers included:

- **H 612** - Transferred \$22,000,000 to the newly-created Technology Infrastructure Stabilization Fund to fund major technology projects.
- **H 669** - Transferred \$2,000,000 to the STEM Education Fund.
- **H 677** - Transferred \$2,400,000 to the Water Resources Revolving Development Account.
- **H 691** - Transferred \$44,114,200 to the Permanent Building Fund for the following:
 - \$9,114,200 for the Dept. of Correction Community Reentry Center in Twin Falls.
 - \$10,000,000 for the College of Western Idaho Nampa Health Sciences Building.
 - \$3,000,000 for the Ag. Research and Ext. Service Nuclear Seed Potato Facility.
 - \$22,000,000 for alteration and repair projects at various state agencies.
- **H 700** - Transferred \$400,000 to the Wolf Depredation Control Board.
- **H 715** - Transferred \$13,140,000 from the Group Insurance Account into the General Fund.
- **S 1349** - Transferred \$32,000,000 to the Public Education Stabilization Fund

Lastly, the Legislature appropriated \$3,652,724,800 from the General Fund for FY 2019, which is a \$202,149,500, or 5.9% increase, over the FY 2018 Original Appropriation. The appropriation was split \$3,635.6 million for ongoing expenditures and \$17.1 million for one-time expenditures. This left an estimated \$45.1 million on the bottom line to be carried over into FY 2020 as a beginning balance.

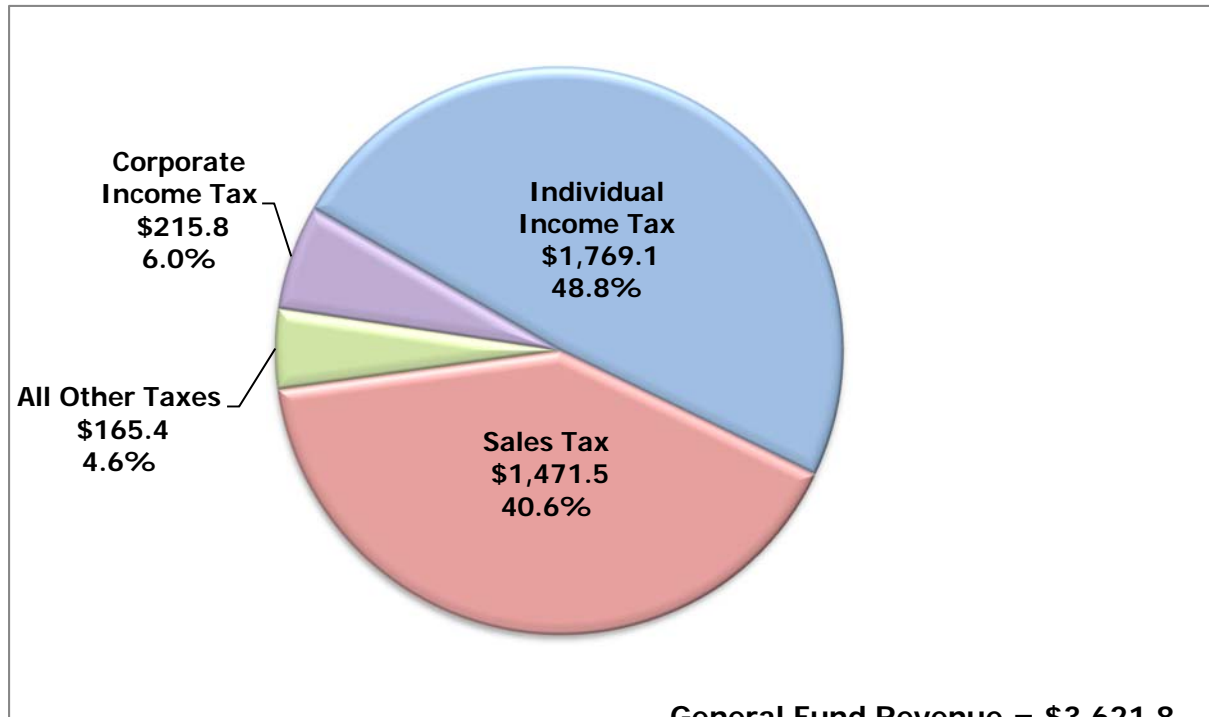
General Fund Comparison: Original Appropriation to Governor's Recommendation and JFAC Action

Department/Agency	FY 2018 Orig Approp	FY 2019 Gov's Revised Rec	Change from 2018 Orig	FY 2019 JFAC Action	Dollar Difference from Gov	Dollar Difference from FY 2018	Change from 2018 Orig
Education							
Public School Support	1,685,262,200	1,786,946,500	6.0%	1,785,265,900	(1,680,600)	100,003,700	5.9%
Ag Research & Extension Service	31,263,300	31,307,100	0.1%	31,307,100	0	43,800	0.1%
College and Universities	287,053,200	293,607,000	2.3%	295,763,200	2,156,200	8,710,000	3.0%
Community Colleges	39,400,900	45,433,900	15.3%	46,126,600	692,700	6,725,700	17.1%
Education, Office of the State Board	5,584,900	6,778,900	21.4%	6,374,900	(404,000)	790,000	14.1%
Health Education Programs	15,594,200	17,804,200	14.2%	18,714,500	910,300	3,120,300	20.0%
Career Technical Education	65,372,000	65,693,500	0.5%	66,397,900	704,400	1,025,900	1.6%
Public Television, Idaho	3,327,200	2,985,300	(10.3%)	2,585,300	(400,000)	(741,900)	(22.3%)
Special Programs	15,562,200	20,500,700	31.7%	19,242,200	(1,258,500)	3,680,000	23.6%
Superintendent of Public Instruction	14,189,200	14,698,600	3.6%	14,909,800	211,200	720,600	5.1%
Vocational Rehabilitation	8,589,000	8,599,600	0.1%	8,648,300	48,700	59,300	0.7%
Health & Human Services							
Catastrophic Health Care Program	17,999,500	9,999,700	(44.4%)	9,999,700	0	(7,999,800)	(44.4%)
Health & Welfare, Department of	174,203,600	187,118,400	7.4%	180,016,700	(7,101,700)	5,813,100	3.3%
Medicaid	531,903,900	600,967,600	13.0%	585,221,400	(15,746,200)	53,317,500	10.0%
Public Health Districts	9,341,700	9,389,600	0.5%	9,421,600	32,000	79,900	0.9%
Independent Living Council, State	214,700	223,700	4.2%	223,700	0	9,000	4.2%
Public Safety							
Correction, Department of	220,432,300	239,713,700	8.7%	240,738,600	1,024,900	20,306,300	9.2%
Judicial Branch	49,400,200	50,946,600	3.1%	47,055,600	(3,891,000)	(2,344,600)	(4.7%)
Juvenile Corrections, Department of	41,715,600	41,806,600	0.2%	41,771,200	(35,400)	55,600	0.1%
Police, Idaho State	29,162,400	32,772,200	12.4%	32,772,200	0	3,609,800	12.4%
Natural Resources							
Environmental Quality, Department of	19,621,100	20,411,700	4.0%	20,461,700	50,000	840,600	4.3%
Lands, Department of	6,070,100	5,995,900	(1.2%)	6,021,400	25,500	(48,700)	(0.8%)
Parks & Recreation, Department of	3,356,600	4,217,700	25.7%	4,217,700	0	861,100	25.7%
Water Resources, Department of	19,300,500	19,488,300	1.0%	19,502,100	13,800	201,600	1.0%
Economic Development							
Agriculture, Department of	14,634,200	14,506,100	(0.9%)	14,506,100	0	(128,100)	(0.9%)
Commerce, Department of	5,780,500	5,800,900	0.4%	5,800,900	0	20,400	0.4%
Labor, Department of	341,200	342,200	0.3%	342,200	0	1,000	0.3%
Industrial Commission			n/a	300,000	300,000	300,000	n/a
Self-Governing Agencies							
Building Safety	234,500	239,600	2.2%	239,600	0	5,100	2.2%
Hispanic Affairs, Commission	161,400	152,100	(5.8%)	188,200	36,100	26,800	16.6%
Historical Society	3,952,800	4,042,400	2.3%	4,042,400	0	89,600	2.3%
Libraries, State Commission for	4,025,300	3,993,000	(0.8%)	4,193,000	200,000	167,700	4.2%
Public Defense Commission	5,827,700	5,814,800	(0.2%)	5,814,800	0	(12,900)	(0.2%)
State Appellate Public Defender	2,889,200	2,948,400	2.0%	2,948,100	(300)	58,900	2.0%
Veterans Services, Division of	1,117,700	1,127,500	0.9%	1,127,500	0	9,800	0.9%
General Government							
Administration, Department of	7,677,400	6,482,900	(15.6%)	6,582,900	100,000	(1,094,500)	(14.3%)
Attorney General	23,135,800	23,537,200	1.7%	23,639,800	102,600	504,000	2.2%
Controller, State	8,346,000	10,945,000	31.1%	10,951,200	6,200	2,605,200	31.2%
Office of the Governor							
Aging, Commission on	4,527,400	4,597,900	1.6%	4,597,900	0	70,500	1.6%
Arts, Commission on the	810,500	816,000	0.7%	841,000	25,000	30,500	3.8%
Blind, Commission for the	1,461,600	1,473,800	0.8%	1,473,800	0	12,200	0.8%
Drug Policy, Office of	321,900	327,700	1.8%	339,300	11,600	17,400	5.4%
Financial Management, Division of	1,857,400	1,887,500	1.6%	1,887,500	0	30,100	1.6%
Governor, Executive Office of the	2,348,100	2,211,200	(5.8%)	2,403,500	192,300	55,400	2.4%
Information Technology, Office of		2,773,400	n/a	1,594,400	(1,179,000)	1,594,400	n/a
Military Division	6,848,700	6,971,400	1.8%	7,069,900	98,500	221,200	3.2%
Species Conservation, Office of	1,288,400	1,397,200	8.4%	1,397,200	0	108,800	8.4%
STEM Action Center	4,489,500	2,654,000	(40.9%)	2,575,900	(78,100)	(1,913,600)	(42.6%)
Legislative Transfer	7,255,000	6,755,000	(6.9%)	6,755,000	0	(500,000)	(6.9%)
Legislative Services Office	5,224,100	5,312,700	1.7%	5,312,700	0	88,600	1.7%
Office of Performance Evaluations	886,200	899,500	1.5%	899,500	0	13,300	1.5%
Lieutenant Governor	172,900	175,100	1.3%	177,600	2,500	4,700	2.7%
Board of Tax Appeals	606,700	608,600	0.3%	608,600	0	1,900	0.3%
State Tax Commission	35,798,300	36,154,600	1.0%	36,154,600	0	356,300	1.0%
Secretary of State	3,220,800	5,150,000	59.9%	3,770,000	(1,380,000)	549,200	17.1%
State Treasurer	1,413,600	1,424,200	0.7%	1,430,400	6,200	16,800	1.2%
STATEWIDE TOTAL	3,450,575,300	3,678,928,900	6.6%	3,652,724,800	(26,204,100)	202,149,500	5.9%

FY 2018 General Fund Revenue & Appropriations

"Where the money comes from ..."

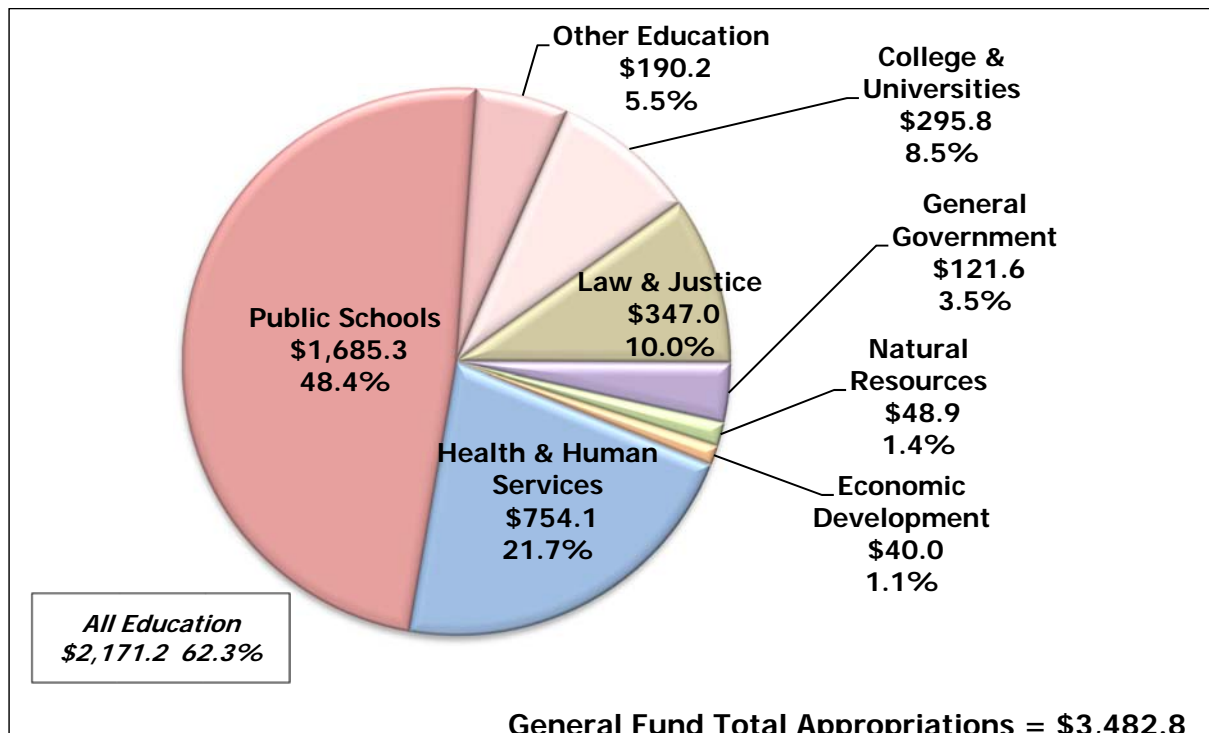
Dollars in Millions (Percent of Revenue)



General Fund Revenue = \$3,621.8
Balances & Transfers = (\$20.6)

"Where the money goes..."

Dollars in Millions (Percent of Appropriations)



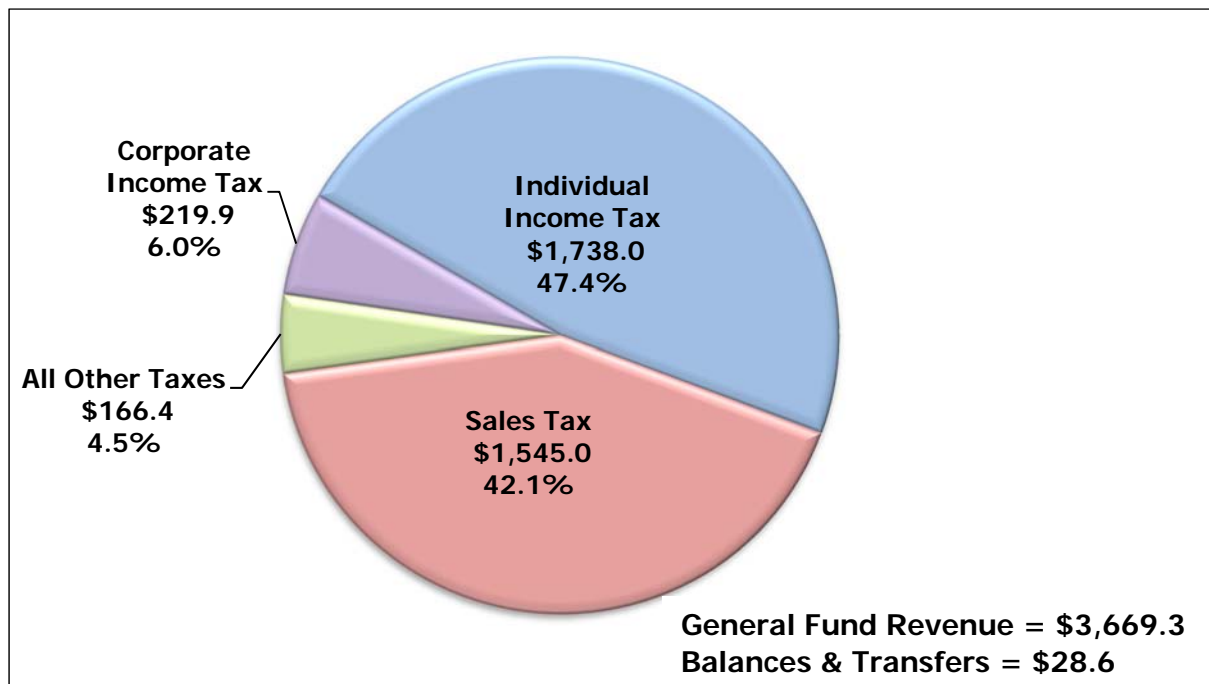
All Education
\$2,171.2 62.3%

General Fund Total Appropriations = \$3,482.8
General Fund Ending Balance = \$118.4

FY 2019 General Fund Revenue & Appropriations

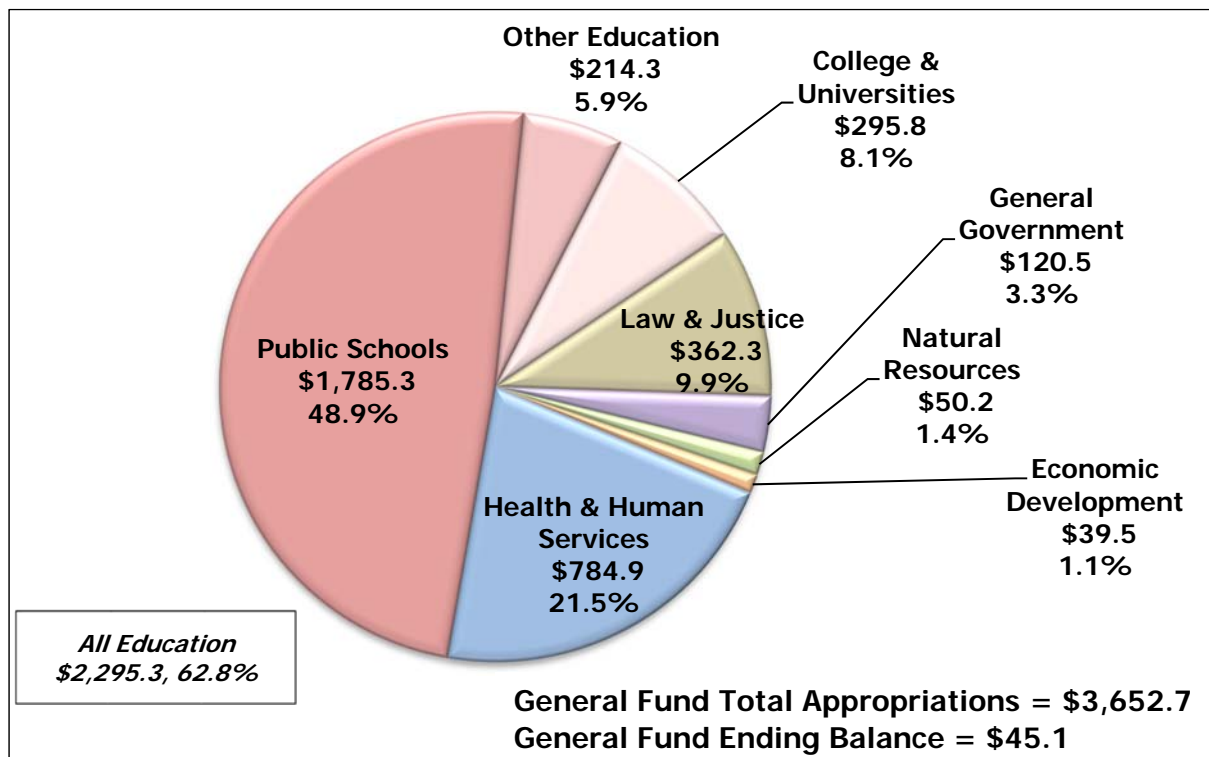
"Where the money comes from ..."

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
14. Balance June 30, 2016	\$ 259.444	\$ 88.551	\$ 20.092	\$ 29.787	\$ 3.064	\$ 2.567	\$ 403.505
FY 2017 Actuals							
15. Interest Earnings and Revenues		0.317	0.118	0.253	0.058	0.577	1.323
16. Transfers In (Out) S1190 ERRF		2.332		4.593	5.000		11.925
17. Disbursements		(5.656)	(19.840)	(1.048)		(0.795)	(27.339)
18. Transfers from GF §57-814 Δ 8.31%	31.837						31.837
19. End-of-Year Surplus Eliminator	27.464						27.464
20. Balance June 30, 2017	\$ 318.746	\$ 85.545	\$ 0.370	\$ 33.584	\$ 8.121	\$ 2.350	\$ 448.716
General Fund Revenue = \$ 3,448.4 9.2% 2.5% 0.0% 1.0% 0.2% 0.1% 13.0%							
The balance in Idaho's major reserve funds at the end of FY 2017 (line 20) was \$448.7 million or 13.0% of the FY 2017 General Fund Revenue Collections.							
* FY 2018 Estimates							
21. Interest Earnings and Revenues			0.076	0.298	0.057	3.137	3.567
22. Transfers In (Out)				5.000	5.730	52.000	62.730
23. Disbursements		(20.594)		(1.048)	(11.814)	(14.005)	(47.460)
24. Transfers from GF §57-814 Δ 5.03%	34.484						34.484
25. End-of-Year Surplus Eliminator							0.000
26. Estimate* June 30, 2018	\$ 353.230	\$ 64.951	\$ 0.446	\$ 37.834	\$ 2.094	\$ 43.482	\$ 502.037
General Fund Revenue = \$ 3,621.8 9.8% 1.8% 0.0% 1.0% 0.1% 1.2% 13.9%							
The balance in Idaho's major reserve funds at the end of FY 2018 (line 26) is estimated to be \$502.0 million or 13.9% of the FY 2018 General Fund Revenue Estimate.							
* FY 2019 Estimates							
27. Interest Earnings and Revenues				0.338	0.088		0.427
28. Transfers In (Out)		32.000		5.000			37.000
29. Disbursements			(0.442)	(1.296)			(1.738)
30. Transfers from GF §57-814 Δ 1.31%							0.000
31. End-of-Year Surplus Eliminator							0.000
32. Estimate* June 30, 2019	\$ 353.230	\$ 96.951	\$ 0.004	\$ 41.876	\$ 2.183	\$ 43.482	\$ 537.726
General Fund Revenue = \$ 3,669.3 9.6% 2.6% 0.0% 1.1% 0.1% 1.2% 14.7%							
The balance in Idaho's major reserve funds at the end of FY 2019 (line 32) is estimated to be \$537.7 million or 14.7% of the FY 2019 General Fund Revenue Estimate.							

Budget Highlights

Education

Public Schools

Senate Bills 1347 - 1354 comprised the FY 2019 K-12 Public Schools appropriation and resulted in a total of \$2,140,615,100. The increase from the General Fund was \$100 million over the current year, which is the fourth year in a row that the Legislature has committed over \$100 million to K-12 education.

	FY 2018 Orig. Appropriation	FY 2019 Orig. Appropriation
Sources of Funds		
General Fund	\$1,685,262,200	\$1,785,265,900
Dedicated Funds	\$91,637,700	\$91,010,700
Federal Funds	\$264,338,500	\$264,338,500
TOTAL APPROPRIATIONS	\$2,041,238,400	\$2,140,615,100
General Fund Percent Change:		5.9%
Total Funds Percent Change:		4.9%

New funding included:

- \$41.6 million increase from the General Fund for year four of the five-year phase-in of the career ladder compensation system for Idaho's educational instructors.
- \$19.9 million in discretionary funding. Of this amount, \$8.7 million was needed to maintain the current year funding per support unit at \$26,478, and \$11.2 million was used to increase the discretionary amount to \$27,481 per support unit. This is a 2.7% increase and includes funding for health insurance costs and a CPI adjustment.
- \$10.5 million increase for classroom technology, which is a 30% increase over the current year.
- \$7.0 million for a 3% base salary increase for administrators and classified staff, which are categories of employees not on the career ladder.
- \$500,000 increase for information technology (IT) staffing, bringing the amount to be distributed to school districts to \$8 million.
- There were additional increases and decreases for several other distributions that net to the \$100 million General Fund increase over the current year. Funding for enrollment growth was calculated on 165 support units. The estimate for mid-term support units for FY 2019 is 15,404 and the estimate for full-term support units was 15,339.

College and Universities

S 1344 appropriated \$576,786,400 for FY 2019, and provided a 3.0% General Fund increase, with an overall increase of 2.1%. In addition to maintenance adjustments for an increase in benefit costs and an increase in statewide cost allocation, the bill provided funding for an ongoing 3% change in employee compensation.

Specifically, it included the following amounts from the General Fund:

- \$1,332,400 of onetime funding for inflationary adjustments from dedicated funds,
- \$3,182,400 of ongoing funding for replacement items from dedicated funds,
- \$1,631,700 for occupancy costs for Boise State University, Idaho State University, and the University of Idaho,
- \$800,000 for ongoing from the General Fund to sustain maintenance and operations for the Idaho Regional Optical Network (IRON),
- \$350,000 to build and maintain a degree audit and data analytics system to support student retention and degree achievement,
- 6.00 full-time equivalent positions and \$680,600 to create a clinical psychopharmacology program at Idaho State University,
- 2.00 full-time equivalent positions and \$186,400 to support access and completion efforts at Lewis-Clark State College,
- \$1,226,200 onetime from the General Fund to the University of Idaho as a benefit costs offset.

The individual General Fund increased for the institutions are as follows: BSU, 3.7%; ISU, 3.6%; UI, 1.4%; and LCSC, -0.6%.

Agricultural Research & Extension Service

H 662 appropriated the FY2019 budget and included the appropriation of \$127,900 for the one-time purchase of replacement items.

Office of the State Board of Education

H 672 included \$14,400 for the onetime purchase of replacement items for computer equipment. Line items included a funding for IT/telecommunications for cybersecurity upgrades (\$11,000), to establish accreditation standards for psychology internships in cooperation with the Western Interstate Commission for Higher Education (WICHE) (\$125,000), Graduate Medical Education Council (\$80,000), a contracted systems integration consultant to study and report on how best to implement the Higher Education Task Force recommendations (\$250,000 onetime), 3.00 full-time equivalent positions and \$413,800 to transfer the Career Information System (CIS) from the Department of Labor, and \$6,125,000 ongoing from the Miscellaneous Revenue Fund to the Office of the State Board for annual lease payments.

Health Education Programs

S 1366 appropriated \$19,035,500 for FY 2019 and included a 20.0% increase from the General Fund. This included \$588,100 to expand residencies and to support existing residencies, and \$240,000 for new residency 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 686 appropriated \$23,366,800 for FY 2019 and included a 23.6% increase from the General Fund. This included \$3,500,000 to expand the Opportunity Scholarship, 0.96 full-time equivalent positions and \$53,500 to assist Idaho businesses with government contracting through the Procurement Technical Assistance Center for the Small Business Development Centers, and 1.50 full-time equivalent positions and \$188,000 from the General Fund for manufacturing specialists in eastern and northern Idaho for TechHelp.

Community Colleges

S 1359 appropriated \$46,926,600 for FY 2019, which included an average 17.1% increase from the General Fund. This funding included \$5,213,800 ongoing for the newly created College of Eastern Idaho (\$5,013,800 from the General Fund, \$200,000 from dedicated funds).

Career Technical Education

S 1357 appropriated 12.30 full-time equivalent positions and \$1,683,300 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 included incentive funding, workforce training centers program alignment, online course development, and a decrease of funding no longer appropriated to Eastern Idaho Technical College.

Idaho Public Television

H 654 appropriated \$2,585,300 from the General Fund, \$6,522,900 in dedicated funds, and \$340,400 in federal funds for a total of \$9,448,600. Full-time equivalent positions were capped at 68.48.

The agency received an increase of \$921,300 for replacement items, which included \$400,000 from the Technology Infrastructure Stabilization Fund for year two of three of the replacement of Ethernet microwave systems, and \$266,300 in federal funds to complete the spectrum repackaging mandated by the Federal Communications Commission.

The agency received 1.00 FTP and associated funding for a new engineering position to assist with the spectrum repackaging moves as well as a future move to a new television standard. Additional federal fund appropriation was provided for video production and dissemination services to highlight the work of the National Comprehensive Center on Improving Literacy for Students with Disabilities. Outside funding was accepted by the agency for a new television series, Idaho Experience; and \$125,000 was appropriated from dedicated fund sources. Finally, an additional 1.00 FTP was authorized to develop a television series through an American Graduate grant, which will raise awareness about career education opportunities after high school.

Division of Vocational Rehabilitation

S 1368 appropriated \$8,648,300 from the General Fund, \$2,112,600 in dedicated funds, and \$17,545,200 in federal funds for a total appropriation of \$28,306,100. This bill included 0.50 FTP and associated funding for a community outreach coordinator for the Council for the Deaf and Hard of Hearing. Additionally, this bill included 1.00 FTP and associated personnel costs for a Social Security reimbursement coordinator for the Vocational Rehabilitation program, to ensure the state captures all available federal money.

This bill also included three sections of intent language focused on the Extended Employment Services program. The first section of intent language prohibited transfers into or out of trustee and benefit payments solely within the Extended Employment Services program. The second section of intent language required the division to study and report on the effects the rate set by the division director has on community rehabilitation partners. The third section allowed for limited carryover authority within the Extended Employment Services trustee and benefit payments to provide for a onetime rate increase to community rehabilitation partners.

Health and Human Services

Catastrophic Health Care Cost Program

H 660 appropriated \$9,999,700, which reflects a decrease of \$7,999,800 from the FY 2018 Original Appropriation. The reduction is currently considered as temporary, in order to bring the cash levels down. Further, it is expected that the FY 2020 appropriation will be an increase of at least \$8 million.

Department of Health and Welfare

The FY 2019 appropriation for the Department of Health and Welfare was \$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 of 5.0% from the General Fund and 2.9% in all funds from the FY 2018 original appropriation. The number of authorized positions increased by 25.95. The appropriation bills for the department were **S 1361, S 1362, S 1369, S 1374, S 1376, H 475, H 682, H 695, H 698, H 704, and H 716.**

Child Welfare

S 1362 was the FY 2018 supplemental appropriation and FY 2019 original appropriation bill for Child Welfare. The division received a 0.2% General Fund increase and a total increase of 10.7% from the FY 2018 original appropriation for all funds. Enhancements to support Child Welfare programs included:

- 9.00 FTP and \$662,500 to hire additional social workers. These positions are to be filled with a minimum of two case manager social workers; the other seven positions are to be filled based on staffing and caseload needs;
- \$1,600,000 from the General Fund to provide additional services in the Home Visitation Program. The intent of this program is to help families before they become involved in the foster care, judicial, or corrections system; and
- \$3,800,000 split evenly between the General Fund and federal funds to continue with the third year of replacing the Child Welfare Information System.

Behavioral Health (Mental Health and Substance Use)

H 475 was the FY 2018 supplemental appropriation and **H 682** was the FY 2019 original appropriation bill for Mental Health Services, Psychiatric Hospitalization, and Substance Abuse Treatment and Prevention. The General Fund increase from the FY 2018 original appropriation for these divisions was 5.8% and a total increase of 5.0% for all funds.

Enhancements for FY 2018 included:

- \$644,600 for the continuation of the Jeff D lawsuit settlement implementation; and
- \$161,800 for pay raises for nursing staff at State Hospital North to compete with the increased minimum wage in Washington.

Enhancements for FY 2019 included:

- \$2,567,500 for the initial startup and operations for about half the year for three additional Behavioral Health Community Crisis Centers to be located in Nampa/Caldwell, Pocatello/Blackfoot, and a non-centralized model in the Lewiston region. The other half of funding is to be annualized in the FY 2020 appropriation;
- A net decrease of \$681,600 for additional services for the children associated with the Jeff D lawsuit. The Legislature added \$500,000 for program implementation and transferred \$1,181,600 to Medicaid to pay for required services;

- \$1,955,000 to implement Idaho's response to the opioid crisis. Implementation will be done in partnership with the Board of Pharmacy, Office of Drug Policy, and the Public Health Districts;
- \$160,000 for tobacco compliance checks to ensure that tobacco vendors comply with the law and are not selling products to minors; and
- \$256,000 to provide a 5% rate increase for substance use treatment providers. A comparable increase was provided to the Department of Correction and Judicial Branch. The Department of Juvenile Corrections was able to absorb the rate increase without new money.

Medicaid

H 695 was the FY 2018 supplemental appropriation and FY 2019 original appropriation bill for the Division of Medicaid. The General Fund increase from the FY 2018 original appropriation for Medicaid is 10.0% and a total increase of 7.2% for all funds.

Enhancements for FY 2018 included:

- \$56,329,200 for the backfill of the appropriation from FY 2017;
- A shift of \$25,000,000 from dedicated funds to the General Fund and federal funds to account for stability with hospital cost settlements; and
- \$1,656,200 to provide a rate increase to providers in the community that provide personal care services. This rate was annualized in FY 2019 at \$8,088,700.
- Enhancements for FY 2019 included:
 - \$132,162,600 for changes in caseloads, mandatory price changes, utilization, and the federal match rate, of which \$37,998,200 was from the General Fund;
 - \$1,613,300 to provide a rate increase for providers of services for children with developmental disabilities;
 - \$5,202,500 to provide a rate increase for assisted living facilities that provide personal care services;
 - \$4,648,300 to provide a rate increase for providers of supported living services; and
 - \$7,445,000 for IT software projects related to provider information and claims payment information.

Public Health Services

H 704 was the FY 2018 supplemental appropriation and FY 2019 original appropriation bill for the Public Health Services Division. The General Fund increase from the FY 2018 original appropriation for these divisions is 5.9%, and a total increase of 3.4% for all funds.

Enhancement for FY 2018 included:

- \$3,557,200 was transferred from the Immunization Fund to the General Fund. These monies were used to cover the costs of providing immunizations for families covered by TRICARE, as TRICARE did not previously participate in the state immunization assessment program. TRICARE is now fully participating.

Enhancements for FY 2019 included:

- \$256,600 for additional youth education programs on suicide prevention. Intent language requires the department to work with stakeholders on developing and implementing a statewide plan to reduce suicide prevention;

- \$19,800 to convert a part-time position to a full-time position for rural health research. This position will help identify physician shortage areas;
- \$149,800 to continue providing Epidiolex, a marijuana-based pharmaceutical that is being tested for treating epilepsy in children, when other medicines do not work; and
- \$640,000 for the Rural Physician Incentive Program to provide a state match of students on a two-to-one basis. The goal of the program is to get medical graduate students back to Idaho and serve in rural areas. Funding was provided as a trailer appropriation to **H 472**.

Other Department of Health and Welfare Budget Highlights

S 1369 is the appropriation bill for four divisions. Indirect Support Services received an additional \$2,756,800 for IT-related products and services including enterprise management, cybersecurity, hardware and software systems, and computers. The program also received 4.00 FTP and \$248,100 for new fraud and investigation staff for the various welfare programs. Licensing and Certification received 2.00 FTP and \$171,200 for additional surveyors for assisted living facilities. Healthcare Policy Initiatives received \$5,000,000 for the final year of the SHIP grant.

S 1361 was the FY 2019 appropriation bill for the Division of Welfare. The division received \$8,000,000 for the final year of replacing the Child Support Enforcement System, \$2,000,000 for the Employment and Training (E&T) Services Program related to the SNAP (food stamps) program and \$636,300 for increases in caseload in the Aid to the Aged, Blind, and Disabled Program.

Law and Justice

Department of Correction

H 690 appropriated \$268,617,800 to the Department of Correction for FY 2019 and capped the number of authorized full-time equivalent positions at 2,002.85. Notable line items included the following:

- \$7,016,000 for the first of three onetime appropriations for replacement of the department's offender management system;
- \$230,000 for data storage;
- 7.00 FTP and \$888,400 for facility expansions;
- \$688,100 for the common fare no-touch menu;
- \$8,690,800 for population-driven costs related to County and Out-of-State Placement;
- \$192,000 for population-driven costs related to Correctional Alternative Placement;
- 6.00 FTP and \$561,700 for the Maximizing State Reforms Federal Grant;
- \$1,859,200 from the Idaho Millennium Income Fund for the Substance Use Disorder Services (SUDS);
- \$218,900 for a SUDS provider rate increase;
- \$295,700 for six secure mental health beds; and
- \$1,987,400 for population-driven costs related to Medical Services.

H 697 appropriated an additional \$3,650,000 to the Department of Correction for FY 2019 to address the fiscal impact of **H 533**, which increased the daily rate paid by the department to counties for state inmates housed in county jails.

Commission of Pardons and Parole

S 1355 appropriated \$3,388,100 to the Commission of Pardons and Parole for FY 2019 and capped the number of authorized full-time equivalent positions at 37.00.

Judicial Branch

H 668 appropriated \$72,935,400 to the Supreme Court for FY 2019 and exempted the appropriation from object and program transfer limitations. Notable line items included the following:

- \$3,358,000 for court technology phase 5 of 5;
- 1.00 FTP and \$125,700 for a Jerome County Magistrate;
- \$231,300 for a Substance Use Disorder Services (SUDS) provider rate increase;
- 1.00 FTP and \$59,000 for a custodian; and
- the ongoing fund shift of 1.75 FTP and \$169,200 from the General Fund to the Federal Grant Fund for reversal of the FY 2018 Court Improvement Program line item.

S 1363 appropriated an additional \$753,100 to the Supreme Court for FY 2019 to address the fiscal impact of **H 582**, which provided for judicial salary increases.

Department of Juvenile Corrections

H 646 appropriated \$52,104,200 to the Department of Juvenile Corrections for FY 2019 and capped the number of authorized full-time equivalent positions at 414.00. Notable line items included the following:

- \$15,700 for instructor pay;
- 1.00 FTP and \$74,300 for a clinician at the Juvenile Corrections Center-Nampa; and
- the net-zero program transfer of \$186,100 in General Fund personnel costs from Institutions to Administration.

Idaho State Police

H 628 appropriated an additional \$86,400 for the Brand Inspection Program for FY 2018 to purchase and implement an electronic livestock software system. For FY 2017, a supplemental appropriation of \$250,000, with reappropriation authority provided for the procurement of the software program. Responses to a request for proposal (RFP) were for more than was appropriated. The additional appropriation allows the agency to enter into the contract.

H 680 appropriated \$83,748,600 for FY 2019 and capped the number of authorized full-time equivalent positions at 600.85. Eleven line items were included, which provided:

- 7.00 FTP and \$1,239,800 for patrol officers;
- 1.00 FTP and \$220,900 for an executive protection officer;
- \$858,000 for new instruments in the Forensics Program;
- \$44,500 for instrument maintenance;
- 3.00 FTP and \$346,300 for forensic scientists;
- \$762,600 for the purchase of three lots adjacent to the Meridian campus;
- 1.00 FTP and \$64,200 for a fleet installation technician;
- 1.00 FTP and \$79,800 for a criminal records section supervisor;
- \$1,595,000 for an upgrade to the sex offender registry system;
- \$104,900 for 9-1-1 CAMA trunks; and
- \$7,500 for IT/telecommunications.

This bill also provided legislative intent regarding a transfer to the Idaho State Police Miscellaneous Revenue Fund for the purpose of increasing toxicology lab capacity in Forensic Services. The bill also expressed legislative intent regarding the transfer of funds from the Breed Distribution Account to the Public School Income Fund.

S 1377 appropriated an additional \$394,000 for the Patrol Program for FY 2019 to help with security and safety and three new watercraft inspection stations.

Natural Resources

Department of Environmental Quality

S 1360 appropriated \$66,620,100 to the Department of Environmental Quality for FY 2019. The budget included legislative intent that required an annual progress report of the superfund cleanup, acknowledged that the Water Pollution Control Fund is being used for water quality projects not specified in Idaho Code, expressed intent regarding certain moneys appropriated for agricultural best management practices, and provided reappropriation authority for moneys associated with agricultural best management practices. The budget included five line items:

- \$546,000 from the General Fund and 4.00 FTP for the fifth year of transition to primacy of the National Pollutant Discharge Elimination System;
- \$5,500,000 in operating expenditures from dedicated receipts, as the initial distribution of a multi-year \$17.3 million settlement from Volkswagen Auto Group, to fund nitrogen oxide mitigation projects across the state;
- a reduction of \$101,100 in the Waste Remediation Program from federal funds; a transfer of \$101,100 of Environmental Remediation (Basin) Fund operating expenditures from the Waste Program to the Administration & Support Program for ongoing administrative expenses, and the 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; and
- \$200,000 ongoing from the Water Pollution Control Fund for statewide agricultural best management practices.

S 1378 is an additional appropriation providing \$290,000 from the Economic Recovery Reserve Fund for FY 2019. These moneys support the implementation of agricultural best management practices in watersheds throughout Idaho. Funding is to be used by farmers and ranchers to modify their agricultural practices in order to improve water quality and help meet the objectives of total maximum daily loads.

Department of Fish and Game

H 679 appropriated \$112,704,300 to the Department of Fish and Game for FY 2019. The bill capped FTP at 569.00 and included the following enhancements:

- \$1,000,000 for sportsman's access in response to the funds raised through the Access/Depredation fee created in **H 230** of 2017;
- \$500,000 for a feasibility study to build a new headquarters structure in Boise;
- \$375,000 of federal Pittman-Robertson moneys for hunting access easements;
- \$895,00 for fish screening to keep migratory fish out of irrigation ditches and canals;
- \$1,100,000 million to replace and maintain residences at various fish hatcheries;

- \$200,000 to purchase a house on the CJ Strike Wildlife Management Area for the habitat biologist;
- a decrease of \$241,100 associated with the change in health insurance premiums for roughly 133 temporary employees; and
- 4.00 FTP and \$2,235,000 for the department to take over operation of the Hagerman National Fish Hatchery from the federal government.

Endowment Fund Investment Board

H 650 appropriated \$722,700 to the Endowment Fund Investment Board for FY 2019 and capped the number of authorized FTP at 3.70. The budget is funded entirely from dedicated funds.

Department of Lands

H 685 provided \$20,000,000 to the Fire Deficiency Fund for the fire suppression costs on lands protected by the state and the two timber protective associations for FY 2018. It also appropriated \$59,362,800 to the Idaho Department of Lands for FY 2019. The FY 2019 appropriation includes:

- 7.00 FTP and \$3,801,900 to expand the Good Neighbor Authority (GNA) Forest Program;
- 1.00 FTP and \$125,100 for a range specialist under the GNA Range Program;
- 1.00 FTP and \$55,600 for a heavy equipment mechanic;
- 1.00 FTP and \$57,200 to hire an additional human resources specialist;
- \$330,000 for an upgrade to the Hazard System and Private Fire applications;
- \$25,500 to provide a 3% CEC and inflationary adjustment to the two timber protective associations; and
- \$429,700 to replace the Grayback Gulch bridge in partnership with the US Forest Service.

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. It also included authorization to make prior period adjustments.

Department of Parks and Recreation

H 687 appropriated \$43,217,600 to the department for FY 2019 and capped the number of authorized FTP at 156.64. The approved enhancements included:

- \$175,000 to hire, on average, one additional seasonal ranger per park;
- \$230,000 in operating expenditures caused by growth in park usage;
- 1.00 FTP and \$100,600 to hire a construction foreman;
- 1.00 FTP and \$85,500 for a design professional position; and
- \$3,515,000 to establish the Billingsly Creek unit of the Thousand Springs State Park, including a feasibility study for a joint National Parks Service and IDPR visitors center, entrance road and internal trails, an established campground, irrigation systems, an arboretum, and fishing and paddling access.

Lava Hot Springs Foundation

S 1315 appropriated an additional \$25,000 to the Lava Hot Springs Foundation for FY 2018 to purchase items for resale at the newly renovated gift shop.

S 1329 appropriated \$2,312,300 to the Lava Hot Springs Foundation for FY 2019 and capped the number of authorized FTP at 15.80. The budget is funded entirely from dedicated funds. The bill funded two line items: \$50,000 for onetime pavilion construction costs; and \$30,000 for a feasibility study on constructing a permanent restroom in the park.

Department of Water Resources

H 677 appropriated \$26,461,800 to the Department of Water Resources for FY 2019. Legislative intent was included to allocate an additional \$2,419,600 of funding that was originally appropriated to the Revolving Development Fund for the Conservation Reserve Enhancement Program to the Priest Lake Project. Approved line items include:

- A transfer of \$716,000 to the Aquifer Planning and Management Fund for aquifer monitoring, measurement, and modeling statewide. Moneys are from loan repayments from groundwater users for purchase of the water rights at Pristine Springs;
- 1.00 FTP and \$117,100 to hire an analyst to measure and model water use;
- 1.00 FTP and \$72,400 to hire a grant and contract specialist;
- \$13,800 from the General Fund and \$88,000 from the Technology Infrastructure Stabilization Fund to purchase an integrated groundwater database;
- \$2,400,000 from the General Fund to provide a portion of the costs for the Priest Lake Project;
- 1.00 FTP and \$98,800 for a long-term planning position to aid the Water Resources Board.

H 712 was a supplemental appropriation that transferred \$1,000,000 from the General Fund to the Water Management Fund for FY 2018. It provided intent for the Department of Water Resources to establish a grant process for flood preparation, flood response, and long-term flood management.

Economic Development

Department of Agriculture

S 1236 was an FY 2018 supplemental appropriation that added 2.00 FTP and \$209,900 to hire two additional organic inspectors.

S 1237 transferred \$209,700 from the General Fund to the Pest Control Deficiency Fund for FY 2018. Actual costs were \$22,300 for exotic pest monitoring and \$187,400 for Japanese Beetle treatment.

H 701 appropriated \$44,815,300 for FY 2019. The bill included the following enhancements:

- 1.00 FTP and \$94,800 to hire a lab quality assurance manager;
- 2.00 FTP and \$260,600 to hire two dairy inspectors;
- 3.00 federally funded FTP to hire two inspectors and an administrative assistant as a result of the Food Safety Modernization Act; and
- \$500,000 to build additional office space at the Idaho Food Quality Assurance Laboratory located in Twin Falls.

Soil and Water Conservation Commission

H 441 appropriated an additional \$25,000 to the Soil and Water Conservation Commission for FY 2018 to hire a temporary sagebrush landscape restoration specialist.

S 1330 appropriated \$3,324,400 to the Soil and Water Conservation Commission for FY 2019 and limited the number of FTP to 21.75. Enhancements included 3.00 FTP and \$185,400 to hire federally funded field office specialists, and 1.00 FTP and \$85,000 to hire a federally funded sagebrush restoration specialist.

Department of Commerce

H 703 appropriated \$42,314,000 to the Department of Commerce and limited the number of authorized full-time equivalent positions to 43.00 for fiscal year 2019. This bill funds one line item with \$3,455,400 to expand marketing and promotion of the state from the Tourism and Promotion Fund, of which \$1,900,500 is in operating expenditures for statewide marketing efforts, and \$1,554,900 is in trustee and benefit payments for local tourism district grants. Revenues to the

Tourism and Promotion Fund have increased at an average annual rate of 8.7% since 2010, and projections show another \$1.2 million increase for each of the next three years.

Department of Finance

S 1335 appropriated \$8,648,100 to the Department of Finance for FY 2019 and limited the number of authorized full-time equivalent positions to 66.00. The bill included one line item to add a deputy director to the full-time staff. The new position was authorized to develop department policies and procedures, manage day-to-day operations, develop the budget, supervise and evaluate the performance of the bureau chiefs, and act in the capacity of the director in the director's absence.

Department of Labor

S 1365 appropriated \$88,276,300 to the Department of Labor for FY 2019 and limited the number of authorized full-time equivalent positions to 681.58. This bill funds four line items: Line item 1 provided \$201,600 for additional IT infrastructure and hardware. Line item 2 provided \$111,800 for building maintenance and repair. Line item 3 reduced 6.00 FTP and \$810,000 from the Labor budget, sending the functions of Career Information Systems to the State Board of Education. Line item 4 reduced 12.42 FTP and \$9,074,400, sending the Workforce Development Council to the Office of the Governor as a stand-alone agency in accordance with **H 432**.

Workforce Development Council

S 1381 appropriated \$8,553,100 to the Workforce Development Council for FY 2019 and limited the number of authorized full-time equivalent positions to 5.00. **H 432** moved the Workforce Development Council from the Idaho Department of Labor to a stand-alone division organized in the Office of the Governor. This move was intended to make it more responsive to the needs of Idaho employers; to address the shortage of well-educated, trained, and skilled employees available in Idaho's labor market; and to help ensure Idaho's continued economic growth by implementing recommendations of the Governor's Workforce Development Task Force.

H 432 provides for the council's authority over workforce development policy and programs and the disbursement of moneys in the Workforce Development Training Fund. It also provides for the Council's role as the State Workforce Investment Board in accordance with the federal Workforce Innovation and Opportunity Act. In addition, the legislation authorized use of the Workforce Development Training Fund for public information and outreach on career education and workforce training opportunities. The Workforce Development Training Fund started in 1996 as a way to encourage business expansion or relocation from another state. The training dollars are used to help employees who would otherwise lose their job if they didn't advance their skills or gain specialized skills for a new job. The Idaho Department of Labor reports that the active grants range from about \$10,000 up to nearly \$6 million. Businesses typically have two years to use the grant money, but contracts are often extended. Funding for the Workforce Development Training Fund is from the three percent of unemployment insurance tax paid by employers.

Idaho Transportation Department

H 442 appropriated an additional \$46,886,200 to the Idaho Transportation Department for FY 2018. This bill provided an appropriation and cash transfer of \$27,669,500 from the General Fund to the Strategic Initiatives Program Fund. This amount is to be split 60/40 between the Idaho Transportation Department and local units of government, and is to be used to fund transportation projects that are purposed by the department's six districts and local units of government. Additionally, the bill appropriated \$18,216,700 from the Transportation Expansion and Congestion Mitigation Fund to be used for projects chosen by the board to help improve traffic flow and mitigation of traffic congestion; and provided an appropriation of \$1,000,000 for an International Registration Plan (IRP) software replacement.

S 1322 appropriated an additional \$1,381,300 from the State Highway Fund for the purpose of repairing its District 3 maintenance shop.

S 1367 appropriated \$700,814,600 for FY 2019 and capped the number of authorized full-time equivalent positions at 1,648.00. Fifteen line items were included, which provided:

- \$200,000 for an increase to the Idaho Airport Aid Program;
- \$210,000 for the replacement of the maintenance shop at the Smiley Creek Airport;
- \$1,225,000 for contracted positions, to develop a target model for technology to manage technology more effectively and efficiently;
- \$310,000 for a configuration management database;
- \$350,000 for an increase in federal funds;
- \$2,000,000 for a replacement aircraft;
- \$250,000 to upgrade the Department of Motor Vehicles (DMV) Voice Over Internet Protocol (VIOP) system;
- \$203,500 for DMV county equipment;
- \$28,300 for software for the DMV computers;
- \$500,000 for behavioral safety;
- \$744,200 for highway operation equipment;
- \$2,350,000 for the purchase of a new Total Asset Management System (TAMS);
- \$526,100 for an increase in the Fixing America's Surface Transportation (FAST) act;
- A reduction of \$1,475,000 in excess personnel costs to help fund the replacement aircraft; and
- \$46,731,500 in excess revenue and receipts to be spent on construction projects.

This bill also provided legislative intent language for reappropriation authority for airport development grants; provided for reappropriation authority in the Contract Construction and Right-of-Way Acquisition Division for the State Highway Fund, Strategic Initiative Fund, and the Transportation Expansion and Congestion Mitigation Fund; provided for continuously appropriated moneys to the Local Bridge Inspection Fund and the Railroad Grade Crossing Protection Fund; provided a cash transfer for the Gateway Visitor Centers; and provided for the GARVEE bond payment authorization.

Idaho Historical Society

H 699 appropriated \$4,042,400 from the General Fund, \$1,910,900 in dedicated funds, and \$1,580,900 in federal funds for a total of \$7,534,200. Full-time equivalent positions were capped at 55.00. The agency received an increase of \$280,000, of which \$127,000 was from the Economic Recovery Reserve Fund and \$153,000 was from the General Fund, for replacement items which included replacing three roofs at the Old Penitentiary Complex. For the six new positions funded for FY 2018, an annualization of salaries was provided for; this bill accounts for the full year-long salaries of all 55.00 authorized FTP.

Idaho Commission for Libraries

S 1334 appropriated \$4,193,000 from the General Fund, \$70,000 in dedicated funds, and \$1,637,700 in federal funds for a total of \$5,900,700. Full-time equivalent positions were capped at 37.50. The agency received a onetime increase of \$200,000 from the General Fund, along with intent language, for the Talking Book Service. The intent language stated that the agency is to use the \$200,000 appropriated from the General Fund for the Talking Book Service only if federal funding is eliminated.

Idaho Commission on Hispanic Affairs

H 661 is the FY 2019 appropriation to the Idaho Commission on Hispanic Affairs for \$188,200 from the General Fund, \$107,400 from dedicated funds, and \$35,000 in federal funds for a total of \$330,600. Full-time equivalent positions were capped at 3.00. The agency received \$25,000 in ongoing General Funds to support statewide outreach efforts by the commission to Hispanic communities across the state.

Public Defense Commission

S 1346 appropriated \$5,804,800 to the Public Defense Commission for FY 2019 and capped the number of authorized full-time equivalent positions at 6.00.

S 1370 appropriated an additional \$10,000 to the Public Defense Commission for FY 2019 to address the fiscal impact of **S 1257**, which added two additional commission members to the seven-member commission.

State Appellate Public Defender (SAPD)

S 1326 appropriated \$2,948,100 to the State Appellate Public Defender for FY 2019 and capped the number of authorized full-time equivalent positions at 24.00. Notable line items included 1.00 FTP and \$51,700 for a legal assistant.

General Government

Department of Administration

H 715 is the FY 2019 original appropriation bill for the Department of Administration. It appropriated \$23,698,200 and capped the number of authorized full-time equivalent positions at 113.00. For benefit costs, the bill removed \$1,450 per eligible FTP to bring the annual employer contribution for health insurance down to \$11,650, by including a two-month employee and employer premium holiday.

For replacement items, \$64,700 is provided, which funds two vehicles for the Division of Public Works. \$33,600 is provided for statewide cost allocation adjustments. The bill also provided funding for a 3% ongoing merit-based salary increase for permanent employees, to be distributed at the discretion of the department director.

The bill funded five line items, which provided \$275,000 for a Risk Management Information System; 1.00 FTP and \$81,600 for a project manager at the Division of Public Works; a decrease of \$3,930,300 to remove the Information Technology Division out of the Department of Administration and into the Office of the Governor as a result of **H 607**; \$719,400 for Information Technology Services as a result of **H 607**; and \$100,000 onetime from the General Fund for a State Building Study Group as a result of **HCR 51**.

Permanent Building Fund

H 691 is the FY 2019 original appropriation bill to the Permanent Building Fund. It appropriated \$77,772,000. Projects with a subtotal of \$51,314,900 are appropriated for the following items:

- Statewide Building Alterations and Repairs: \$49,564,900;
- Asbestos Abatement: \$200,000;
- Statewide American Disability Act Compliance: \$1,300,000;
- Capitol Mall Maintenance: \$250,000;

Additionally, this appropriation included \$26,457,100 for eight capital construction projects:

- \$1,220,000 for the Idaho Department of Correction Waste Water Lagoon Upgrade;
- \$830,000 for the College of Southern Idaho Canyon Building Remodel;
- \$250,000 for the Division of Military's MWR Facility;
- \$700,000 for a New Public Safety Communications Site;
- \$9,114,200 for the Idaho Department of Correction Community Reentry Center;
- \$10,000,000 for the College of Western Idaho Nampa Health Sciences Building;
- \$3,000,000 for the Agricultural Research & Ext. Service Nuclear Seed Potato Facility; and
- \$1,342,900 for three facility expansions at the Idaho Department of Correction.

The appropriation also included a cash transfer of \$44,114,200 from the General Fund to the dedicated Permanent Building Fund.

Intent language included direction on the timing of the use of the funds for the College of Western Idaho Nampa Health Sciences Building. It stated that its portion of the funds (\$10,000,000) shall be expended only after the institution president has secured pledges for its portion of the project costs.

Attorney General

S 1342 appropriated \$25,312,600 to the Attorney General for FY 2019 and capped the number of authorized full-time equivalent positions at 210.60. Two line items were included, which provided 1.00 FTP and \$106,000 from the Idaho Millennium Income Fund for a deputy attorney general to staff the arbitration of the Master Settlement Agreement (MSA); and 1.00 FTP and \$266,900 for a forensic computer examiner and an affiliate investigator in the Internet Crimes Against Children Program.

Military Division

S 1317 appropriated an additional \$52,000 for FY 2018 to secure three land leases that will be used for training, parking vehicles, and the expansion of the Orchard Combat Training Center (OCTC).

H 689 appropriated \$104,971,900 for FY 2019 and capped the number of authorized full-time equivalent positions at 370.80. Eleven line items were included, which provided:

- \$98,500 for National Guard members to be present for the first two weeks of each new Youth ChalleNGe class;
- \$28,000 for emergency data routers;
- 13.00 FTP and \$979,700 for family support positions;
- \$273,400 for the Idaho STARBASE Program;
- \$31,000,000 for a new training center at the Orchard Combat Training Center (OCTC) and for new barracks at Gowen Field;
- 6.00 FTP and \$767,500 for the construction and facility maintenance office;
- 3.00 FTP and \$245,600 for environmental positions;
- 3.00 FTP and \$221,400 for integrated training area management positions;
- 2.00 FTP and \$699,700 for the Range Training Land Program;
- 1.00 FTP and \$73,400 for telecommunication specialists; and
- 6.00 FTP and \$342,400 for security patrol specialists.

This bill also includes intent language for continuous appropriation for the Idaho Office of Emergency Management's Miscellaneous Revenue Fund for indirect cost recovery related to hazardous substance incidents.

Commission on the Arts

S 1356 is the FY 2019 appropriation to the Commission on the Arts for \$841,000 from the General Fund, \$106,300 in dedicated funds, and \$1,073,900 in federal funds for a total appropriation of \$2,021,200. 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 669 provided 1.00 FTP and \$85,100 for a financial officer, 1.00 FTP for a senior research analyst, and \$1,800 for IT and telecommunications support services. An additional \$2,000,000 was transferred from the General Fund to the STEM Education Fund for fiscal year 2019 for the Computer Science Initiative. The Computer Science Initiative provides funding to schools and communities through grants to schools, STEM events, scholarships to students to attend STEM camps, and professional development for teachers.

Office of Species Conservation

H 651 appropriated \$14,245,000 to the Office of Species Conservation for FY 2019 and capped the number of authorized FTP at 14.00. Approved enhancements include:

- 1.00 FTP and \$82,000 to hire a financial officer;
- 0.37 FTP to increase a federal funded employee to a full-time position for salmon and steel-head work;
- A net zero object transfer of \$75,000 from operating expenditures to personnel costs.

Wolf Depredation Control Board

H 700 appropriated and transferred \$400,000 from the General Fund to the Wolf Control Fund Other Money Subaccount for FY 2019. The Wolf Control Board allocates 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 cooperative services agreements and a work plan with Wildlife Services to implement the depredation actions.

State Tax Commission

S 1380 appropriated \$43,750,200 and limited the number of authorized full-time equivalent positions to 459.00 for FY 2019. This bill also provided funding for four line items. Line item 1 for 1.00 FTP and \$71,200 in personnel costs for an automated systems coordinator position in the General Services program under the administration section. Line item 2 provided 3.00 FTP and \$171,100 in personnel costs in the Collections Division to reduce the current accounts receivable with two tax compliance technicians and a tax compliance officer. Line item 4 provided \$46,000 to adjust the Administration and Accounting Fund for new taxing district operations and to align costs for existing taxing districts. Line item 5 provided \$14,000 for the salary increase for the commissioners. Section three of the bill statutorily changed the salary for the Tax Commissioners to \$99,077 beginning July 1, 2018. Finally, this bill provided reappropriation authority for moving expenses associated with moving the commission's main headquarters to the State Government Complex on Chinden Boulevard in Boise.

Secretary of State

H 705 appropriated \$4,963,800 to the Secretary of State for FY 2019 and capped the number of authorized full-time equivalent positions at 29.00. Additional funding was provided for:

- \$208,000 for business entities IT maintenance;
- \$1,200,000 for an elections system upgrade;
- \$60,000 for credit cards fees associated with additional online services;

- \$300,000 for mailing and publication of all initiatives, referendums, and proposed constitutional amendments for the 2018 election; and
- \$7,600 for conference costs of the Commission on Uniform State Laws.

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 and the Change in Employee Compensation Committee 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. They also recommended that the pay schedule be shifted upwards by 3% at the minimum, policy, and maximum pay rates in each pay grade.

The Governor's recommendation for state employee insurance included \$11,650 per eligible FTP, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee insurance premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. These recommendations were funded by the Legislature. Concurrently, the health insurance premium costs will also increase for both the state and its employees. The exact amount of the increase per employee depends on which plan the employee is enrolled in and whether or not there are dependents on their plan.

S 1371 appropriated an additional \$40,600 to address the fiscal impact of **H 670**, which set the salaries of the seven constitutional officers: the Governor, Lieutenant Governor, Secretary of State, State Controller, State Treasurer, Superintendent of Public Instruction, and Attorney General. **H 670** provides a onetime salary increase for each of the officers commencing on the first Monday of January 2019, and sets the salary rates for the next four years:

Constitutional Officer	Current Salary	Effective January 7, 2019
Governor	\$126,302	\$138,302
Lieutenant Governor	\$44,206	\$48,406
Secretary of State	\$107,357	\$117,557
State Controller	\$107,357	\$117,557
State Treasurer	\$107,357	\$117,557
Superintendent of Public Instruction	\$107,357	\$117,557
Attorney General	\$124,000	\$134,000

The \$40,600 appropriated for FY 2019 will cover the salary increases and associated variable benefits for the final half of FY 2019 (January-June 2019). The second half of the increase will be annualized in the FY 2020 budget to cover July-December 2019. After December 2019, no further increases can be made until the first Monday of January 2023.

Appointed officials in the Public Utilities Commission, Tax Commission, and Industrial Commission all received a 3% salary increase through statutory amendments in their respective appropriation bills: **S 1340** (PUC), **S 1380** (Tax Commission), **H 678** (Industrial Commission).

Appointed Official	Current	FY 2019
Public Utilities Commissioner	\$103,755	\$106,868
Tax Commissioner	\$96,191	\$99,077
Industrial Commission	\$100,990	\$104,020

There was no increase in the PERSI retirement contribution rates for FY 2019, they remain at 11.32% for employers and 6.79% for employees. The current portfolio value is approximately \$17.2 billion and is 90.8% funded. The annual payout to PERSI retirees is approximately \$836.2 million with an average monthly payment of \$1,532. Nearly 90% of those retirees live in Idaho and pay state and federal income tax on their retirement income.

Technology Infrastructure Stabilization Fund

H 612 created the Technology Infrastructure Stabilization Fund (TISF) and transferred \$22,000,000 from the General Fund into the newly created fund to provide a mechanism to fund and track large technology projects requested by state agencies. **H 612** also allowed the Legislative Services Office to use moneys in the fund to acquire technology expertise to review and better understand the complexities of the requested projects, in turn, helping the budget writers on JFAC make informed decisions. **S 1375** was a trailer appropriation to **H 612** that provided \$150,000 onetime to the Legislative Services Office for FY 2019 to acquire the necessary expertise. The table below outlines the FY 2019 projects funded with \$21,622,200 onetime from TISF.

State Agency	Project	Funding from TISF	All Funds
Dept. Health & Welfare	Child Welfare Information System	\$3,900,000	\$7,800,000
Dept. Health & Welfare	Server Replacement	\$458,000	\$825,000
Dept. Health & Welfare	Criminal History Unit System	\$175,000	\$700,000
Dept. Health & Welfare	Jeff D Settlement	\$250,000	\$500,000
Dept. Health & Welfare	Child Support Enforcement System	\$2,720,000	\$8,000,000
DHW - Medicaid Division	MMIS Independent Verification	\$200,000	\$2,000,000
DHW - Medicaid Division	Provider Software Improvements	\$230,000	\$2,553,000
DHW - Medicaid Division	Provider Enrollment Changes	\$289,200	\$2,892,000
Idaho Public Television	Ethernet Microwave System	\$400,000	
Dept. of Correction	Offender Management System	\$7,016,000	
Judicial Branch		\$3,358,000	
Dept. of Water Resources		\$88,000	
Office of the Governor, Office of Information Technology Services		\$1,188,000	
Secretary of State	Election System Modernization	\$1,200,000	
Legislative Services Office	Tech. expertise for project review	\$150,000	
	Total	\$21,622,200	\$25,270,000