

FY 2013 Budget Highlights

Statewide

- The Governor's revised FY 2013 budget recommendation to the Legislature included a beginning balance of \$99,604,800 and a revenue estimate of \$2,657,974,000. After transfers and estimated expenditures the Governor's recommendation was a 6.37% increase from the FY 2012 Total Expenditures and had a positive ending balance of \$63,738,000.
- The Joint Finance-Appropriation Committee (JFAC) used the Governor's revenue estimate of \$2,657,974,000.
- After legislation action and transfer to and from other funds the ending balance for FY 2013 is projected to be \$59,952,900.

FY 2014 Budget Highlights

Statewide

- The Governor's revised budget recommendation reflected a 2.9% growth in spending. The Legislature's final action on General Fund budgets reflected an overall spending increase of 2.9%.
- Two of the Governor's priorities were to grow government at a lower rate than the economy and return the state budget to a structural balance. Both of these priorities were adopted and implemented by the Legislature.
- The Governor recommended replenishing the state rainy day funds by transferring \$35 million to the Budget Stabilization Fund. The Legislature provided that any unanticipated surplus in excess of \$20 million in the General Fund at the end of FY 2013 will be transferred into the Budget Stabilization Fund.
- The Governor recommended and the Legislature approved transferring \$3 million to the Idaho Opportunity Fund, within the Department of Commerce, to support business attraction and expansion.
- The Governor set aside \$20 million for a Personal Property Tax Relief package. The Legislature passed House Bill 315 which provides an exemption for the first \$100,000 valuation of personal property tax with a total impact to the General Fund of \$20 million.
- The Governor did not recommend a change in employee compensation (CEC) for state employees but did fully fund the benefit costs increase. The Legislature provided intent language that state agencies are to use whatever salary saving they have to provide either one-time or ongoing merit increase for deserving employees.

Education

Public School Support

The Governor's recommendation was for a statutory/maintenance budget due to voter repeal of the Students Come First laws in November of 2012. The following includes some of the major differences between the Governor's recommendation and Legislative action.

- 1) Base adjustments impacted the early retirement program and the dual credit for early completers program and reflected the "refreezing" of education credits and the restoration of 1.67% to salary-based apportionment. Legislative action resulted in the adjustments being \$4.1 million less than the Governor's recommendation, which, as noted, reflected statute prior to Students Come First laws.
- 2) Non-discretionary adjustments, which include, for example, support unit growth, border contracts, pupil transportation, contract and tuition equivalency, bond levy equalization, and the Idaho Digital Learning Academy amounted to \$5,370,400 less than what the Governor recommended. One of the primary reasons for this difference was because the revised estimate for support unit growth dropped from 75 units to 33 units.
- 3) The Governor's recommendation had included \$29 million to offset the recommended shift of lottery, transportation, and safe and drug free schools funding back to their original statutory purpose. Backfilling with General Funds, by the amount shifted, maintained the state discretionary funding per support unit at the FY 2013 level of \$19,706.

Legislative action, on the other hand, moved the safe and drug free school funding (\$4.3 million), transportation funding (\$7.5 million), and two-thirds of the facility funding (\$11.5 million) back to discretionary funding. Of the three items restored to their original statutory purpose under the Governor's recommendation, one-third of facilities funding, at \$5.7 million, was restored by legislative action to the facilities program. The expectation is for all of the facilities funding to be phased in over a three year period. Transportation funding will be permanently allocated to discretionary funding pursuant to SB 1093 and safe and drug free school funding will be moved to discretionary funding for FY 2014, pursuant to section 14 of SB 1200. By not restoring this funding to the original statutory purpose, \$24 million of the recommended \$29 million was "freed up" to fund, for instance, the unfreezing of the two years on the salary grid for \$12.4 million along with a number of other budget items. Finally, in order to maintain the discretionary spending per support unit at \$19,706, \$5.2 million was used to backfill the one-third of facilities funding that had been restored to its original statutory purpose.

- 4) The Governor recommended \$33.9 million as a placeholder to provide funding to the Governor's Education Task force for the implementation of task force recommendations. Since the task force has not yet developed recommendations, the focus changed to one of ensuring that any uses of the \$33.9 million were for one-time expenditures so that the task force would have the money available to it for the 2014 session.

Legislative action resulted in \$21 million of one-time funding being granted to school districts and charter schools for Excellence in Achievement Awards and professional development opportunities. Of the \$21 million, up to 40% may be used for professional development associated with Idaho Core Standards implementation and the remaining 60%, or more, may be used to reward employees, based on locally-approved plans, for efforts to improve student achievement in their schools. In addition to the \$21 million, \$10.4 million in one-time funding was appropriated to restore technology funding for

wireless infrastructure and for the development of an internet-based portal, and \$3 million in one-time funding was appropriated for technology pilot projects.

- 5) In addition to the differences between the recommendation and appropriation noted above, other differences include:
- a. \$300,000 for administrator training on teacher evaluations;
 - b. \$4.9 million to restore funding to allow for the hiring of additional math and science teachers to meet additional graduation requirements;
 - c. \$3.8 million for professional development in the implementation of Idaho Common Core Standards;
 - d. \$150,000 for professional development in the use of SchoolNet;
 - e. \$2.9 million for the increase in the minimum salary for teachers from \$30,500 to \$31,000;
 - f. \$4.7 million for an increase in discretionary funding from \$19,706 to \$20,000.
 - g. \$4.5 million for the maintenance, operations, and licensing requirements of SchoolNet;
 - h. \$1.1 million to increase funding for the math initiative, reading initiative, and remediation efforts;
 - i. \$740,000 for the development of end of course examinations for high school science subjects; and
 - j. \$100,000 to convene a task force on school safety.

These items, coupled with the \$12.4 million for unfreezing two years on the salary grid, were largely funded from the \$24 million discussed above, the \$5.3 million made available as a result support units coming in at 33 rather than 75 units, and the difference of \$4.1 million in base adjustments.

In sum, the Governor's General Fund recommendation was 2.0% over the FY 2013 original appropriation, whereas legislative action amounted to 2.2%, or \$2.9 million more than what the Governor had recommended.

Deaf and Blind, Bureau of Educational Services

Hire Two Campus Based Educators: The Governor recommend and the Legislature appropriated \$119,400 from the General Fund for two campus teachers to help compensate for the growth in enrollment. Between August of 2007 and May of 2012, there has been a 44% increase in the number of students served on campus.

Agriculture Research and Extension – University of Idaho

Research Infrastructure Maintenance: As the Governor recommended, the Legislature approved \$1,000,000 in Operating Expense and Capital Outlay funding so the University of Idaho can better fulfill its research commitments with agricultural industry cost-sharing partners.

College & Universities

Enrollment Workload Adjustment: The Legislature appropriated \$5,000,000 for the enrollment budget factor which compares changes in student credit hour levels over a three year period of history. This sum is \$1,365,400 more than the Governor recommended, and has been proposed to help attain more equitable state funding levels among Boise State University, Idaho State University, the University of Idaho, and Lewis Clark State College.

Occupancy Cost: The Legislature endorsed the \$2,508,000 which was proposed by the Governor to operate for the following university facilities: at Boise State University, Micron Business and Economics Building (\$863,800),

Summary Tables and Graphs

Environmental and Research Building (\$300,000) and Yanke Research Park (\$486,200); at Idaho State University, Meridian off-campus complex (\$562,000); and at University of Idaho, Pitkin Office and Classroom (\$12,800), Combustion Research Laboratory (\$6,800), Collaborative Center for Applied Fish Studies (\$55,400), and Boise-Idaho Water Center (\$221,000).

Community Colleges

Ensuring Student Success - College of Western Idaho: The Legislature provided \$900,000 to more adequately staff College of Western Idaho student services, including activities such as registration, academic advisement, and other counseling assistance for general enrollment, as well as special population segments. The College's head count has grown over 600% from 1,200 in the Spring 2009 to 8,500 last year. The appropriated sum is \$350,000 less than the Governor's January budget recommendation.

Nursing Staff at College of Southern Idaho: The Legislature earmarked \$180,000 for staff in the school's registered nursing program.

Dual Credit at North Idaho College: The Legislature added \$250,000 to North Idaho College's budget for increasing dual credit college level course offerings to high school students in northern region of the state.

Enrollment Workload Adjustment: The Legislature appropriated \$855,900 for the enrollment budget factor which compares changes in student credit hour levels over a three year period of history. Based on this formula, funds were distributed in the following manner: College of Western Idaho (Nampa) \$783,500; College of Southern Idaho (Twin Falls) \$46,800 and North Idaho College (Coeur D'Alene) \$25,600.

Occupancy Cost: The Legislature endorsed the Governor's budget proposal to operate a new College of Southern Idaho Advanced Technology and Innovation building which is now scheduled to open in March 2014 (\$70,000).

Education, State Board of

Director of Institutional Research: With the kindergarten to postsecondary graduate school and workforce entrance Statewide Longitudinal Data System (SLDS) now being phased into implementation, a significant data and program analytics need has been identified for the higher education portion of this database. Therefore, a new management level position valued at \$107,000 was recommended by the Governor and received endorsement from the Legislature. This individual is expected to oversee data quality and analyses necessary for supporting strategic decisions related to the State Board of Education's 60% young adult certificate/degree attainment by 2020 goal and Complete College Idaho Plan, as well as to provide more public education accountability and transparency to the Legislature and Governor.

Statewide Longitudinal Data System (SLDS) Grant: As the Governor recommended, the Legislature provided \$1,000,000 in federal spending authority to execute a Statewide Longitudinal Data System (SLDS) enhancement grant that is intended to incorporate workforce information for aiding school teacher instruction plans as well as improving student employment prospects.

Health Programs

Washington-Wyoming-Alaska-Montana-Idaho (WWAMI) TRUST Program: The Legislature concurred with a Governor recommendation of General Fund and other student provided dollars amounting to \$225,200, as well as a 0.8 full-time position, for five additional medical school enrollees within the proposed Targeted Rural and Under-Served Track (TRUST). This initiative will concentrate specifically on physician workforce needs of Idaho's rural and underserved geographical areas. Such action should help address a previously identified family physician shortage in Idaho.

Boise Internal Medicine: The Governor proposed and Legislature appropriated \$240,000 for a U.S. Department of Veterans Affairs' (VA) Boise Internal Medicine residency program in collaboration with Saint Luke's Regional Health Care System, Saint Alphonsus Regional Health Care System, University of Washington Medical Center and Seattle Harborview Medical Center. This joint effort is planned to subsidize residency training, and will include rotations at small non-affiliated offices such as dermatology, Terry Reilly Health Care System, and other community-based training sites.

Family Practice and Psychiatry Residency Programs: The Legislature designated additional base funding for the Idaho State University- Family Practice (\$68,400) and University of Washington- Psychiatry (\$10,000) post graduate medical residencies.

Professional Technical Education

Attendance Growth: As the Governor recommended, the Legislature provided \$472,500 for average daily attendance growth at several professional technical schools around Idaho, in locations such as Post Falls, Nampa, and Payette.

Public Television, Idaho

Legislature Live: The Legislature designated an additional \$116,500 and 1.0 full-time position to provide state support for live broadcasts and webcasts of Idaho Legislature floor and committee proceedings.

Equipment Replacements: A total of \$296,400 was appropriated for replacement of Idaho Public Television broadcasting and support equipment. The Legislature added \$84,000 specifically for replacing defective Salon/Challis network transmission devices as well as addressing other field infrastructure needs.

Special Programs

University of Idaho Rangeland Center: The Legislature provided \$160,600 and 1.5 full-time positions for the University of Idaho's Rangeland Center to investigate long-term sustainability issues associated extensive land mass areas of the state.

Scholarship Manager: As the Governor recommended, a sum of \$58,100 was appropriated in General Fund base support dollars for State Board of Education Office scholarship program manager who oversees \$8 million in awards to more than 8,000 students each year.

GEAR UP Scholarships: As the Governor recommended, another \$405,600 in federal spending authority was supported by the Legislature to continue execution of the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP). This national effort has been designed to increase the number of low-income family students who are adequately prepared for entrance and success in postsecondary education after high school. Additional spending authority is required during state fiscal year 2014 to provide renewable scholarships for a pair of student cohorts.

Superintendent of Public Instruction

J.A. and Kathryn Albertson Foundation Funding: The Governor recommended and the Legislature appropriated spending authority in the amount of \$4,500,400 for the third and final year of the J.A. and Kathryn Albertson Foundation grant. This grant will be used for the implementation of ISEE Phase II, which is an instructional management system that will benefit teachers, administrators, and key stakeholders by providing them the opportunity for data-supported decision making.

Indian Education Coordinator: The Governor recommended that the department use existing funding to fill this position. Legislative action provided additional dedicated fund spending authority for the Indian Coordinator position in the amount of \$95,000.

Health and Human Services

Health and Welfare, Dept. of

Supplemental and Line-Item - Purchase of Vaccines for TRICARE Children: The Legislature funded \$441,400 one-time General Fund in FY 2013 for the costs associated with the purchase of vaccinations for Idaho children covered by TRICARE military insurance, as recommended by the Governor. Additionally, the Legislature provided legislative intent language that directed Idaho Department of Health & Welfare (IDHW) to use the same method of temporary purchase in FY 2014 as done in FY 2013, in the event an agreement with TRICARE has not been met by July 1, 2013.

Supplemental - Medicaid Readiness: The Governor recommended and the Legislature appropriated one-time federal fund spending authority for the continuation of the Medicaid Readiness project. During the 2012 legislative session, Self-Reliance Operations received one-time appropriation for modifications to their eligibility system in order to meet new requirements established by the Patient Protection and Affordable Care Act (PPACA). The funding was divided into two phases, but only Phase One of the project was funded, pending the U.S. Supreme Court decision on health care reform.

The additional funding appropriated provides \$1.1 million to address the shortfall of the original FY 2013 appropriation, as well as additional federal fund spending authority needed to implement the project. The Division of Welfare requires additional one-time funding for the Medicaid Readiness project due to unexpected changes in the rules engine market place involving acquisitions and increased costs in available options. The additional funding will allow IDHW to invest in the appropriate technology to perform eligibility determinations efficiently, which keeps personnel requests to the minimum level needed. IDHW proposed to use its food stamp bonus award as the state's 10% portion required to draw the matching 90% federal funds.

Medicaid Readiness: The Governor recommended and the Legislature funded the continuation of one-time funding for completion of the Medicaid Readiness Initiative. The project affects three IDHW programs: Self-Reliance Operations, Medicaid Administration and Medical Management, and Indirect Support Services, totaling \$1,030,000 General Fund and \$10,300,000 total funds.

Medicaid Mandatory Expansion Operational Impact: The Governor recommended, and the Legislature appropriated, increased Personnel Costs and Operating Expenditures for the Medicaid Mandatory Expansion impact. The impact affects two IDHW programs: Self-Reliance Operations, which was appropriated \$1,866,600 total funds, and Indirect Support Services, which was appropriated \$1,683,200 total funds. Regardless of the state's decision to implement the optional Medicaid expansion, it is estimated Medicaid will expand coverage for a substantial number of individuals. Currently, Idaho has approximately 35,000 individuals that are eligible for Medicaid but not enrolled. Due to mandated health insurance, it is expected these individuals will enroll in Medicaid starting sometime in 2014.

Electronic Health Records Program Spending Authority: The Governor recommended and the Legislature funded \$20.7 million one-time federal fund spending authority for electronic health record incentive payments. The American Recovery and Reinvestment Act of 2009 authorized incentive payments to Eligible Professionals (EP) and Eligible Hospitals (EH) for development of electronic health record systems to be distributed by state Medicaid programs. Additionally, the Governor recommends \$20,000 one-time General Fund and \$180,000 one-time federal funds to be used for a design of a web-based software program to collect data mandated by Centers for Medicare and Medicaid Services, and \$18,500 one-time General Fund and \$166,500 one-time federal funds for a contract with an independent accounting firm to perform a CMS required risk-based audit.

Health Homes & Primary Care Network Development: The Governor recommended and the Legislature funded an additional 4.0 FTP, and funding for Health Homes and Primary Care Network Development. These personnel and funding will support the Governor's Multi-Payer Collaborative and provide development of a public/private care coordination network. The functions include support to the multi-payer medical home pilot and Medicaid health homes. The objectives will be to provide coaching at the primary care practice level, data collections and analysis, and coordination of a multi-payer collaborative effort. One-time funding recommended will provide for an evaluation of the Primary Care Medical Home/Home Health pilot and infrastructure development of a public/private care coordination network. Additionally, the Department of Health and Welfare secured a federal grant to apply toward the project and offset a portion of the General Fund costs.

Medicaid Woodwork Effect: The Legislature provided increased General Fund and federal fund spending authority as recommended by the Governor to meet the anticipated need of the Medicaid woodwork effect. The woodwork effect is the increased caseload resulting from people that are currently eligible for Medicaid benefits, but not currently enrolled in the program. As a result of PPACA, it is expected that these individuals will be directed to Medicaid for coverage as they present to insurance exchange. IDHW calculated this request based off estimates provided in the Milliman analysis. Milliman estimates the total woodwork population in Idaho to be 35,000 individuals; however, IDHW anticipates of the 35,000 individuals, enrollment will be gradual. The Governor recommended and the Legislature appropriated two quarters of funding for roughly 14,800 individuals. The effective date for mandated health insurance is January 1, 2014.

Public Safety

Juvenile Corrections, Dept. of

Direct Care Staff - St. Anthony: The Governor recommended and the Legislature approved 7.0 FTPs and \$326,000 in ongoing General Fund to increase direct care staff at St. Anthony. The additional staff will ensure proper staff-to-youth ratio based on best practices.

Police, Idaho State

Bureau of Criminal Identification Sex Offender Registry Unit Staff Increase: The Governor recommended and the Legislature appropriated ongoing spending authority from the department's Miscellaneous Revenue Fund totaling \$95,300 for the addition of two existing, unfunded full-time personnel to support the Sex Offender Registry Unit. Aggregate increases in tracked offenders that require re-entry research and compliance with Idaho's sex offender notification statutes necessitated staffing increase.

Trooper Vehicles: The Governor recommended and the Legislature appropriated one-time General Fund totaling \$3,075,000 for the replacement of 76 department vehicles for Patrol, Investigation, and Executive Protection.

Interoperable Communications: The Governor recommended and the Legislature appropriated \$1,672,000 in General Fund for the third and final phase implementation for the department's 700MHz dual band radio technology.

Natural Resources

Environmental Quality, Dept. of

Human Health Water Quality Standards: The Environmental Protection Agency (EPA) disapproved the Water Quality Standards package submitted by the Department of Environmental Quality (DEQ) based upon the assertion that DEQ did not consider several sources of information regarding local and regional fish consumption

before using the national default consumption rate to set the human health criteria. The Governor recommended, and the Legislature funded, \$300,000 in one-time General Fund to conduct an Idaho-based fish consumption survey to address the fish consumption rates of sensitive populations to support the promulgation of relevant, appropriate, and approvable human health criteria for toxic pollutants.

Fish & Game, Department of

Fish Hatchery Production: The Governor recommended and the Legislature approved \$1,662,300 in spending authority to complete the Springfield Fish Hatchery. The hatchery is the largest single project identified as part of the Idaho Accord to benefit fish and wildlife affected by the Federal Columbia River Power System and will be capable of producing one million juvenile Snake River sockeye salmon annually.

Lands, Department of

Rangeland Fire Protection: The Governor recommended and the Legislature approved \$400,000 for the start-up costs for four Rangeland Fire Protective Associations. These funds will provide personal protective equipment for the firefighters, training, a water tender, and assistance with filing of legal documents and liability insurance. This recommendation also includes 1.0 FTP for a lands program specialist. This position will oversee the formation and operation of the Rangeland Fire Protective Associations and will coordinate with federal and local fire response operators.

Fire Preparedness Funding: The Governor recommended and the Legislature approved \$385,500 ongoing General Fund to support our existing Fire program. This funding will be used to protect six million acres of private, state, and federal forest lands by preventing and suppressing fires and will provide firefighter safety by ensuring consistent, quality equipment and training.

Parks and Recreation, Department of

Castle Rocks Group Shelter: As the Governor recommended, \$80,000 of dedicated fund spending authority was appropriated for construction of a group shelter at Castle Rocks State Park.

Ashton Tetonia Rest Room Facility: The Governor proposed and Legislature provided \$50,000 of dedicated fund spending authority for construction of two vault type rest rooms at the Ashton to Tetonia trailhead.

Replacement Equipment and Projects: A total of \$4,587,000 of dedicated funding was appropriated for replacing property items which support park site operations. The Legislature added \$192,000 specifically for heavy equipment items.

Seasonal Staffing: The Legislature designated another \$100,000 of dedicated funding for more seasonal park staff to accommodate added visitors that are anticipated to be attracted by the new Idaho State Parks Passport admissions initiative.

Lava Hot Springs

Rest Room Facilities: As the Governor recommended, \$200,000 of dedicated fund spending authority was appropriated by the Legislature for construction of rest room facilities adjacent to the outdoor Olympic Swimming Pool.

Pedestrian Footbridge: As the Governor recommended, \$50,000 of dedicated fund spending authority was provided to construct a pedestrian footbridge spanning the Portneuf River between hot pool facilities and the town of Lava Hot Springs. The project is being cost-shared with the town on a 50/50 basis.

Water Resources, Department of

ESPA CAMP Cash Transfer: The Governor recommended and the Legislature approved a \$716,000 transfer from the Idaho Water Resource Board Revolving Development Account to the Secondary Aquifer Planning, Management, and Implementation Fund. The Board has committed these funds to assist with implementing the Eastern Snake Plain Comprehensive Aquifer Management Plan. The funds will be allocated to projects with a 60% cost-share commitment by project sponsors.

Economic Development

Agriculture, Department of

Eurasian Milfoil Program: The Governor recommended and the Legislature appropriated \$900,000 in ongoing General Fund for the continuation of Idaho Aquatic Weed Program, which includes Eurasian watermilfoil eradication and containment. Important control measures are necessary in order to prevent widespread infestations of milfoil in Idaho's waterbodies. These control measures include a comprehensive survey effort, and installation and maintenance of watercraft check stations that identify and decontaminate watercraft with a strong likelihood of transporting milfoil from one waterbody to another.

Insurance, Department of

SHIBA Call Center: The Governor recommended and the Legislature appropriated \$8,300 dedicated funds for start-up costs and \$2,300 ongoing federal funds for operations costs for the operation of a call center for the Senior Health Insurance Benefits Advisors (SHIBA) Program. This will allow the department to significantly increase the number of Idaho Medicare beneficiaries being provided with health insurance benefits counseling.

Labor, Department of

Special Administration and Penalty & Interest Funds: The Governor recommended appropriating expenditures from these continuously appropriated funds to allow greater transparency in state government. The Legislature agreed with this approach and appropriated expenditures from these funds.

Human Rights Commission: The Governor recommended and the Legislature approved the final year of the four-year General Fund phase out. The Human Rights Commission will now be fully funded from dedicated and federal funds, allowing for greater stability.

Historical Society, State

State Historical Preservation Office: As the Governor recommended, the Legislature supported a \$89,300 federal to General Fund budget shift which helps sustain a \$0.7 million National Parks Service grant supporting Idaho's federally mandated State Historical Preservation Office.

Idaho Digital Newspaper Project: The Governor recommended and the Legislature appropriated \$188,700 in federal spending authority for a possible two-year National Endowment for the Humanities grant. The award would digitize 50,000 keyword searchable pages of Idaho territorial newspapers from the time period 1864 to 1890 for free online public access.

Veteran's Services, Division of

Additional Division Staff: The Governor recommended and the Legislature appropriated an additional 6.0 FTP and \$221,900 for certified nursing assistants. Currently, the Idaho Division of Veteran's Services (IDVS) does not have the staff capacity to meet patient to staff ratio needs at the three nursing homes, causing them to resort to temporary employment agencies at a higher cost.

Suicide Hotline: The Legislature appropriated \$110,000 of increased one-time miscellaneous receipts spending authority as recommended by the Governor to provide a second year of start-up funds for the statewide suicide prevention hotline. Additional funding will provide certified training for hotline volunteers in order to extend hotline hours, in hopes to eventually become operational twenty-four hours a day, seven days per week

Driver License Veterans Designation: The Governor recommended and the Legislature funded \$50,000 one-time spending authority from of miscellaneous receipts IDVS that will allow the Division of Motor Vehicles (DVM) to provide information on driver licenses and state issued identification card that signifies that the individual is a veteran, and subsequently allows DMV to share that information with IDVS. IDVS estimated it will cost \$50,000 for a contractor to make necessary system changes for the card designation. IDVS successfully ran accompanying legislation during the session to enable this function.

General Government

Administration, Department of

Idaho Education Network: The Governor recommended and the Legislature appropriated \$928,400 in ongoing General Fund and \$100,000 in one-time General Fund for the continued maintenance of the network. Additionally, the Governor recommended and the Legislature appropriated \$874,000 in dedicated fund spending authority to expand the availability of the Idaho Education Network to Idaho schools.

Information Technology: The Governor recommended and the Legislature appropriated \$3,311,900 from the General Fund and \$935,500 from dedicated funds for the department's replacement, maintenance, and enhancement of information technology. The Legislature followed the Governor's recommendation with the exception of \$1,007,200 in one-time funding for network and internet security infrastructure cost. The Joint Finance and Appropriations Committee encouraged the department to research and implement an agency based user fee system to pay for ongoing network security costs.

Attorney General, Office of the

Professional Services Fund: The Governor recommended that certain existing deputy attorney general positions remain on the Professional Services Fund in order to reduce the impact to the General Fund. Legislative action shifted \$341,600 and 4.5 FTPs from the Professional Services Fund to the General Fund to ensure consistency with Statewide Cost Allocation Plan billing practices.

The Governor also recommended that additional deputy attorney generals for the Idaho Transportation Department and for the Idaho State Police be funded from the Professional Services Fund. Legislative action appropriated funding from the General Fund for these positions to also ensure consistency with Statewide Cost Allocation Plan billing practices. The impact to the General Fund will be revenue neutral, since both agencies will reimburse the General Fund from a dedicated fund source.

Summary Tables and Graphs

Finally, the Governor recommended additional spending authority for the Professional Services Fund to fund 2.5 FTP. Legislative action resulted in \$113,700 in spending authority and 2.5 FTP being removed from the Professional Services Fund. This means that this fund will no longer be used to address agencies' legal needs during the fiscal year. Instead, like every other agency, if there is a mid-year need, the office may request a supplemental appropriation.

Internet Crimes Against Children Program: SB 1079 created an Internet Crimes Against Children Unit in the Attorney General's Office and authorized the unit to hire additional staff to aid in the investigation and prosecution of offenders who use the Internet and other forms of technology to sexually exploit children. SB 1196 was the trailer appropriation bill that appropriated an additional \$2 million for the program.

Controller, State Office of the

Mainframe Computer Conversion: The Governor recommended and the Legislature appropriated \$896,000 from the General Fund to convert mainframe applications to open systems software, thereby retiring the State Controller's Office mainframe computer.

Web Application Compatibility with Mobile Devices: The Governor recommended and the Legislature appropriated \$120,000 from the General Fund to develop web browser compatibility to allow legislators, agency heads, and state employees' access to web applications via IPADs, tablets, and other mobile devices.

Aging, Idaho Commission on

Aging and Disability Resource Center Sustain: The Governor recommended and Legislature provided \$99,900 in federal spending authority to sustain the state's Aging and Disability Resource Center (ARDC) grant for another twelve months. This award is intended to restructure delivery systems for implementing a fully functional single entry communications portal that serves individual long-term care planning needs, as well as identifies available home and community based activities.

Drug Policy, Office of

Substance Abuse Prevention and Treatment Block Grant: The Governor recommended and the Legislature appropriated \$1,813,000 in federal block grant funds and allocated one full-time position to the Office of Drug Policy for statewide substance abuse prevention programs. Funds from the federal Substance Abuse Prevention and Treatment block grant are distributed by an interagency transfer from the Department of Health and Welfare to the Office of Drug Policy to properly administer sub-grantee applications; monitor Regional Advisory Committee grant compliance; and administratively manage drug prevention services rendered at local schools, community coalitions, law enforcement organizations, and youth drug prevention initiatives throughout the state.

Lock Your Meds Campaign: The Governor recommended and the Legislature appropriated one-time Millennium Fund totaling \$627,600 for the Office of Drug Policy's statewide "Lock-Your-Meds" media campaign designed to educate the public regarding the danger of prescription drug abuse. The campaign, developed by the National Family Partnership, educates parents about properly securing all prescription medication within the home as well as developing awareness of youth prescription medication abuse.

Military Division

Youth Challenge Program: The Governor recommended and the Legislature appropriated a supplemental appropriation for \$1,392,100 to fund the start-up costs of the Youth Challenge Program. Funding will support 5.0 FTPs and the renovation of the existing facility during the September of FY 2013 to December of FY 2014

time period. This timetable will allow for a school start date of January 2014. State funds will be used to renovate the facilities, since federal funds cannot be used for renovation. Federal funds will be used for salaries, utilities, supplies, and equipment.

The Governor also recommended and the Legislature appropriated \$2,824,200 in federal and miscellaneous spending authority for the Youth Challenge Program for FY 2014. During the July through December FY 2014 time frame, 24.0 FTPs will be established to continue the start-up process begun with the supplemental appropriation. The start-up process is necessary to prepare for the first class session in January of FY 2014.

Emergency Management Personnel: The Governor recommended and the Legislature appropriated \$206,900 in General Fund for 3.0 FTPs to continue critical Bureau of Homeland Security administration requirements and provide additional state match for the Emergency Management Preparedness Grant. The three positions are the critical infrastructure program manager, the budget assistant, and a special programs planner.

Orchard Combat Training Center Emergency Services: The Governor recommended and the Legislature appropriated \$2.3 million in federal fund spending authority for the hiring of 22 additional firefighters and for the purchase of emergency vehicles. Based on an emergency services study, it was determined these additional emergency personnel were needed to fulfill the standard fire protection requirements for the facilities and locations for which the Military Division is responsible.

Tax Commission, State

GenTax Version 9 Upgrade: The Governor recommended and the Legislature appropriated \$4,420,000 from the General Fund for an extensive upgrade of the commission's main taxpayer accounting software, GenTax. This is anticipated to be an 18 to 24 month conversion, since the commission will be three full versions behind at the beginning of FY 2014. There are many technical, security, and efficiency improvements in the upgrade, as well as a significant revenue enhancement component. The upgrade also includes implementation of several taxpayer access capabilities to allow citizens to update and review their individual accounts via the internet.

State Vendor Intercept Project: The Governor recommended \$61,200 from the General Fund and \$10,800 in spending authority from dedicated funds for programming costs necessary for the Tax Commission to join other agencies in intercepting payments made by the state to vendors with unpaid obligations. The Legislature appropriated \$10,800 in dedicated fund spending authority and recommended that \$200,000 in savings be used to fund the difference.

Millennium Fund

The Governor recommended \$6.3 million be distributed from the Millennium Income fund for programs, the majority of which address tobacco and substance abuse prevention and cessation. The Governor also recommended that any remaining unexpended and unencumbered balance of moneys in the Idaho Millennium Income Fund be transferred to the Idaho Millennium Permanent Endowment Fund. Legislative action was consistent with the Governor's recommendation with two exceptions: it did not fund \$30,000 for the Department of Health and Welfare's cancer data registry and it appropriated \$180,600 to the American Lung Association (ALA), which was consistent with previous levels of funding granted to the ALA.