

## FY 2015 Budget Highlights

### Statewide

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- The budget recommendation for FY 2015 reflects Governor Otter's priorities:
  - growing government at a lower rate than the economy;
  - replenishing reserve funds that were depleted during the recession; and
  - maintaining a structural balance in the state budget.
- The Governor has crafted a conservative budget that does not over commit and focuses on the following items:
  - the recommendations of the Governor's Task Force for Improving Education;
  - health and human safety;
  - maintenance items that were deferred during the recession; and
  - fully funding increased costs in health benefits.

### Education

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#### Public School Support

**Maintenance:** The Governor recommends \$8,625,100 for maintenance, which includes \$3,800,000 for a projected increase of 47 support units.

**Restoration of Operational Funding:** The Governor recommends making a down payment of \$35 million to begin a five-year plan to restore discretionary funding to at least the FY 2009 distribution factor of \$25,696. The restoration of \$35 million will result in the distribution factor increasing from \$20,000 to \$22,424.

**Technology:** The Governor recommends \$10,400,000 in ongoing funding for the purchase of technology devices for wireless technology infrastructure, and for the maintenance of an internet-based portal of available online courses.

**Professional Development:** The Governor recommends \$8,250,000 in one-time funding for professional development based on the recommendation from the Governor's Task Force for Improving Education. Funding on a one-time basis will provide the opportunity to assess the actual ongoing need.

**Operational Funds:** The Governor recommends \$7,406,200 in General Fund to backfill operational funding due to the phased approach to restore facilities funding and safe and drug free school funding to their original statutory purpose.

**Cooperative Education Service Agencies:** The Governor recommends \$1,000,000 for the first of two phases in the development of a regional model of support for school districts. This model would empower local autonomy through regional efforts to create cost effective solutions for district needs. Managed by the Idaho Digital Learning Academy, cooperative education service agencies (CESAs) would increase school district capacity by offering services that would include grant writing, technology development, professional development, and educator licensure programs. CESAs would be housed within the existing regional infrastructure of a college, or other established governmental agency.

**NASA:** The Governor recommends \$500,000 in ongoing funding for the state's NASA partnership program, which had been previously funded by a federal grant that is now expiring. This scholarship based program will

fund 80 to 90 scholarships and is designed to inspire 11th grade students to pursue degrees and careers in science, technology, engineering, and mathematics (STEM).

### **Agriculture Research and Extension – University of Idaho**

**Key Personnel and Operational Needs:** An increase of \$1,510,000 from the General Fund is recommended for added potato pathology and barley agronomy staff, as well as resources to fulfill more base operational needs of the Idaho Agricultural Experiment Station and Cooperative Extension Service programs.

### **College & Universities**

**60% Post-Secondary Education Attainment Goal for Young Idaho Adults:** The Governor recommends a total of \$5,000,000 from the General Fund to address challenges of meeting the Idaho State Board of Education's 60% young adult (25 to 34 years) population goal of attaining higher education graduation or post-secondary certificate by 2020. Boise State University, Idaho State University, University of Idaho, and Lewis-Clark State College can apply these dollars in areas such as: resolving higher division course instructor bottlenecks, reducing reliance on part-time adjunct faculty, enhancing student advisory support, instituting summer session bridge programs for developmental needs of at-risk students and foundational course work/outreach, strengthening science-technology-engineering-math (STEM) staffing, recruiting faculty in course areas of prospective enrollment growth, enhancing English and mathematics education, as well as bringing on board more graduate teaching assistants and key administrative personnel.

**Center for Advanced Energy Studies (CAES):** The Governor recommends increased support of the Center for Advanced Energy Studies (CAES) in Idaho Falls by \$1,000,000 equally divided between Boise State University, Idaho State University, and the University of Idaho. Additional ongoing funding will allow the CAES partners to solidify the current research partnerships and expend its connection with industry through workforce development, technical, and research assistance.

**College of Law - Boise 2nd Year Curriculum:** The Governor recommends \$400,000 from the General Fund for initiating second year University of Idaho-College of Law curriculum in Boise. This expansion to the current third year curriculum is expected to deepen the college's business, regulatory, and other course offerings by virtue of its proximity to state government, federal agency field offices, a wide variety of local and special purpose governmental units, as well as trade and industry groups.

### **Community Colleges**

**Nursing Staff Support:** The Governor recommends \$302,900 from the General Fund for the College of Western Idaho's registered nursing program to satisfy faculty and academic advisory staffing requirements.

**Expansion of Sandpoint Outreach Center:** This FY 2015 budget designates \$226,700 from the General Fund to offer a wider variety of North Idaho College courses in the immediate Sandpoint area.

**Idaho Falls Outreach Center:** A community college budget recommendation is also made for \$143,600 in General Fund resources to the College of Southern Idaho's (CSI) Idaho Falls Outreach Center for provision of more immediate access to CSI courses within this major Eastern Idaho population center.

### **Professional Technical Education**

**Advanced Manufacturing Initiative:** The Governor recommends a total of \$1,334,600 from the General Fund for beginning a new effort which will address specific instructional needs for emerging computer integrated manufacturing. In order to help ensure that Idaho manufacturers remain competitive in today's fast changing

economy, they must implement operation of highly sophisticated digital controls for production with trained personnel capable of running and maintaining such systems. Planned funding will be distributed to: Idaho State University (\$310,100), Eastern Idaho Technical College (\$300,800), College of Southern Idaho (\$298,900), College of Western Idaho (\$235,000), Lewis Clark State College (\$126,800) and North Idaho College (\$63,000).

### **Education, State Board of**

**Education Task Force Support:** The Governor recommends \$50,000 in one-time General Fund resources for three special committees that would function under the oversight of the State Board of Education. The three committees would address fundamental question regarding public school structure with emphasis on the career ladder and tiered licensure, accountability, and autonomy, and the funding structure and formula specific to mastery and average daily attendance.

### **Health Programs**

**Continuation of Five Medical School Seats (Year Two of Four):** The Governor recommends \$252,400 from the General Fund for continuation of five Idaho TRUST (Targeted Rural Under-Served Track) students who will be progressing on to their second year of Washington-Wyoming-Alaska-Montana-Idaho (WWAMI) medical instruction during FY 2015 at the University of Washington School of Medicine. In two more years, a total of 100 dedicated medical school seats will be occupied by Idaho state-assisted students.

**Kootenai Family Medicine Residency:** The Governor recommends \$200,000 from the General Fund for start-up in July 2014 of a new medicine residency program. This family physician initiative targeted at northern Idaho will complement other similarly state sponsored residencies in Boise/Caldwell, Twin Falls, and Pocatello. Initially, there will be six first-year residents, with a total of 18 developing physicians in training after two more years.

### **Superintendent of Public Instruction**

**Master Schedule Training:** The Governor recommends \$250,000 in one-time spending authority for master schedule training. Funding would pay for regional training for school administrators on how to embed professional development and collaboration time into school calendars and schedules.

**School Safety:** The Governor recommends \$300,000 in one-time spending authority for school safety. The Governor recommends that funding be used to undertake pilot projects for the purpose of testing emergency notification and security systems.

## **Health and Human Services**

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### **Health & Welfare, Department of**

**Supplemental & FY 2015 - TRICARE Immunization Coverage:** Currently, TRICARE is unauthorized to cover the costs of vaccinations purchased through state assessments, as structured for all other private insurance providers in Idaho. Historically, the Department of Health and Welfare (IDHW) used federal vaccine grant funds for the purchase of vaccinations for TRICARE children. In August 2012, IDHW was notified by the federal government that effective October 1, 2012, the federal vaccine grant funding being used to purchase vaccines for TRICARE children was no longer an allowable expenditure. As a result, an estimated 7,700 Idaho children were left without immunization coverage.

During the 2013 legislative session, IDHW received a supplemental of General Fund replacement dollars for the remainder of FY 2013 to bridge this gap in coverage. To date, there is no final resolution to the issue, but the

Office of the Governor and IDHW continue to work with federal partners to pursue options for a long-term solution. The Governor recommends one-time General Fund in FY 2014 and FY 2015 for this need, with the expectation that a permanent solution will be developed.

**Annualization of Woodwork Effect:** The Governor recommends increased General Fund and federal fund spending authority 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 the Patient Protection and Affordable Care Act (PPACA), it is expected that these individuals will be directed to Medicaid for coverage as they present to insurance exchange. IDHW calculated this need based off estimates provided in an analysis performed by the actuarial firm, Milliman. 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. Funding provided in the recommendation represents two quarters of funding in FY 2015 for roughly 14,800 individuals. The effective date for mandated health insurance was January 1, 2014. IDHW received six months of appropriation for the last two quarters of FY 2014 during the 2013 legislative session. This funding annualizes the FY 2014 appropriation.

**Community Crisis Centers:** The Governor recommends increased General Fund and one-time federal fund spending authority for the creation of three community crisis centers. IDHW proposes to pilot crisis centers in three regions of the state, with the long-term goal for each of the seven regions to eventually house a center. The centers will operate as contract facilities, aiming to provide critical stabilization services for individuals in crisis, which might otherwise result in costly emergency room visits, hospitalizations, or incarceration. The crisis centers are to provide voluntary short-term (24 hours or less) care to those in crisis in order to get the individual stabilized. Additionally, the centers will provide an individualized discharge plan to access ongoing treatment services within the community and avert future crisis. IDHW modeled this crisis center proposal after a similar facility in Montana and other facilities across the country. The one-time federal funds recommended are provided from CHIP bonus funds.

## Public Safety

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### Correction, Dept. of

**SUD Enhancement:** The Governor recommends an ongoing General Fund supplemental for the Substance Use Disorder (SUD) Program. This funding will allow the department to maintain comparable services levels of FY 2013 and allow for the projected increase of offenders the SUD Program is mandated to treat.

**Security Checks:** The Governor recommends ongoing General Fund for correctional officers at the Idaho Maximum Security Institution (IMSI). The additional officers will allow the department to comply with restrictive housing cell checks as required in the Idaho Department of Correction SOP 319.02.01.001 section 13, which states: "Check each restrictive housing cell at least one time every 30 minutes on an irregular basis."

**Pre-Sentence Investigators:** The Governor recommends ongoing and one-time General Fund for additional pre-sentencing investigators to assist the department in performing timely and accurate investigations and reports now statutorily required for every felony offender.

**Medical Contract Inflation, Inclusion of ICC and Contract Monitoring:** The Governor recommends funding for contract medical services provided to offenders housed in department-operated facilities, the Correctional Alternative Placement Program, and the Idaho Correctional Center. The additional funding provides for forecasted changes in population at the aforementioned facilities and new contract terms in FY 2015. Additionally, the Governor recommends funding for increased bandwidth needed to support a statewide

electronic medical records system provided under the new medical contract. The Governor also recommends dedicated funding for two full-time registered nurse managers to assist with monitoring the new medical contract, the medical services being provided by county jails, and ensuring that the medical vendor is providing access to care, as well as the appropriate level of care delivered in a timely manner.

**Idaho Correctional Center:** The Governor recommends \$1,931,200 in FY 2014 one-time General Fund to transition the operation of the Idaho Correctional Center (ICC) from a privately-operated facility to a state-operated facility. Since opening in 2000 ICC has been contractually operated by Corrections Corporation of America. As the department prepares to operate the facility in FY 2015, the department will incur costs beginning in FY 2014.

### **Juvenile Corrections, Dept. of**

**Juvenile Sexual Harassment and Assault Prevention:** The Governor recommends one-time General Fund for additional resources for the implementation of standards to prevent sexual harassment and assault. Funds will be used to prevent, detect, and respond to sexual harassment and assault. Expansion of video monitoring will include DVR servers that can incorporate RAID (redundant array of independent disks) storage and additional cameras. Specialized training and curriculum will be provided for investigators, medical, and mental health staff. The Governor recommends ongoing General Fund for basic mandatory and refresher training for department staff every two years.

### **Police, Idaho State**

**Investigations Officers:** The Governor recommends \$393,700 in ongoing and \$208,200 in one-time General Fund for four detectives. Idaho State Police (ISP) Investigations is mandated by Idaho Code 37-2740 to focus efforts on large scale drug trafficking organizations and Idaho Code 31-2227 to assist local agencies. ISP supports every law enforcement agency in the state in working complex, large scale drug trafficking cases, and complex or high profile criminal cases.

**Patrol Officers:** The Governor recommends \$518,500 in ongoing and \$411,700 in one-time General Fund for two troopers and four sergeants. Four of six districts currently operate with one sergeant covering two patrol teams.

**ILETS Funding:** The Governor recommends ongoing General Fund and ongoing and one-time ILETS Fund spending authority for the Public Safety and Security Information System, commonly known as ILETS. This funding will provide for ongoing system operation, backup/redundancy, and sufficient cash reserves for capital replacement on a six-year rotational cycle. The ILETS system is utilized by the entire Idaho law enforcement and criminal justice system to ensure the continued safety of Idaho citizens and provides officers in the field instant access to numerous data bases: warrants; registrations; driver licenses; civil protection orders; concealed weapons; missing persons; and, criminal history.

**Laboratory System Director:** The Governor recommends ongoing and one-time General Fund for 1.0 FTP for a civilian forensics laboratory system director. This position will provide organizational structure for strategic planning, leadership continuity, and accountability.

### Natural Resources

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#### **Parks and Recreation, Department of**

**Enhancements and repairs:** The Governor recommends funding, including \$1.8 million in General Fund, for enhancements and repairs to state parks.

#### **Water Resources, Department of**

**Water Sustainability Initiative:** The Governor recommends \$15 million in one-time General Fund for Water Sustainability Initiative projects including acquiring water rights to provide a reliable water supply to Mountain Home Air Force Base; conducting studies of the Rathdrum Prairie Aquifer to support the establishment of municipal water rights for long-term needs; initiating environmental compliance and land exchange analysis for the Galloway Project; completing Arrowrock enlargement and flood control feasibility study; beginning Island Park Reservoir Enlargement Project; developing computer infrastructure necessary for the operation of the Water Supply Bank; and developing additional managed recharge capacity.

### Economic Development

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#### **Agriculture, Department of**

**Wolf Control Fund:** The Governor recommends a \$2 million one-time transfer of General Fund to support the long-term solutions to address the issue of adequate funding for wolf control. The \$2 million will be transferred to a new Wolf Control Fund. Moneys in this fund will be to form a five member commission to address the wolf control issues. The transfer of these funds is contingent on the passage of legislation from industry and sportsmen that will provide additional funding to the Wolf Control Fund on an annual, ongoing basis. This funding shall be provided by the sportsmen and livestock owners for an amount of at least \$110,000 each.

#### **Commerce, Department of**

**International Trade Office Enhancement:** The Governor recommends \$30,000 in ongoing General Fund to enhance the state's international trade efforts in markets showing the greatest promise for Idaho companies. A similar recommendation can be found in the Department of Agriculture's budget for a total of \$60,000 for the international trade office enhancement.

#### **Veteran's Services, Division of**

**Veterans Courts:** The Governor recommends one-time federal fund spending authority for the continued development of Veterans Courts. The newly established Veterans Courts work similarly to Drug or Mental Health Courts and are currently working toward sustainable long-term funding opportunities.

### General Government

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#### **Administration, Department of**

**Idaho Education Network:** The Governor recommends funding Phase 2 of the Idaho Education Network. This has been approved by the Idaho Education Network Program Resource Advisory Council (IPRAC) and is consistent with the recommendation from the Governor's Task Force for Improving Education regarding high speed bandwidth and wireless infrastructure. The expansion will extend the network to grades K through 8 increasing the total number of students served from 90,000 to over 250,000. Phase 2 will bring high-speed broadband connectivity to every public school, charter school, and juvenile correction facility.

**Idaho State Wellness Program:** The Governor recommends one-time spending authority for printing, video production, graphic design, and website development, and ongoing spending authority for mailing expenses for the thriveidaho program.

### **Military Division**

**Idaho Youth ChalleNGe Positions:** The Governor recommends \$292,000 in additional spending authority for the Youth ChalleNGe Program to add five cadre team leader positions to provide 24/7 coverage for the students of the second class, starting July 1, 2014. Cadre team leaders are responsible for providing leadership, direction, and guidance to the cadets in the program.

### **Species Conservation, Office of**

**Governor's Sage Grouse Management Alternative Lek Monitoring:** The Governor recommends one-time funding for both FY 2014 and FY 2015 to implement his Sage Grouse Management Alternative. A monitoring survey of lek routes will be conducted by the Idaho Department of Fish and Game, federal agencies, and volunteers in both FY 2014 and FY 2015.

### **Tax Commission, State**

**Modernize Property Tax Software for Counties:** The Governor recommends \$289,400 from the General Fund for migration and modernization of the Property Tax Division's 30 year old legacy tax administration system to a client server, web-based format. Currently, 24 Idaho counties rely on this property tax software. The upgrading effort will require five to eight years to accomplish and is expected to result in cost savings for Idaho counties.