

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 260

BY APPROPRIATIONS COMMITTEE

AN ACT

1 RELATING TO STATE BUDGET TERMINOLOGY; AMENDING CHAPTER 35, TITLE 67, IDAHO
2 CODE, BY THE ADDITION OF A NEW SECTION 67-3501B, IDAHO CODE, TO DEFINE
3 TERMS; AMENDING SECTION 67-3502, IDAHO CODE, TO REVISE TERMINOLOGY AND
4 TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 67-3507, IDAHO CODE,
5 TO REVISE TERMINOLOGY, TO PROVIDE A CORRECT CODE REFERENCE, AND TO MAKE
6 TECHNICAL CORRECTIONS; AMENDING SECTION 67-3508, IDAHO CODE, TO RE-
7 VISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION
8 67-3510, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 67-3511,
9 IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS;
10 AMENDING SECTION 67-3513, IDAHO CODE, TO PROVIDE A CORRECT CODE REFER-
11 ENCE; AMENDING SECTION 67-3516, IDAHO CODE, TO REVISE TERMINOLOGY AND
12 TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 67-3517, IDAHO CODE,
13 TO REVISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SEC-
14 TION 67-3519, IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE TECHNICAL
15 CORRECTIONS; AMENDING SECTION 67-3521, IDAHO CODE, TO REVISE PROVI-
16 SIONS REGARDING ENCUMBRANCES AND EXECUTIVE CARRY FORWARD APPROVAL AND
17 TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 67-1001, IDAHO CODE, TO
18 REVISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION
19 67-1001A, IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE TECHNICAL COR-
20 RECTIONS; AMENDING SECTION 67-1007, IDAHO CODE, TO REVISE TERMINOLOGY
21 AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 67-1021C, IDAHO
22 CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 67-1056, IDAHO CODE, TO
23 REVISE TERMINOLOGY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SEC-
24 TION 67-1201, IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE TECHNICAL
25 CORRECTIONS; AMENDING SECTION 67-1203B, IDAHO CODE, TO REVISE TERMI-
26 NOLOGY; AMENDING SECTION 67-1209, IDAHO CODE, TO REVISE TERMINOLOGY;
27 AMENDING SECTION 67-1210, IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE
28 TECHNICAL CORRECTIONS; AMENDING SECTION 67-1210A, IDAHO CODE, TO RE-
29 VISE TERMINOLOGY AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION
30 67-1212, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 67-1227,
31 IDAHO CODE, TO REVISE TERMINOLOGY; AND PROVIDING AN EFFECTIVE DATE.
32

33 Be It Enacted by the Legislature of the State of Idaho:

34 SECTION 1. That Chapter 35, Title 67, Idaho Code, be, and the same is
35 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
36 ignated as Section 67-3501B, Idaho Code, and to read as follows:

37 67-3501B. DEFINITIONS. The terms defined in this section shall have
38 the following meanings, unless the context clearly indicates another mean-
39 ing:

40 (1) "Account category" means a grouping of transactions for the pur-
41 poses of identifying expenditure classifications, including personnel

1 costs, operating expenditures, capital outlay, and trustee and benefit pay-
2 ments.

3 (2) "Appropriation" means a provision of legal authority given by the
4 legislature that permits a department, office, or institution of the state
5 to draw moneys from the state treasury for an object or demand against the
6 state that is specified by amount, program, account, category, fund, and pe-
7 riod.

8 (3) "Encumbrance" means the recognition of a commitment that is a re-
9 duction against a current year appropriation and will subsequently become an
10 expenditure when a good or service is received.

11 (4) "Executive carry forward" means an increase in the current year ap-
12 propriation resulting from an unliquidated encumbrance balance from a prior
13 fiscal year.

14 (5) "Fund" means a category of moneys in the treasury from which appro-
15 priations are made and the use of which is prescribed by law.

16 (6) "Program" means an activity or function of a department, office, or
17 institution of the state, or a grouping thereof, for which appropriations
18 are made and expenditures are reported.

19 SECTION 2. That Section 67-3502, Idaho Code, be, and the same is hereby
20 amended to read as follows:

21 67-3502. FORMAT AND PREPARATION OF ANNUAL BUDGET REQUESTS. (1) In the
22 preparation of a state budget, the administrator of the division of finan-
23 cial management shall, not later than the fifteenth day of July, have avail-
24 able for all departments, offices and institutions of the state government
25 forms necessary to prepare budget requests. Such forms, whether in elec-
26 tronic or written format, shall be developed by the administrator of the di-
27 vision and the legislative services office to provide the following informa-
28 tion:

29 (1a) For the preceding fiscal year, each of the entities listed ~~above~~
30 in this section shall report all ~~funds moneys~~ available to them regard-
31 less of source, including legislative appropriations, and their expen-
32 ditures by fund and ~~object~~ account category of all sums received from
33 all sources, segregated as provided for on the forms.

34 (2b) For the current fiscal year, each of the entities listed ~~above in~~
35 this section shall report their estimates of all ~~funds moneys~~ available
36 to them regardless of source, including legislative appropriations,
37 and their estimated expenditures by fund and ~~object~~ account category
38 of all sums received from all sources, segregated as provided for on
39 the forms, including a statement of the purposes for which anticipated
40 ~~funds moneys~~ are expected to be expended.

41 (3c) An estimate of appropriations needed for the succeeding fiscal
42 year, showing each primary program or major objective as a separate item
43 of the request and itemized by ~~object code~~ account category.

44 (4d) A report concerning the condition and management of programs,
45 program performance, and progress toward accomplishing program objec-
46 tives.

47 (5e) A report that discloses any known future reductions or elimina-
48 tions of federal ~~funds moneys~~ reported to the division of financial man-
49 agement under section 67-1910, Idaho Code, and the agency's plan for op-

1 erating if there is a reduction of ten percent (10%) or more in the fed-
2 eral ~~funds moneys~~ that the state agency receives.

3 (2) The completed forms shall, not later than the first day of Septem-
4 ber, except with special permission and agreement of the administrator of
5 the division of financial management and the director of the legislative
6 services office, be filed in the office of the administrator of the di-
7 vision of financial management and the legislative services office. The
8 legislative and judicial departments and the department of administration's
9 division of public works shall, as early as practicable and in any event no
10 later than the fifteenth day of November, prepare and file in the office of
11 the governor and the legislative services office upon the forms described
12 in this section a report of all of the information required in this section.
13 The judicial department shall include in its filing the budget request of the
14 judicial council as submitted by the judicial council.

15 SECTION 3. That Section 67-3507, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 67-3507. EXECUTIVE BUDGET. The executive budget document shall con-
18 sist of the following four (4) parts:

19 (1) Part I of the executive budget document shall consist of a budget
20 message by the governor that shall outline the financial plan of the execu-
21 tive department of the state government for the next fiscal year, describing
22 the important features of the financial plan.

23 (2) Part II of the budget document shall present in detail for the next
24 fiscal year, as minimum information to be included in Part II, items show-
25 ing+ estimates of agency needs based on the governor's recommendations, to
26 meet the expenditure needs of the state from all available funds classified
27 by agencies and showing the cost of each major program. Part II shall also
28 set forth the governor's recommendations for the capital program. All ~~funds~~
29 ~~moneys~~, including federal and local ~~funds moneys~~ and interagency receipts
30 received for any purpose, shall be accounted for in the budget.

31 (3) Part III of the budget document shall consist of the annual perfor-
32 mance plans required in section 67-1904, Idaho Code.

33 (4) Part IV of the budget document shall consist of the federal funding
34 reports required under section 67-1917, Idaho Code, and the disclosures re-
35 quired under section 67-3502 (~~51~~) (e), Idaho Code.

36 SECTION 4. That Section 67-3508, Idaho Code, be, and the same is hereby
37 amended to read as follows:

38 67-3508. EXPENDITURE ~~OBJECT CODES~~ ACCOUNT CATEGORIES. (1) Excepting
39 where the legislature expressly departs from the classification set forth in
40 any appropriation bill, all appropriations made by the legislature, and all
41 estimates hereafter made for budget purposes, and all expenditures made from
42 appropriations or ~~funds moneys~~ received from other sources, shall be classi-
43 fied and standardized by items as follows:

44 (a) Personnel costs, which shall include the salaries or wage expenses
45 of employees and officers, whether full-time, part-time, or other ir-
46 regular or seasonal help and including compensation or honorarium of
47 members of boards or commissions, and shall also include the employer's

1 share of contributions related to other benefits provided to those em-
2 ployees and officers.

3 (b) Operating expenditures, which shall include all expenses for ser-
4 vices, travel, consumable supplies, and minor items of equipment not
5 otherwise classified under personnel costs, capital outlay, or trustee
6 and benefit payments.

7 (c) Capital outlay, which, when used in an appropriation act, shall
8 include all expenditures for land, highways, buildings including ap-
9 purtenances, fixtures and fixed equipment, structures, which also
10 includes additions, replacements, major repairs, and renovations to,
11 which materially extends the capital assets' useful life or materially
12 improves or increases its capacity, and shall include compensation for
13 independent contractors. Automobiles, domestic animals, machinery,
14 apparatus, equipment, and furniture including additions thereto, that
15 will meet the state controller's fiscal policy for inventoriable capi-
16 tal assets, shall also be included.

17 (d) Trustee and benefit payments, which shall include the cash payments
18 of welfare or retirement benefits to individuals and payments to indi-
19 viduals, persons, or political entities, and not otherwise classified
20 under personnel costs, operating expenditures or capital outlay.

21 (2) (a) The state controller is hereby authorized and directed to im-
22 plement such subclassifications of the standard classifications ~~herein~~
23 set forth ~~which~~ in this section that are necessary for preparation of
24 the state budget, as supplied by the administrator of the division of
25 financial management and the legislative services office.

26 (b) An annual review of the subclassifications shall be made by the ad-
27 ministrator of the division and the legislative services office.

28 (c) The state controller shall be supplied the changes desired by the
29 administrator and the legislative services office in the subclassifi-
30 cations ~~which~~ that are necessary for the preparation of the state budget
31 or the identification and distribution of expenditures from appropria-
32 tions no later than sixty (60) days prior to the beginning of any fiscal
33 year to be effective for that fiscal year.

34 SECTION 5. That Section 67-3510, Idaho Code, be, and the same is hereby
35 amended to read as follows:

36 67-3510. EXPENDITURE ~~OBJECT CODES~~ ACCOUNT CATEGORIES MADE TO CON-
37 FORM. All ~~object codes~~ account categories used in appropriations shall be
38 made to conform to those set forth in section 67-3508, Idaho Code. All expen-
39 ditures made from said appropriations shall be classified in conformity with
40 the standard ~~object codes~~ account categories. The state controller shall
41 use the standard ~~object codes~~ account categories in the classification of
42 all expenditures drawn against any and all appropriations made by the Idaho
43 legislature.

44 SECTION 6. That Section 67-3511, Idaho Code, be, and the same is hereby
45 amended to read as follows:

46 67-3511. TRANSFER OF LEGISLATIVE APPROPRIATIONS. (1) No appropria-
47 tions made by the Idaho legislature may be transferred from one ~~object code~~

1 account category to another except with the consent of the state board of
 2 examiners upon application duly made by the head of any department, office
 3 or institution of the state (including the elected officers in the executive
 4 department and the state board of education). No appropriation made for
 5 expenses other than personnel costs shall be expended for personnel costs
 6 of the particular department, office or institution for which it is appro-
 7 priated, provided however, that employee suggestion awards made pursuant to
 8 sections 59-1603 and 67-5309D, Idaho Code, may be made from the ~~object code~~
 9 account category in which the savings were realized.

10 (2) Legislative appropriations may be transferred from one program
 11 to another within an agency upon application duly made by the head of any
 12 department, office or institution of the state and approval of the applica-
 13 tion by the administrator of the division of financial management and the
 14 board of examiners, provided the requested transfer is not more than ten
 15 percent (10%) cumulative change from the appropriated amount for any program
 16 affected by the transfer. Requests for transfers above ten percent (10%)
 17 cumulative change must, in addition to the above, be approved by legislative
 18 appropriation. Legislative appropriations shall not be transferred from
 19 one fund to another fund unless expressly approved by the legislature.

20 (3) All moneys appropriated to any agency of the state of Idaho for the
 21 purpose of capital outlay shall be used for that purpose and not for any other
 22 purpose.

23 (4) The joint finance-appropriations committee may limit the amount
 24 of legislative appropriations for personnel costs ~~which that~~ which that can be trans-
 25 ferred to other ~~object codes~~ account categories.

26 SECTION 7. That Section 67-3513, Idaho Code, be, and the same is hereby
 27 amended to read as follows:

28 67-3513. COMMITTEES OF LEGISLATURE TO CONSIDER BUDGET. (1) The stand-
 29 ing committees of the house of representatives and of the senate in charge of
 30 appropriation measures shall sit jointly in open sessions while considering
 31 the budget. Such committee may resolve itself into executive session upon
 32 the vote of two-thirds (2/3) of the membership of the committee, at which
 33 time persons who are not members of the legislature may be excluded; pro-
 34 vided, however, that during such executive session, no votes or any official
 35 action may be taken. The administrator of the division of financial manage-
 36 ment or his designated representative shall attend all meetings of the joint
 37 committee and shall present to the committee the recommendations of the gov-
 38 ernor for amounts to be appropriated for each department, office and insti-
 39 tution, including the elective officers and the state board of education,
 40 such presentation to include all information necessary to substantiate the
 41 recommendations of the governor. The joint committee at its discretion may
 42 cause the attendance of heads or responsible representatives of said depart-
 43 ments, offices and institutions. The joint committee may increase or de-
 44 crease items in the budget as it may deem to be in the interests of greater
 45 economy and efficiency in the public service.

46 (2) By not later than January 15 of each year, the administrator of the
 47 division of financial management shall report to the joint committee the
 48 following minimal information:

1 (a) A list by department, by program, and by funding source of all per-
 2 manent positions authorized as of January 1 of that year and the current
 3 salary established for each position as of January 1 of that year; the
 4 list shall also designate which of the listed positions were vacant as
 5 of January 1, and the date such position became vacant.

6 (b) A list by department, by program, and by funding source of the
 7 amounts needed to fund the state employee compensation changes being
 8 recommended by the governor, which list must be prepared to show the
 9 individual cost of each component of the compensation changes.

10 (c) A report that compiles and summarizes the information the division
 11 of financial management received in accordance with sections 67-1917
 12 and 67-3502 (~~51~~) (e), Idaho Code.

13 SECTION 8. That Section 67-3516, Idaho Code, be, and the same is hereby
 14 amended to read as follows:

15 67-3516. APPROPRIATION ACTS DEEMED FIXED BUDGETS -- RATE OF EXPENDI-
 16 TURE. (1) Appropriation acts when passed by the legislature of the state of
 17 Idaho, and spending authority made thereunder, whether the appropriation is
 18 fixed or continuing, are fixed budgets beyond which state officers, depart-
 19 ments, bureaus, and institutions may not expend.

20 (2) ~~Funds Moneys~~ available to any agency from sources other than state
 21 ~~funds moneys~~, if not cognizable at the time when appropriations were made
 22 whether state fiscal liability is increased or not, must have prior approval
 23 of the administrator of the division of financial management and the board
 24 of examiners in order that ~~funds moneys~~ may be expended, except those ~~funds~~
 25 ~~moneys~~ received under such conditions that preclude approval by the admin-
 26 istrator of the division and/or the board of examiners. Receipts from the
 27 sale of capital outlay items and insurance claim settlements may, with the
 28 approval of the division of financial management, be included as an increase
 29 to an agency's appropriation and must be identified at an ~~object code~~ account
 30 category level. Expenditure of such receipts must be for capital outlay
 31 items, except in the case of a sale of a motor vehicle, which, notwith-
 32 standing section 67-3511(3), Idaho Code, may be transferred to operating
 33 expenditures with the approval of the division of financial management.

34 (3) One state agency may bill another state agency for goods and ser-
 35 vices, provided the billing agency receives prior approval in writing from
 36 the billed agency or such billing is provided for by law. This process will
 37 be known as interagency billing to which the following rules will apply:

38 (a) The state controller will treat interagency receipts as revenue and
 39 not classify such revenue as a reduction of the expenditures of the re-
 40 ceiving agency. Interagency billing credits for all ~~funds moneys~~ shall
 41 be deposited to the appropriate fund of that agency.

42 (b) Interagency receipts may be expended by the collecting agency to
 43 the extent that authority to do so has been requested and approved by the
 44 legislature through an appropriation.

45 (c) The agency ~~which is~~ billed for the goods and services shall clas-
 46 sify, treat, and account for such expenses in the same manner as if such
 47 expenses had been paid by warrant and may encumber unexpended balances
 48 and may carry forward the encumbered appropriation to liquidate known
 49 or anticipated interagency billing expenses at the end of a fiscal year.

1 The state controller shall provide for the method of liquidation of
2 these encumbrances.

3 (4) State agencies selling goods, products, and services to another
4 state agency must use the interagency process detailed by subsection (3) of
5 this section. State agencies, departments, and institutions may sell goods,
6 products, and services to the public and/or other political entities. These
7 cash receipts may be expended according to the following rules:

8 (a) The state controller will classify these moneys as receipts.

9 (b) Receipts for all ~~funds~~ moneys shall be deposited to the appropriate
10 fund of that agency.

11 (c) The collecting agency may expend all such receipts only to the ex-
12 tent that authority to do so has been requested and approved by the leg-
13 islature through an appropriation, except receipts received by agen-
14 cies under the circumstances cited in subsection (2) of this section.

15 SECTION 9. That Section 67-3517, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 67-3517. REQUESTS FOR SPENDING AUTHORITY BY OFFICIALS, DEPARTMENTS,
18 BUREAUS, AND INSTITUTIONS. In order to guard against excessive expenditure
19 of appropriations, and as an act of economy, efficiency, and control relat-
20 ing to said appropriations, it is hereby made the duty of each officer, de-
21 partment, bureau, and institution, except the legislative and judicial de-
22 partments, to file with the administrator of the division of financial man-
23 agement, who shall forward to the state controller, a request for spending
24 authority of ~~funds~~ moneys to be made available during the fiscal year, from
25 the legislative appropriation to said officer, department, bureau, or in-
26 stitution. Requests for spending authority shall be submitted to the admin-
27 istrator of the division at a time as prescribed by the administrator of the
28 division, and, as a general rule, in the same detail as appropriated, unless
29 greater detail is deemed necessary by the administrator of the division. The
30 legislative and judicial departments shall file a request for spending au-
31 thority of ~~funds~~ moneys with the state controller not later than fifteen (15)
32 days prior to the expiration of the current spending authority, in such de-
33 tail as the submitting agency desires. It shall be the duty of the state
34 controller to provide a monthly report in the same or greater detail as the
35 request for spending authority, which includes any adjustments made during
36 the course of the fiscal year, expenditures for the month and expenditures
37 to date for the year, and the percent of unexpended balance in the adjusted
38 spending authority, and the percent of unexpended balance in the adjusted
39 appropriation, if any.

40 SECTION 10. That Section 67-3519, Idaho Code, be, and the same is hereby
41 amended to read as follows:

42 67-3519. EMPLOYEE POSITIONS -- PROCEDURE FOR FILLING. (1) In addition
43 to any powers, duties, functions, and responsibilities of the division of
44 financial management expressed elsewhere in this code, the division shall
45 establish a list of employee positions for which ~~funds~~ moneys are available
46 from the spending authority of appropriated ~~funds~~ moneys to each appoint-
47 ing authority. A position is defined as a specific job normally held by one

1 (1) employee. This list shall contain the title of each position and the pay
 2 grade of the position. No appointing authority, except those in the leg-
 3 islative and judicial departments, shall fill a new position without first
 4 obtaining the approval of the division and then obtaining proper classifi-
 5 cation from the personnel commission for positions in the classified ser-
 6 vice. No appointing authority, except those in the legislative and judi-
 7 cial departments, may increase the pay grade of a position by reclassifica-
 8 tion or any other means without the approval of the personnel commission for
 9 pay grade level and without the approval of the division for sufficiency of
 10 spending authority of the appointing authority to meet the proposed change.
 11 Appointing authorities in preparation of budget requests shall include ex-
 12 act position control numbers in justification of salaries and other compen-
 13 sation and must assign position control numbers to proposed new positions
 14 prior to budget submission. A list of additions, deletions and changes dur-
 15 ing the first six (6) months of the current fiscal year and projections for
 16 the second six (6) months of the current fiscal year of the positions so con-
 17 trolled shall be furnished by the department to the legislature and to the
 18 governor on January 1. Any authority vested in any appointing authority or
 19 agency, commission, department, board, office or institution is limited by
 20 the provisions of this section.

21 (2) Positions ~~which have been~~ authorized by the division of financial
 22 management, but ~~which have not been~~ filled by the appointing authority
 23 within twelve (12) months of such authorization, shall be declared null and
 24 void, and shall not be filled except upon a new authorization by the division
 25 of financial management.

26 SECTION 11. That Section 67-3521, Idaho Code, be, and the same is hereby
 27 amended to read as follows:

28 67-3521. ENCUMBERING APPROPRIATIONS OR EXCESSIVE EXPENDITURES FOR-
 29 BIDDEN -- ENCUMBRANCES TO REVERT -- EXECUTIVE CARRY FORWARD APPROVAL. (1) No
 30 officer, department, bureau, or institution, shall encumber any appropria-
 31 tions or be allowed to make any expenditures from appropriations in excess of
 32 the spending authority provided by this ~~act~~ chapter.

33 (2) Encumbrances shall be reported as reductions against appropria-
 34 tions in anticipation of an ~~object coded~~ expenditure, shall be made only for
 35 a legally contracted obligation or for the accrued cost of a specific product
 36 or service due and payable prior to or as of the end of the current fiscal
 37 year or for the term of the contract obligation, and shall not be used as a
 38 means of reserving a portion of the appropriation of one (1) fiscal year to be
 39 used in combination with the appropriation of the following year. Requests
 40 for ~~encumbrances executive carry forward~~ shall be accompanied by proper
 41 identification of the accrued cost, which must be adequately covered by ap-
 42 propriated ~~funds moneys~~ from the current fiscal year.

43 (3) ~~Encumbrances not liquidated by payment of the accrued cost during~~
 44 ~~the succeeding fiscal year shall revert to the fund from which encumbered,~~
 45 ~~unless approved for extension by the administrator of the division of finan-~~
 46 ~~cial management.~~

47 (4) ~~Requests for encumbrances must have the approval of the administra-~~
 48 ~~tor of the division of financial management.~~

1 ~~(5) Notwithstanding any of the above provisions of this section to~~
 2 ~~the contrary, all purchase orders issued by the state purchasing agent~~
 3 ~~administrator of division of purchasing, or purchase orders issued pursuant~~
 4 ~~to a delegation of purchasing authority to specified state officers and~~
 5 ~~employees, shall be encumbered, and, if not liquidated by payment of the~~
 6 ~~accrued cost during the current fiscal year, shall be included as executive~~
 7 ~~carry forward. Such encumbrance and executive carry forward shall not~~
 8 ~~require the approval of the administrator of the division of financial man-~~
 9 ~~agement for executive carry forward.~~

10 ~~(64) When purchase requisitions are submitted by agencies prior to the~~
 11 ~~state purchasing agent's administrator of division of purchasing's fiscal~~
 12 ~~year-end cutoff date, but not processed either due to workload or bid re-~~
 13 ~~quirements, agencies may submit a request for encumbrance executive carry~~
 14 ~~forward to the administrator of the division of financial management.~~

15 ~~(5) Executive carry forward not liquidated by payment of the accrued~~
 16 ~~cost during the succeeding fiscal year shall revert to the fund from which~~
 17 ~~it originated and shall be recorded as a reversion in that fiscal year, un-~~
 18 ~~less approved for extension by the administrator of the division of finan-~~
 19 ~~cial management. Liquidation of executive carry forward shall be recorded~~
 20 ~~as an expenditure only in the fiscal year in which it is liquidated.~~

21 ~~(76) The provisions of this section shall not apply to encumbrances~~
 22 ~~involving vocational educational or professional- career technical re-~~
 23 ~~imbursements to educational institutions or to encumbrances involving~~
 24 ~~contracts for the construction of highways, bridges, buildings, or other~~
 25 ~~primary structures or capital improvements and, if not liquidated by payment~~
 26 ~~of the accrued cost during the current fiscal year, shall be included as~~
 27 ~~executive carry forward.~~

28 SECTION 12. That Section 67-1001, Idaho Code, be, and the same is hereby
 29 amended to read as follows:

30 67-1001. DUTIES OF CONTROLLER. It is the duty of the state controller:

31 (1) To superintend the fiscal concerns of the state, with its account-
 32 ing, informational, payroll, and related data processing services.

33 (2) To deliver to the governor and the legislative services office on or
 34 before the first day of January, a financial statement, which complies with
 35 generally accepted accounting principles, of the funds of the state, its
 36 revenues, and of the public expenditures during the preceding fiscal year.

37 (3) When requested, to give information in writing to either house of
 38 the legislature relating to the fiscal affairs of the state or the duties of
 39 his office.

40 (4) To suggest plans and provide internal control standards for the im-
 41 provement and management of the public revenues, assets, expenditures and
 42 liabilities.

43 (5) To keep and state all ~~accounts~~ funds in which the state is inter-
 44 ested.

45 (6) To keep an account of all warrants drawn upon the treasurer, and a
 46 separate account under the head of each specified appropriation, showing at
 47 all times the unexpended balance of such appropriation.

48 (7) To keep an account between the state and the treasurer, and therein
 49 charge the treasurer with the balance in the treasury when he came into of-

1 fice, and with all moneys received by him, and credit him with all warrants
2 drawn on and paid by him.

3 (8) To keep a register of warrants, showing the fund or funds upon which
4 they are drawn, the number, in whose favor, the appropriation applicable to
5 the payment thereof, and when the liability accrued.

6 (9) To examine and settle the accounts of all persons indebted to the
7 state.

8 (10) In his discretion, to require any person presenting an account for
9 settlement to be sworn before him, and to answer, orally or in writing, as to
10 any facts relating to it.

11 (11) To require all persons who have received any moneys belonging to
12 the state and have not accounted therefor to settle their accounts.

13 (12) To account for the collection of all moneys due the state, not the
14 responsibility of any other agency and institute suits in its name for all
15 official delinquencies in relation to assessment, collection and payment of
16 the revenue, and against persons who by any means have become possessed of
17 public money or property and fail to pay over or deliver the same, and against
18 all debtors of the state, of which suits the courts of Ada County have juris-
19 diction, without regard to the residence of the defendants.

20 (13) To draw warrants on the treasurer for the payment of moneys di-
21 rected by law to be paid out of the treasury; but no warrant must be drawn
22 unless authorized by law.

23 (14) To furnish the state treasurer with a daily total dollar amount,
24 by fund, and/or account when requested by the state treasurer, of warrants
25 drawn upon the treasury.

26 (15) To authenticate with his signature, his electronic signature, or
27 his facsimile signature all warrants drawn by him, and all copies of official
28 documents issued from his office.

29 (16) To charge the state treasurer with money and evidences of indebted-
30 ness received from and credit him for money drawn by the state board of land
31 commissioners in the moneys or accounts over which said board has control.

32 (17) To act ex officio as member of the state board of canvassers and
33 state board of land commissioners, secretary of the state board of examin-
34 ers, and participant in other organizations in the performance of such du-
35 ties as prescribed by law for such officer.

36 (18) To create and establish such divisions and other administrative
37 units within the office as necessary.

38 SECTION 13. That Section 67-1001A, Idaho Code, be, and the same is
39 hereby amended to read as follows:

40 67-1001A. DEFINITIONS. As used in this chapter and other applicable
41 sections of Idaho Code, each of the terms defined in this section shall have
42 the meaning herein given unless a different meaning is clearly required by
43 the context.

44 (1) "Certification" means a written or electronic assertion that a
45 statement or report is true or as represented.

46 (2) "Defaulter" means one who misappropriates public ~~funds~~ moneys held
47 by him in any official or fiduciary capacity, or fails to provide an account-
48 ing as specified by the state controller for such ~~funds~~ moneys.

1 (3) "Examine" means open to inspection; to review or evaluate the
2 books, papers, accounts, bills, vouchers, other documents of state ~~funds~~
3 moneys and property, or accounts or financial records of all state agencies
4 and entities receiving state ~~funds~~ moneys in accordance with generally ac-
5 cepted accounting practices.

6 (4) "Financial statement" means a quantitative report summarizing the
7 financial position of an entity as of a particular date and the operating re-
8 sults of that entity for a particular period.

9 (5) "Internal control" means a coordinated system of methods and mea-
10 sures designed to safeguard assets, check the accuracy and reliability of
11 accounting data, promote operational efficiency, and encourage adherence to
12 prescribed managerial policies.

13 (6) "Offset" means to withhold payment, in full or in part, from a re-
14 cipient of state money whenever that recipient has an outstanding debt to the
15 state.

16 (7) "Post-audit" means an independent audit of the financial state-
17 ments of the state of Idaho for purposes of rendering an opinion of such
18 statements in conformity with generally accepted accounting principles.

19 (8) "Voucher" means a receipt, acquittance or release in writing or
20 electronic transmission that may serve as evidence of payment or discharge
21 of debt; a document that serves to recognize a liability and authorize the
22 disbursement of cash.

23 (9) "Warrant" means a negotiable instrument payable by the state trea-
24 sury when ~~funds~~ moneys become available for the stated purpose; a warrant may
25 include, but is not necessarily limited to, a payment mechanism such as di-
26 rect deposit, electronic fund transfer, paper warrant or other financial in-
27 strument.

28 SECTION 14. That Section 67-1007, Idaho Code, be, and the same is hereby
29 amended to read as follows:

30 67-1007. STATE OFFICERS AND CUSTODIANS OF STATE ~~FUNDS~~ MONEYS -- EXAMI-
31 NATION. The state controller may examine any of the books, papers, accounts,
32 bills, vouchers or other documents of property of any or all of the state of-
33 ficers, and custodians of state ~~funds~~ moneys. He may examine, under oath,
34 state officers and the custodians of state ~~funds~~ moneys aforesaid.

35 SECTION 15. That Section 67-1021C, Idaho Code, be, and the same is
36 hereby amended to read as follows:

37 67-1021C. BUSINESS INFORMATION INFRASTRUCTURE FUND. There is hereby
38 created in the state treasury a fund to be known as the business information
39 infrastructure fund, which shall consist of all moneys credited or trans-
40 ferred in accordance with section 67-1021A, Idaho Code, and any other ~~funds~~
41 moneys appropriated or transferred in accordance with law. The fund is
42 hereby continuously appropriated to the state controller for the purposes of
43 procurement and implementation of a statewide enterprise resource planning
44 system including, but not necessarily limited to, financial, payroll, bud-
45 get, human capital management and procurement systems. All interest earned
46 on the investment of idle moneys in the fund shall be returned to the fund.
47 All moneys in the fund shall be used for the procurement and implementation

1 of the system as set forth in this section. Any unexpended moneys remaining
2 after June 30, 2023, shall revert to the general fund.

3 SECTION 16. That Section 67-1056, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 67-1056. REPORT OF EXAMINATION TO GOVERNOR -- ACTION AGAINST DELIN-
6 QUENT OFFICIAL. The state controller shall report to the governor the result
7 of his examination, as well as any failure of duty of any public official,
8 as often as he thinks it may be required by public interest. The governor
9 may cause the result of any examination~~7~~ made by the state controller~~7~~ to be
10 made public~~7~~ or, at his discretion, may take such action for the public secu-
11 rity as the exigency may demand. He may, if he deems the public interest to
12 require it, suspend any officer from further performance of duty~~7~~ until the
13 examination be had~~7~~ or such security be obtained as may be demanded for the
14 prompt protection of public ~~fund~~ moneys.

15 SECTION 17. That Section 67-1201, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 67-1201. DUTIES OF TREASURER. It is the duty of the treasurer:
18 (1-) To receive and keep all moneys belonging to the state not required
19 to be received and kept by some other person. The treasurer may:
20 (a-) Name additional or multiple custodians for such moneys.
21 (b-) Administer programs associated with receipt and keeping such mon-
22 eys and enter into contracts related to such programs.
23 (2-) To file and keep, for not less than two (2) years, the records of
24 the state controller delivered to him when moneys are paid into the treasury.
25 After two (2) years, such records may be disposed of as provided in section
26 9-328, Idaho Code, unless a specific written request for further retention
27 has been made to the treasurer.
28 (3-) To report to each person paying money into the treasury a re-
29 ceipt showing the amount and the date of deposit. Receipts must be numbered
30 uniquely within each fiscal year.
31 (4-) To pay amounts drawn by the state controller by generally avail-
32 able commercial payment methods, including but not limited to warrants,
33 electronic payment and wire transfer, out of the accounting entity upon
34 which they are drawn. The treasurer may enter into contracts related to
35 administration and execution of these payment methods. The treasurer may
36 administer programs associated with commercial payment methods and enter
37 into contracts related to such programs.
38 (5-) To invest idle moneys in the state treasury in permitted invest-
39 ments, and to pay the interest received on all such investments, unless oth-
40 erwise specifically required by law, into the general ~~account~~ fund in the
41 state operating fund.
42 (6-) To keep, for as long as the treasurer deems necessary, a record of
43 all moneys received and disbursed.
44 (7-) To keep, for as long as the treasurer deems necessary, separate
45 records of the different funds.
46 (8-) To report to the state controller daily, the amount disbursed for
47 payment by warrants or other commercial payment method; which report must

1 show the date and number of such payments, the fund out of which they were
2 paid, and to report to the state controller monthly, the balance of cash on
3 hand in the treasury to the credit of each fund.

4 (9-) At the request of either house of the legislature, or any committee
5 thereof, to give information in writing as to the condition of the treasury,
6 or upon any subject relating to the duties of his office.

7 (10-) To report to the governor, upon request, the exact balance in the
8 treasury to the credit of the state, with a summary of the receipts and pay-
9 ments of the treasury during the preceding fiscal year.

10 (11-) To authenticate with his official seal, as the treasurer deems
11 appropriate, all writings and papers issued from his office.

12 (12-) To discharge such other duties as may be imposed upon him by law.

13 SECTION 18. That Section 67-1203B, Idaho Code, be, and the same is
14 hereby amended to read as follows:

15 67-1203B. RECOMMENDATION OF THE TYPES AND KINDS OF INVEST-
16 MENTS. (1) The investment board shall recommend the types and kinds of in-
17 vestments that the state treasurer or an investment manager would utilize to
18 manage the idle ~~funds moneys~~ and such other ~~funds moneys~~ as the treasurer is
19 authorized to invest pursuant to sections 67-1210 and 67-1210A, Idaho Code.

20 (2) The investment board shall recommend investment policies governing
21 the investment of idle ~~funds moneys~~ and other ~~funds moneys~~ accepted for in-
22 vestment by the state treasurer. The recommendations shall pertain to the
23 types, kinds or nature of investment of any of the ~~funds moneys~~ and any lim-
24 itations, conditions or restrictions upon the methods, practices or proce-
25 dures for investment, reinvestments, purchases, sales or exchange transac-
26 tions, provided such recommendations shall not conflict with nor be in dero-
27 gation of any Idaho constitutional provision or of the provisions of this
28 chapter.

29 (3) The investment advisory board, in making recommendations, and the
30 state treasurer and all investment managers shall be governed by the Idaho
31 uniform prudent investor act, chapter 5, title 68, Idaho Code. The state
32 treasurer and any investment manager shall invest and manage the assets of
33 the respective funds in accordance with that act and the Idaho constitution.

34 SECTION 19. That Section 67-1209, Idaho Code, be, and the same is hereby
35 amended to read as follows:

36 67-1209. SUSPENSE ACCOUNT FUND. Any state officer, department, board,
37 or institution having or receiving money in trust or for safekeeping pend-
38 ing its final disposition or distribution shall deposit the same in the state
39 treasury in a special suspense ~~account~~ fund from which it may be withdrawn or
40 distributed under policies and procedures of the state controller.

41 SECTION 20. That Section 67-1210, Idaho Code, be, and the same is hereby
42 amended to read as follows:

43 67-1210. INVESTMENT OF IDLE MONEYS. (1) It shall be the duty of the
44 state treasurer to invest idle moneys in the state treasury in any of the fol-
45 lowing:

1 (a) Bonds, treasury bills, interest-bearing notes, or other obliga-
2 tions of the United States, or those for which the faith and credit of
3 the United States are pledged for the payment of principal and interest.

4 (b) General obligation or revenue bonds of this state, or those for
5 which the faith and credit of this state are pledged for the payment of
6 principal and interest.

7 (c) General obligation or revenue bonds of any county, city, metropoli-
8 tan water district, municipal utility district, school district, or
9 other taxing district of this state.

10 (d) Notes, bonds, debentures, or other similar obligations issued by
11 the farm credit system or institutions forming a part thereof under the
12 farm credit act of 1971, 12 U.S.C. 2001-2259, and all acts of congress
13 amendatory thereof or supplementary thereto; in bonds or debentures of
14 the federal home loan bank board established under the federal home loan
15 bank act, 12 U.S.C. 1421-1449; in bonds, debentures and other obliga-
16 tions of the federal national mortgage association established under
17 the national housing act, 12 U.S.C. 1701-1750g, as amended, and in the
18 bonds of any federal home loan bank established under said act and in
19 other obligations issued or guaranteed by agencies or instrumentalities
20 of the government of the state of Idaho or of the United States,
21 including the United States small business administration guaranteed
22 portion of any loan approved by an Idaho banking corporation and by the
23 state treasurer.

24 (e) Bonds, notes or other similar obligations issued by public corpo-
25 rations of the state of Idaho including, but not limited to, the Idaho
26 state building authority, the Idaho housing and finance association and
27 the Idaho water resource board.

28 (f) Repurchase agreements covered by any legal investment for the state
29 of Idaho.

30 (g) Tax anticipation notes and registered warrants of the state of
31 Idaho.

32 (h) Tax anticipation bonds or notes and income and revenue anticipation
33 bonds or notes of taxing districts of the state of Idaho.

34 (i) Time deposit accounts and savings accounts in state depositories
35 including, but not limited to, accounts on which interest or dividends
36 are paid and upon which negotiable orders of withdrawal may be drawn,
37 and similar transaction accounts.

38 (j) Time deposit accounts and savings accounts of state or federal sav-
39 ings and loan associations located within the geographical boundaries
40 of the state in amounts not to exceed the insurance provided by the fed-
41 eral deposit insurance corporation including, but not limited to, ac-
42 counts on which interest or dividends are paid and upon which negotiable
43 orders of withdrawal may be drawn, and similar transaction accounts.

44 (k) Revenue bonds of institutions of higher education of the state of
45 Idaho.

46 (l) Share, savings and deposit accounts of state and federal credit
47 unions located within the geographical boundaries of the state in
48 amounts not to exceed the insurance provided by the national credit
49 union share insurance fund and/or any other authorized deposit guaranty
50 corporation, including, but not limited to, accounts on which interest

1 or dividends are paid and upon which negotiable orders of withdrawal may
2 be drawn, and similar transaction accounts.

3 (m) Money market funds whose portfolios consist of any allowed invest-
4 ment as specified in this section. The securities held in money market
5 portfolios must be dollar-denominated, meaning that all principal and
6 interest payments on such a security are payable to security holders in
7 United States dollars.

8 (2) The term "idle moneys" means the balance of cash and other evidences
9 of indebtedness that are accepted by banks as cash in the ordinary course of
10 business, in demand deposit accounts, after taking into consideration all
11 deposits and withdrawals, on a daily basis.

12 (3) The interest received on all such investments, unless otherwise
13 specifically required by law, shall be paid into the general account fund
14 of the state of Idaho. Provided, unless otherwise specifically provided by
15 statute, any interest earned on funds moneys received by the state pursuant
16 to a federal law, regulation, or federal-state agreement that governs dis-
17 position of interest earned upon such funds moneys shall be accounted for
18 separately to give effect to the federal law, regulation, or federal-state
19 agreement.

20 (4) If the interest is to be credited to a separate account fund, the
21 state treasurer shall charge the account fund an investment administration
22 fee. The amount of the fee shall be determined annually by the state trea-
23 surer and submitted to the board of examiners for approval. The fee shall be
24 expressed as an annual percentage of the average daily balance of the account
25 fund, including separate investments, if any, of that account fund. The fee
26 shall be charged monthly in an amount approximately one twelfth (1/12) of the
27 fee that would be payable on an annual basis. The amount of the investment
28 administration fee shall constitute an appropriation from the account fund
29 for which the investment administration services are rendered.

30 (5) The state treasurer shall charge an investment administration fee
31 to each such state fund ~~or account~~, including the general ~~account~~, ~~which~~
32 ~~fund, that~~ is invested by the office of state treasurer. The investment
33 administration fee shall be determined annually by the state treasurer and
34 submitted to the board of examiners for approval. The fee shall be expressed
35 as an annual percentage of the average daily balance of the fund ~~or account~~,
36 including separate investments, if any, of that fund ~~or account~~. The fee
37 shall be charged monthly in an amount approximately one twelfth (1/12) of
38 the fee that would be payable on an annual basis. The amount of the invest-
39 ment administration fee shall constitute an appropriation from the fund ~~or~~
40 ~~account~~ for which the investment administration services are rendered.

41 (6) The term "to invest" means to use the idle moneys in the state trea-
42 sury to buy, sell, including selling before maturity at either a gain or a
43 loss, retain, or exchange any of the investments described in this section,
44 considering the probable safety of the capital, the probable income to be de-
45 rived, and the liquidity of the assets.

46 SECTION 21. That Section 67-1210A, Idaho Code, be, and the same is
47 hereby amended to read as follows:

48 67-1210A. ADDITIONAL ALLOWABLE INVESTMENTS BY THE STATE TREA-
49 SURER. (1) In addition to investments enumerated in section 67-1210, Idaho

1 Code, the state treasurer is authorized and empowered to invest state ~~funds~~
2 moneys or any other ~~funds moneys~~ in his hands, including, but not limited
3 to, ~~funds moneys~~ of any public agency invested pursuant to joint exercise of
4 powers agreements, in prime banker's acceptances and prime commercial pa-
5 per, sales and repurchase of call options, and bonds, debentures or notes of
6 any corporation organized, domiciled and operating within the United States
7 which have, at the time of their purchase, an A rating or higher by a commonly
8 known rating service. The sale (writing) and repurchase of call options is
9 permitted only when the state treasurer or the joint powers local government
10 pooled fund owns the securities on which the option is written.

11 (2) The provisions of this section shall not be construed to enlarge
12 the powers of other public agencies to invest in prime banker's acceptances,
13 prime commercial paper, sales and repurchase of call options, or bonds,
14 debentures or notes of any corporation unless such investments are made by
15 the state treasurer pursuant to a joint exercise of powers agreement.

16 SECTION 22. That Section 67-1212, Idaho Code, be, and the same is hereby
17 amended to read as follows:

18 67-1212. UNPAID WARRANTS -- INTEREST -- RECORD. (1) All warrants drawn
19 upon funds in which the balance is insufficient to pay them must be reported
20 to the state treasurer by the state controller. All such warrants shall be
21 registered by the state treasurer as follows: he shall date and sign the re-
22 port and return the same to the state controller who shall notify the respec-
23 tive payees. It is the duty of the state treasurer to keep a report of all
24 warrants not paid for want of moneys, in which report such warrants shall be
25 listed in numerical order, and when paid the treasurer shall note the amount
26 of interest paid and the date of payment. Any such warrants registered by the
27 state treasurer shall from date of registration until paid bear interest at a
28 rate to be fixed by the state treasurer.

29 (2) In lieu of registering warrants as provided in subsection (1) of
30 this section, the state treasurer shall have authority to:

31 (a) Pay such warrants out of any moneys available allowing the fund to
32 remain negative for up to thirty (30) days; the state treasurer shall
33 charge the fund ~~or account~~ for which such moneys are advanced an amount
34 of interest substantially equal to what could have been earned had the
35 advanced moneys been invested, and the amount of the interest shall con-
36 stitute an appropriation from the fund ~~or account~~ for which the advance-
37 ment was made. If moneys are not sufficient in the fund after thirty
38 (30) days, unless otherwise excepted by law, the state treasurer shall
39 make inter-fund transfers subject to the following requirements:

40 (i) All transfers shall be identified by: available funds from
41 which moneys are borrowed, the fund to which the moneys are trans-
42 ferred, amount of transfer, the anticipated interest rate consis-
43 tent with the available funds' current rate of return, if applica-
44 ble, the anticipated repayment date and the reason for the trans-
45 fer;

46 (ii) Interest, if applicable, shall be paid on any transfer, where
47 required by law, under this provision;

48 (iii) The treasurer shall maintain an annual report of all such in-
49 ter-fund transfers.

1 (b) Issue tax anticipation notes as provided by chapter 32, title 63, or
2 section 57-1112, Idaho Code.

3 SECTION 23. That Section 67-1227, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 67-1227. INVESTMENT AT REQUEST OF STATE AGENCY. At the request of an
6 agency, the state treasurer is hereby authorized to accept for investment
7 the ~~funds moneys~~ of an Idaho agency or ~~funds moneys~~ held in trust by an Idaho
8 agency that are not idle moneys subject to investment under section 67-1210,
9 Idaho Code. The state treasurer may invest the ~~funds moneys~~ submitted for
10 investment under this section in any investment the treasurer is authorized
11 by law to acquire using the idle moneys of the state of Idaho. The state trea-
12 surer may pool ~~funds moneys~~ submitted for investment under this section with
13 ~~funds moneys~~ invested by the state treasurer under any program authorized by
14 this chapter. The treasurer may require the agency to certify its authority
15 to submit the ~~funds moneys~~ for investment by the state treasurer and its au-
16 thority to invest the ~~funds moneys~~ in the investments authorized by this sec-
17 tion. The costs of investing ~~funds moneys~~ pursuant to this section shall be
18 paid from the ~~funds moneys~~ invested or the earnings on such ~~funds moneys~~ or
19 from a fund designated in advance by the agency.

20 SECTION 24. This act shall be in full force and effect on and after July
21 2, 2021.