

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 647

BY APPROPRIATIONS COMMITTEE

AN ACT

1 APPROPRIATING MONEYS TO THE DEPARTMENT OF ADMINISTRATION FOR FISCAL YEAR
2 2015; LIMITING THE NUMBER OF AUTHORIZED FULL-TIME EQUIVALENT POSI-
3 TIONS; PROVIDING A GENERAL FUND CASH TRANSFER; DIRECTING THE NOTIFI-
4 CATION OF THE STATE TAX COMMISSION; PROVIDING LEGISLATIVE INTENT TO
5 PROMULGATE INFORMATION TECHNOLOGY BILLING PROCEDURES IN RULE; PROVID-
6 ING LEGISLATIVE INTENT TO CONDUCT A REVIEW OF INTERAGENCY AND INTERNAL
7 COST RECOVERY PROCESSES; PROVIDING LEGISLATIVE INTENT TO DEVELOP BEST
8 PRACTICES FOR CONTRACT MANAGEMENT; PROVIDING FOR NOTIFICATION OF A
9 CONTRACT RENEWAL OR EXTENSION; DIRECTING RESEARCH ON THE BENEFITS OF
10 FUNDING A HEALTH SAVINGS ACCOUNT; TRANSFERRING MONEYS FROM THE PERMA-
11 NENT BUILDING FUND; AND PROVIDING GUIDANCE FOR EMPLOYEE COMPENSATION.
12

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

14 SECTION 1. There is hereby appropriated to the Department of Adminis-
15 tration, the following amounts to be expended according to the designated
16 programs and expense classes, from the listed funds for the period July 1,
17 2014, through June 30, 2015:

	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	
	COSTS	EXPENDITURES	OUTLAY	TOTAL
21 I. MANAGEMENT SERVICES:				
22 FROM:				
23 General				
24 Fund	\$152,700	\$49,400		\$202,100
25 Indirect Cost Recovery				
26 Fund	680,100	250,800		930,900
27 Permanent Building				
28 Fund		100		100
29 Administration and Accounting Services				
30 Fund	53,900	9,500		63,400
31 Employee Group Insurance				
32 Fund		100		100
33 Industrial Special Indemnity				
34 Fund	<u>161,000</u>	<u>107,100</u>		<u>268,100</u>
35 TOTAL	\$1,047,700	\$417,000		\$1,464,700

	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	
	COSTS	EXPENDITURES	OUTLAY	TOTAL
1				
2				
3				
4	II. ADMINISTRATIVE RULES:			
5	FROM:			
6	Administrative Code			
7	Fund	\$220,200	\$220,000	\$440,200
8	III. INFORMATION TECHNOLOGY:			
9	FROM:			
10	General			
11	Fund	\$671,000	\$451,500	\$1,122,500
12	Indirect Cost Recovery			
13	Fund	467,700	68,500	536,200
14	Administration and Accounting Services			
15	Fund	<u>1,043,800</u>	<u>947,800</u>	<u>1,991,600</u>
16	TOTAL	\$2,182,500	\$1,467,800	\$3,650,300
17	IV. PUBLIC WORKS:			
18	FROM:			
19	General			
20	Fund		\$293,100	\$293,100
21	Permanent Building			
22	Fund	\$1,849,300	645,400	2,494,700
23	Administration and Accounting Services			
24	Fund	<u>1,649,200</u>	<u>5,703,000</u>	<u>7,352,200</u>
25	TOTAL	\$3,498,500	\$6,641,500	\$10,140,000
26	V. PURCHASING:			
27	FROM:			
28	General			
29	Fund	\$737,200		\$737,200
30	Administration and Accounting Services			
31	Fund	975,600	\$1,155,000	\$26,000
32	Federal Surplus Property Revolving			
33	Fund	<u>165,500</u>	<u>337,400</u>	<u>48,000</u>
34	TOTAL	\$1,878,300	\$1,492,400	\$74,000
				\$3,444,700

1	FOR	FOR	FOR	
2	PERSONNEL	OPERATING	CAPITAL	
3	COSTS	EXPENDITURES	OUTLAY	TOTAL
4	VI. INSURANCE MANAGEMENT:			
5	FROM:			
6	Employee Group Insurance			
7	Fund	\$446,100	\$633,500	\$1,079,600
8	Retained Risk			
9	Fund	<u>435,500</u>	<u>132,800</u>	<u>568,300</u>
10	TOTAL	\$881,600	\$766,300	\$1,647,900
11	VII. IDAHO EDUCATION NETWORK:			
12	FROM:			
13	General			
14	Fund	\$424,700	\$2,454,200	\$2,878,900
15	GRAND TOTAL	\$10,133,500	\$13,459,200	\$74,000
				\$23,666,700

16 SECTION 2. FTP AUTHORIZATION. In accordance with Section 67-3519,
17 Idaho Code, the Department of Administration is authorized no more than one
18 hundred forty-five (145) full-time equivalent positions at any point during
19 the period July 1, 2014, through June 30, 2015, unless specifically autho-
20 rized by the Governor. The Joint Finance-Appropriations Committee will be
21 notified promptly of any increased positions so authorized.

22 SECTION 3. CASH TRANSFER FROM GENERAL FUND. There is hereby appropri-
23 ated to the Department of Administration and the State Controller shall
24 transfer \$101,200 from the General Fund to the Facilities Maintenance Fund,
25 on July 1, 2014, or as soon thereafter as practicable, for the period July 1,
26 2014, through June 30, 2015.

27 SECTION 4. NOTIFICATION OF THE STATE TAX COMMISSION. It is the intent of
28 the Legislature that the director of the department shall notify the State
29 Tax Commission when monthly cigarette tax distributions to the Permanent
30 Building Fund have reached an amount adequate to make the final payment of
31 the Capitol Restoration Project bonds. Fund analysis has determined that
32 amount shall be approximately \$10,500,000.

33 SECTION 5. INFORMATION TECHNOLOGY BILLING PROCEDURES ARE INTENDED TO
34 BE PROMULGATED IN RULE. It is the intent of the Legislature that the depart-
35 ment shall analyze its Information Technology Program-related expenses and
36 billings to determine a billing methodology that shares costs between all
37 users of the technology services and capital equipment purchases and mainte-
38 nance. It is the recommendation of the Joint Finance-Appropriations Commit-

1 tee that the billing methodology be promulgated in agency rule and presented
2 to the Legislature during the 2015 legislative session.

3 SECTION 6. REVIEW OF THE INTERAGENCY AND INTERNAL COST RECOVERY
4 PROCESS. It is the intent of the Legislature that the department conduct an
5 internal analysis of its interagency and intra-agency billing procedures.
6 The department is directed to limit recovery of intra-agency costs into the
7 Indirect Cost Recovery Fund to those same costs it bills other state agen-
8 cies through interagency billing procedures. When a direct General Fund
9 appropriation has been made to pay for personnel costs or for operating ex-
10 penditures, the department shall not recover those funds across programs in
11 their indirect cost recovery process.

12 SECTION 7. BEST PRACTICES FOR CONTRACT MANAGEMENT. The Legislature
13 recognizes that effective contract management is essential to ensuring
14 that public funds are spent appropriately, as described in the Office of
15 Performance Evaluations report on contract management released in January
16 2013. Therefore, it is the intent of the Legislature that the department
17 shall develop and incorporate a checklist for best practices into its con-
18 tracting processes. The department shall also develop a statewide contract
19 monitoring system that outlines the entire contracting process so that con-
20 tracts are properly developed, awarded and monitored using a standardized,
21 statewide framework. The implementation of these measures shall be re-
22 ported to the Legislature during the 2015 legislative session.

23 SECTION 8. NOTIFICATION OF CONTRACT RENEWALS OR EXTENSIONS. It is the
24 intent of the Legislature that the director of the department shall notify
25 the Legislature prior to any contract extensions or renewals. As part of the
26 budget submission process, the department shall submit a list of contracts
27 due for renewal in the upcoming fiscal year that exceed \$1,000,000 on an an-
28 nual basis. Further, the director shall notify the members of legislative
29 leadership, the JFAC chairmen and the germane committee chairmen, in writ-
30 ing, of any proposed early contract renewal or extension at least 90 days
31 prior to signing the contract.

32 SECTION 9. RESEARCH BENEFITS OF FUNDING A HEALTH SAVINGS ACCOUNT. The
33 Legislature directs the department to research the benefits of incentiviz-
34 ing state employees to enroll in a Health Savings Account (HSA), used in con-
35 junction with a state provided high-deductible insurance plan, and/or a Vol-
36 untary Employment Benefit Association (VEBA). The department shall provide
37 information about the financial and logistical implementation of these op-
38 tions to the Joint Finance-Appropriations Committee at the committee's in-
39 terim tour in Fall 2014.

40 SECTION 10. TRANSFERRING MONEYS FROM THE PERMANENT BUILDING FUND.
41 There is hereby appropriated and the State Controller shall transfer
42 \$1,368,750 from the Permanent Building Fund to the Administrative and Ac-
43 counting Services Fund on July 1, 2014, or as soon thereafter as practicable,
44 and on January 1, 2015, or as soon thereafter as practicable, for a total

1 transfer of \$2,737,500 for the Public Officials' Capitol Mall Facilities
2 payment due in fiscal year 2015.

3 SECTION 11. EMPLOYEE COMPENSATION. It is the intent of the Legisla-
4 ture, working cooperatively with the Governor's Office, the Division of
5 Human Resources, and the Division of Financial Management, to progress to-
6 ward the goal of funding a competitive salary and benefit package that will
7 attract qualified applicants, retain employees committed to public service
8 excellence, motivate employees to maintain high standards of productivity,
9 and reward employees for outstanding performance by:

- 10 1) Adjusting the compensation schedule upwards by 1% to move the salary
11 structure toward market; and
- 12 2) Continuing the job classifications that are currently on payline
13 exception to address specific recruitment or retention issues; and
- 14 3) Funding an ongoing 1% salary increase for state employees, and funding
15 the equivalent of a one-time 1% bonus for state employees, based upon
16 employee merit, with flexibility in distribution as determined by
17 the agency directors.

18 The Legislature also finds that investing in state employee compensa-
19 tion should remain a high priority even in tough economic times, and there-
20 fore strongly encourages agency directors, institution executives and the
21 Division of Financial Management to approve the use of salary savings to pro-
22 vide either one-time or ongoing merit increases for deserving employees and
23 also to target employees who are below policy compensation. Such salary sav-
24 ings could result from turnover and attrition, or be the result of innova-
25 tion and reorganization efforts that create savings. Such savings should be
26 reinvested in employees. Agencies are cautioned to use one-time funding for
27 one-time payments and ongoing funding for permanent pay increases.