

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 552

BY APPROPRIATIONS COMMITTEE

AN ACT

1 APPROPRIATING MONEYS TO THE ENDOWMENT FUND INVESTMENT BOARD FOR FISCAL
2 YEAR 2015; LIMITING THE NUMBER OF AUTHORIZED FULL-TIME EQUIVALENT
3 POSITIONS; PROVIDING A CONTINUOUS APPROPRIATION FOR CERTAIN COSTS; EX-
4 PRESSING LEGISLATIVE INTENT REGARDING THE TRANSFER OF MONEYS FROM THE
5 EARNINGS RESERVE FUNDS TO THE INCOME FUNDS; AND PROVIDING GUIDANCE FOR
6 EMPLOYEE COMPENSATION.
7

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

9 SECTION 1. There is hereby appropriated to the Endowment Fund Invest-
10 ment Board, the following amounts to be expended for the designated expense
11 classes, from the listed funds for the period July 1, 2014, through June 30,
12 2015:

	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	
	COSTS	EXPENDITURES	OUTLAY	TOTAL
16 FROM:				
17 Miscellaneous Revenue				
18 Fund	\$102,900	\$29,800	\$300	\$133,000
19 Endowment Administrative				
20 Fund	<u>334,700</u>	<u>161,700</u>	<u>900</u>	<u>497,300</u>
21 TOTAL	\$437,600	\$191,500	\$1,200	\$630,300

22 SECTION 2. FTP AUTHORIZATION. In accordance with Section 67-3519,
23 Idaho Code, the Endowment Fund Investment Board is authorized no more than
24 three and seven-tenths (3.7) full-time equivalent positions at any point
25 during the period July 1, 2014, through June 30, 2015, unless specifically
26 authorized by the Governor. The Joint Finance-Appropriations Committee
27 will be notified promptly of any increased positions so authorized.

28 SECTION 3. The Endowment Fund Investment Board is hereby granted con-
29 tinuous appropriation authority for consulting fees, bank custodial fees,
30 and portfolio-related external costs for the period July 1, 2014, through
31 June 30, 2015.

32 SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature
33 that for fiscal year 2015, the Endowment Fund Investment Board transfer
34 \$51,978,200 as follows: \$31,292,400 from the Public School Earnings Reserve
35 Fund to the Public School Income Fund; \$1,164,000 from the Agricultural
36 College Earnings Reserve Fund to the Agricultural College Income Fund;
37 \$3,852,000 from the Charitable Institutions Earnings Reserve Fund to the

1 Charitable Institutions Income Fund; \$3,144,000 from the Normal School
2 Earnings Reserve Fund to the Normal School Income Fund; \$1,707,600 from
3 the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund;
4 \$3,866,400 from the Scientific School Earnings Reserve Fund to the Sci-
5 entific School Income Fund; \$3,625,400 from the Mental Hospital Earnings
6 Reserve Fund to the Mental Hospital Income Fund; and \$3,326,400 from the
7 University Earnings Reserve Fund to the University Income Fund.

8 SECTION 5. EMPLOYEE COMPENSATION. It is the intent of the Legislature,
9 working cooperatively with the Governor's Office, the Division of Human Re-
10 sources, and the Division of Financial Management, to progress toward the
11 goal of funding a competitive salary and benefit package that will attract
12 qualified applicants, retain employees committed to public service excel-
13 lence, motivate employees to maintain high standards of productivity, and
14 reward employees for outstanding performance by:

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

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