



April 25

2013

# Final Legislative Report



## INTRODUCTION

The Idaho Legislature ended its 2013 Session on April 4, after 88 days. This was 4 legislative days past their targeted going home date of March 29, due to wrangling in the Senate over the process used to develop the public schools budget.

### Length of Recent Sessions (Days)

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>88</b>	<b>81</b>	<b>88</b>	<b>78</b>	<b>117</b>	<b>87</b>	<b>82</b>	<b>93</b>	<b>87</b>	<b>69</b>	<b>118</b>

This session was a record setting one in a couple of ways. First was the membership – 41 out of 105 legislators were newly elected to either the House or the Senate. However, 9 of the 12 the newly elected Senators had served in the House. One of the impacts of this was to make the Senate, generally the more deliberative and moderate body, feel like the more conservative and reactionary House. And 16 of the 30 new House members left their mark by coming together as a block to oppose or support certain legislation, most notably advocating for changes with the state health care exchange that helped it win approval.

2013 was also noteworthy in the number of bills introduced compared to the number passed. Typically there are between 800-1,000 bills drafted each session and most of the time only about a third of these make it into law. This year, 777 bills were drafted, the lowest number in more than 40 years. But of those, nearly half became law. Experts suggest that this could mean that the legislature was more focused and that issues that were introduced as bills were better thought out.

Also a factor in the change in environment in the House was leadership. Rep. Scott Bedke of Oakley unseated incumbent Rep. Lawrence Denney of Midvale for Speaker. Denney had served in the leadership post since 2006. The new Speaker made a concerted effort to be more open and inclusive and many legislators, including the minority members, felt this was the case. In fact, the Democrats' influence was stronger as witnessed by the vote on the insurance exchange. All of the Democrats voted for the exchange but a majority of Republicans opposed it.

Although the Council mostly monitored Medicaid and other health and welfare issues, several bills were passed that implemented controversial parts of the education bills that were passed in 2012 and then rejected by the voters last November. This became even more of an issue when SB 1108 was also passed. This bill, sponsored by the Farm Bureau and largely backed by rural legislators, enacted new requirements for gathering signatures to put an issue to a popular vote. This will make the initiative process (used to overturn the education bills) much more difficult to implement.

Another high profile issue during this session was the proposal by the Idaho Association of Commerce and Industry (IACI) to repeal the business personal property tax. This repeal would have cost \$140 million in revenues to counties and other local taxing authorities and would have negatively impacted communities, schools and other local services. In response, the Association of Counties offered a counter proposal that eventually passed in an amended form (HB 315) that repeals the tax for those businesses with less than \$100,000 in personal property inventory. It also exempts purchases for future personal property for those items costing under \$3,000. This is expected to impact about 85% of Idaho businesses and cost about \$20,000,000. At the Governor's request, the legislature approved using state funds to fill that gap.

The Legislature's final action on General Fund budgets reflected an overall spending increase of 2.9%. Public schools received a 2.2% increase, college and universities received a 3.8% increase, Medicaid received a 0.7% increase, and the Department of Correction received a 7.1% increase.

Below are summaries of some of the legislation that passed or was considered. These include some of the bills that were monitored during the session by the Council.

## CRIMINAL JUSTICE

**H 125** – This bill, sponsored by the Council after two years of work with stakeholders, requires background checks for potential guardians and conservators for people with disabilities and seniors. This will provide additional protection by making sure that courts and other interested parties have information about the civil and



criminal histories of proposed guardians and conservators prior to their appointment and the criminal history of those who will be living in the home of the person with a disability or senior. Rep. Grant Burgoyne was an active participant in the crafting of this bill and sponsored it on the floor of the House. Senator Marv Hagedorn was the Senate floor sponsor.

**H 149** – This law clarifies when juveniles charged with a crime are appointed a lawyer and it limits the circumstances in which juveniles may waive their right to a lawyer to certain non-serious offenses. If court action is not needed and the case is sent to a diversion program, statements made by the juvenile in that diversion process could not be used in court.

**S 1079** - Creates the Internet Crimes Against Children Unit in the Office of the Attorney General and creates the Internet Crimes Against Children Fund.

**SCR 128** – Authorizes the Legislative Council to appoint a committee to complete a study of the Idaho criminal justice system. This is one of six resolutions creating new interim committees. These are committees, appointed by leadership, who meet and study a particular issue between legislative sessions (referred to as the “interim”).

## EDUCATION



**H 65** – This bill allocates the \$30.6 million that was left unallocated in the FY 2013 Public School Support Program budget after the failure of Propositions 1, 2, and 3 last November which repealed Senate Bills 1108, 1110, and 1184 of the 2011 session. This bill restores certain laws or provisions of laws and redistributes funding to specific programs to allow these funds to be used by districts during FY 2013. For example, this bill restores the “use it or lose it” flexibility, unfreezes the education credits on the salary grid, maintains a 1.67% reduction in salary-based apportionment, restores the authority to spend moneys for additional math and science teachers, provides funding for technology, and restores authority to spend moneys for dual credit enrollment. All provisions of this bill apply only to FY 2013 (current school year).

**H 206 aaS aaS** - Provides state money for public charter school facilities. The amount of money will be based on a percentage of the average amount of facility levy funds being raised by school districts, on a per-student basis. The bill allows the percentage to fluctuate over time, either higher or lower - to a maximum high of 50% and a low of 20%.

**H 221 aaS** – This bill increases the number and kinds of organizations that may approve a charter school’s charter. These organizations will include, among others, public colleges, universities or community colleges, private, and non-profit, non-sectarian Idaho-based colleges. The bill also establishes provisions relating to charter certificates and performance expectations and measures.

**HCR 33** – Authorizes the President Pro Tem of the Senate and the Speaker of the House to appoint an interim committee to study Idaho’s K-12 education system. This is different than the Governor’s Task Force for Improving Education that has been holding public forums around the state during April.

## VOTING AND GOVERNMENT

**S 1108** – This bill, brought by the Farm Bureau, amends the requirements for having an initiative or referendum placed on the ballot by requiring signatures of 6% of the registered voters in at least eighteen legislative districts, as well as 6% of the total registered voters of the state. This will make it more difficult to get the required signatures to place an issue on the ballot for a vote like what was done with Propositions 1, 2 and 3 which repealed the Students Come First laws.



**S 1191** - This trailer bill to **S 1108** provides that rather than having a separate signature page for each legislative district, a page is required for each county. The county clerk will have the duty to determine and record the legislative district when signatures are verified.

## HEALTH AND HUMAN SERVICES

**H 248** – Establishes a state-based, not-for-profit Health Insurance Exchange instead of having the federal government run the exchange in Idaho. This is a requirement of the Affordable Care Act (ACA). The law outlines how this virtual

mall for purchasing health care insurance will be run. It establishes the Exchange Board and outlines their powers and authority. The Governor will appoint the Board. This bill replaced an earlier version approved by the Senate. A group of new Republican members of the House banded together to advocate for changes to the Senate bill, including beefing up legislative representation to three legislative members, including a representative from the minority party. This was perhaps the most controversial issue of the 2013 session, receiving record-breaking hours of debate in both the House and the Senate.

**H 291** – This bill allows a doctor or other health care professional to place a temporary mental health hold on an adult or minor patient without a hearing if the person is in imminent danger of causing harm to himself or others.

**S 1010** – This bill removes the language in the law referring to caps on mental health services in the Medicaid Enhanced Benefit Plan (in patient, out-patient and psychosocial rehabilitation). It substitutes language referring to behavioral health services by accredited providers and in-patient psychiatric services for children. This change paves the way for managed care for these kinds of services. This bill will take effect at the same time that the behavioral health managed care contract goes into effect on July 1, 2013.

## TAXATION

**H 315** - This bill, sponsored by the Idaho Association of Counties and others, exempts the first \$100,000 of personal property for businesses from being taxed. This impacts about 85% of the businesses in Idaho – primarily small businesses. The bill also provides for an exemption of new personal property costing less than \$3,000 from being taxed as well. Personal property does not include land or buildings. The total impact to the General Fund is expected to be \$20,000,000. The Idaho Association of Commerce and Industry (IACI) had proposed another bill which would have completely repealed the business personal property tax, costing the state \$140,000,000. This would have had a serious impact on communities and their ability to pay for schools, roads, libraries and parks.



## APPROPRIATIONS (Funding for programs)

**S 310** – This is the appropriations bill that includes funding for the DD Council. It also includes the appropriations for the Domestic Violence Council, the Division of Licensure and Certification, and the Indirect Services for the Department of Health and Welfare. The Council received and appropriation of \$101,400 in state funds, \$15,000 in receipt authority (gives us permission to spend \$15,000 from other sources like donations for a project), and \$523,900 in federal funds. The appropriation for federal funds always exceeds our current year federal allotment since we have 3 years to spend our federal funds which means we could spend more than our annual allotment in one year if needed. Our authorized staff were reduced from 6 to 5.4. This was an across the board personnel reduction to reflect unfilled positions.



**S 1164** – This bill provides the appropriation for the Division of Vocational Rehabilitation for 2014. Although this bill removes \$222,700 from VR because of the elimination of the End-Stage Renal Disease Program, it adds two enhancements for the division; first is \$170,000 for the Community Supported Employment program that will be used to reduce the client wait list, provide a 3% increase to employment service providers, and cover additional indirect costs; the second is for the Council for Deaf and Hard of Hearing with \$16,500 to provide additional client services, primarily through additional interpreter services. Unfortunately, it also took away authority for 3 staff and removed \$2 million dollars of excess appropriation from the Vocational Rehabilitation program because of lack of state matching funds.

**S 1190** – This bill appropriates \$2,024,182,500 for the Division of Medicaid for 2014. About \$477.5 million of that are state funds. Included in the appropriation is \$1 million in Medicaid Readiness funds to help the Department prepare for the implementation of the Affordable Care Act (ACA), nearly \$17.5 million for mandatory new enrollment coverage under the ACA, \$50,000 for an independent evaluation of mental health managed care, and \$9.5 million for a rate increase for primary health care providers. The bill also requires quarterly reports regarding the impact of House Bill No. 260 of 2011 and quarterly reports regarding managed care implementation

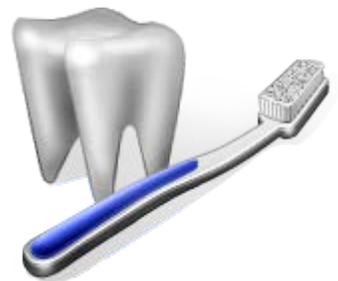
**S 1200** – This is the public school appropriations bill for 2014 (July 1, 2013 – June 30, 2014). It appropriates \$1,598,156,500, an increase of 2.2% in General Funds and a 2.0% increase in all funds when compared to the current FY 2013 appropriation. Included in this appropriation are:

- funding for estimated enrollment increases
- \$12,371,300 to unfreeze the two remaining years on salary grid
- \$2,900,400 to increase the teachers' minimum salary from \$30,500 to \$31,000
- \$4,749,000 to increase discretionary funds by 1.5% up to \$20,000 per support unit
- \$10,400,000 provided for classroom technology and wireless infrastructure
- \$3,000,000 for technology pilot projects based on a competitive grant process.
- \$21,000,000 to be used for two purposes:
  - 1) up to 40% for professional development for Idaho Core Standards, and
  - 2) at least 60% for achievement awards based on plans developed at the district level

And last, this appropriation returns \$6,517,500 to facilities maintenance.

## BILLS OF INTEREST THAT DID NOT PASS

**H 288** - This legislation would have restored preventative dental services to about 27,100 adults on the enhanced Medicaid Benefits plan. This was a follow up to **H609** from last year that restored these benefits to adults on the DD and A&D waivers. The large fiscal impact (estimated at \$1.475 million in state funds) combined with the bill being introduced late in the session, meant it did not get a hearing. Work is continuing to reintroduce the legislation in 2014.



**H 308** - This bill, sponsored by Rep. Tom Loertscher, was brought forward late in the session. It proposed to repeal the State of Idaho's Catastrophic Health Care Fund and to repeal almost all of the County Medically Indigent taxing authority. These two sources of funds pay for medical care individuals who cannot afford to pay. These situations generally involve a person who has faced a medical emergency and does not have insurance or the means to pay. The hospital (most

often) submits a claim to the county for payment. If approved, the county will pay for the first \$11,000 and the state CAT fund will pay the rest. All of this money is local or state money. There are no matching funds to supplement. The projected savings for repealing these funds is \$21.2 million in state funds in 2014 with a projected savings over 10 years of \$518.4 million. At the county level, this would have saved \$478.1 million over ten years. However, this repeal could not happen without funds to replace these lost resources. That is where **H 309** comes in.

**H 309** – This is the companion bill to **H 308**, also sponsored by Rep. Loertscher and introduced at the same time. This bill implemented Medicaid expansion in Idaho and proposed to provide Medicaid coverage to over 100,000 adult Idahoans who are currently uninsured. These are many of the same individuals who have utilized the county indigency funds and the state CAT fund. The difference is that placing this coverage in Medicaid means that the federal government would pay 100% of the cost for three years and then would progressively decrease their support until it reached 90%. Although there would be increased administrative costs to the Department of Health and Welfare, this has the potential to save the state approximately \$40 million in the first year alone.

**S 1114** - The intent of this legislation was to make changes to the Behavioral Health System of Care (BHSC) in Idaho. It combines the mental health and substance abuse treatment systems into a coordinated system of behavioral health. This bill integrates the Regional Advisory Committees (advisory to the substance abuse system) and the Regional Mental Health Boards (advisory to the mental health system) into a single entity called the Regional Behavioral Health Board (RBHB), which would be responsible for coordinating and finding funding for support services at the local level. At the same time, it specifies that the Division of Behavioral Health has responsibility for crisis services to persons with serious mental illness (expanded from the original version which limited their scope to those with severe and persistent mental illness). Although advocates wanted to see changes in the system, this was opposed for many reasons including the inadequate funding of the regional boards and the scope of the state's responsibility being only those who were the most seriously mentally ill or in crisis.

Thank you to the Legislative Services Office for the information provided in their 2013 Key Action Summary and Sine Die Report as a partial source for this report.