

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Thursday, February 09, 2023  
**TIME:** 8:00 A.M.  
**PLACE:** Room C310  
**MEMBERS PRESENT:** Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just  
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Nash  
**ABSENT/ EXCUSED:** None

**Co-Chairman Horman** called the meeting to order at 8:00 a.m.

**Ms. Jill Randolph**, Principal Analyst, LSO Budget & Policy, gave an overview of the Domestic Violence Council. The Council provides grants to nonprofit and systems-based agencies.

**Ms. Heather Cunningham**, Executive Director of the Domestic Violence Council, explained the statutory authority for the Council and its responsibility to administer grants and services to programs providing direct services to victims of domestic violence throughout the state.

**Ms. Cunningham** explained the grants the Council administers are primarily federal funds. The Victims of Crime Act (VOCA) accounts for 93% of the Council's federal appropriation and is derived from the financial penalties on federal crimes; this is a formula grant all states receive. The amount of funding fluctuates because the penalties on federal crimes fluctuate. She explained the Council needs \$12M annually from the VOCA fund to keep programs viable; during the Covid years the fund experienced significant shortfalls. For the last two years the Council has focused on maintaining the critical funding level to keep programs functioning around the state; as funding has declined, demand for services has peaked.

**Ms. Cunningham** explained the Council's FY 2024 line-item budget requests, including bridge funding for the Victim Services Grants; federal grant management software; and reappropriation authority for one-time federal FVSA supplemental funds for Covid vaccines, testing, and mobile health and sexual assault funding.

In response to committee questions, **Ms. Cunningham** gave more information about the request for grant management software. She also gave further explanation about the VOCA funding shortfalls. Ms. Cunningham acknowledged a small portion of the Council's funding comes from fees for marriage licenses and divorces, but she noted the small growth potential in these populations. Fee increases are not a meaningful solution to the funding shortfalls.

In response to additional committee questions, **Ms. Cunningham** explained the Council does a significant amount of outreach throughout the state every year to advertise the funding opportunities available to programs and providers. She stipulated the Council is a conduit to give grants to programs and entities; the Council does not provide direct services.

**Ms. Randolph** gave an overview of the Developmental Disabilities Council. She explained the Council's expenditures, appropriations, and federal funding sources.

**Ms. Christine Pisani**, Executive Director of the Developmental Disabilities Council, cited the agency's statutory authority. She stated the Council provides expertise on disability issues and uses most of its resources supporting the leadership of people with developmental disabilities and family members to inform policies and practices in Idaho and the nation. The Council does not provide direct services.

The Council has no audit findings and no personnel vacancies. **Ms. Pisani** explained the Council's FY 2023 supplemental appropriation request for spending authority for personnel funding. She expressed the Council's concern the workforce crisis is dismantling Medicaid's home and community-based services.

**Mr. Tim Hibbard**, Analyst, LSO Budget & Policy, gave an overview of the Office of the Attorney General (OAG). The constitutional and statutory responsibilities of the OAG are executed by seven separate divisions. There are three budgeted programs: State Legal Services, Internet Crimes Against Children (ICAC), and Special Litigation. The Office has no audit findings.

**Attorney General Raúl Labrador** explained the Office's statutory authority and mission. The OAG provides legal representation for the State of Idaho. This representation is furnished to state agencies, offices, and boards in furtherance of the state's legal interests. Attorney General Labrador noted in FY 2022 the Office was appropriated \$27.6M; during the same year, the Office collected \$41M for Idaho.

**Attorney General Labrador** explained the mission of the new Office of the Solicitor General. He reviewed the history of ICAC and the enormous increase in referrals to the agency. He explained restructuring efforts to address these issues. He also stated current salary levels make it difficult to recruit and retain qualified staff. In response to a committee question, he confirmed the Solicitor General will be licensed in Idaho.

**Ms. Robyn Lockett**, Administration and Budget Chief of the OAG, reviewed the Office's budget requests. OAG requests three FY 2023 supplemental appropriations: \$25K onetime for the transition of a new Attorney General and Executive team, \$300K ongoing for personnel cost variances, and \$35K ongoing for tobacco counsel Deputy Attorneys General.

**Ms. Lockett** explained the Governor's recommendation to pay two recent legal settlements; however, **Attorney General Labrador** opposes this recommendation. The settlements of these cases are the responsibilities of the respective agencies, i.e., the Idaho State Police and the Department of Health and Welfare; paying settlements out of the OAG budget is unprecedented.

**Ms. Lockett** explained the OAG's FY 2024 budget requests. These requests include funding for a legal internship program, National Child ID program and kits, four FTPs and \$642,600 in personnel costs for ICAC investigators and analysts, \$3,565,800 ongoing for targeted salary compensation increases, and lump sum spending authority. The four ICAC positions and targeted CEC increases were not included in the agency's request or Governor's recommendations.

**Ms. Lockett** noted the original OAG FY 2024 budget requested one FTP and associated personnel costs for a victim witness coordinator; the OAG is no longer making this request.

In response to committee questions, **Attorney General Labrador** gave further explanation about the new internship program. In response to another question, he explained the OAG will work with local partners to complete the National Child ID kits; these kits will be kept with the parents, not housed by the state.

**Ms. Frances Lippitt**, Analyst, LSO Budget & Policy, gave an overview of the Office of the Department of Administration. She cited the statutory authority for the Department and explained it has five budgeted programs: Management Services, Public Works, Purchasing, Document Services, and Insurance Management. She explained the funding sources for the Department and its general expenditures.

**Ms. Lippitt** gave a brief overview of the Capitol Commission and the Permanent Building Fund.

**Mr. Keith Reynolds**, Director of the Department of Administration, cited the Department's statutory authority and explained its structure and organization. He reviewed the FY 2023 budget line items and reported on the status of the funded projects. He explained the Department's FY 2023 supplemental appropriation requests, including one FTP for an employee benefits specialist position and transferring \$2M in ARPA funds to the Independent Intergovernmental Authority to offset costs incurred to the fund due to Covid.

**Mr. Reynolds** highlighted some of the Department's FY 2024 budget requests, including inflationary adjustments to maintain the Capitol Mall and Chinden campus; salary adjustments for the Document Services Program staff; funding for janitorial and security services at the Chinden campus; a onetime transfer of \$25M in ARPA money to the state health insurance program; the Governor's Change in Employment Compensation (CEC); and replacement items.

In response to a committee question, **Mr. Reynolds** observed the health insurance trend toward stabilization. He stated the agency does see big swings in costs year to year, but it is hard to attribute the swings to specific causes. The \$25M in ARPA money would address Covid costs, if incurred.

In response to another committee question about fees for the Chinden campus, **Mr. Reynolds** explained agencies need legislative approval to pay rental, janitorial, and security services fees to the Department of Administration; the Department needs legislative approval to pay vendors providing those services. Mr. Reynolds then gave further information about the replacement items in the budget request.

**Mr. Andrew Erstad**, Chair of the Capitol Commission, explained the Commission is charged with the oversight of the Capitol, including the preservation, restoration, and use of the Capitol. He explained the Commission's FY 2024 maintenance budget.

**Mr. Pat Donaldson**, Administrator of the Public Works Division, presented the FY 2024 budget requests for the Permanent Building Fund (PBF). He cited the Division's statutory authority and explained its organization. Currently the Division has 505 projects, valued at approximately \$1.14B.

**Mr. Donaldson** reviewed the projects funded by the FY 2023 budget, including the Idaho Falls District Six facility, a communication tower at Yahoo Creek, the Leonard Hall Pharmacy program phase I and II remodel, and deferred maintenance costs. He gave further details about the deferred maintenance projects completed or in progress throughout the state.

**Mr. Donaldson** explained the Division's FY 2023 supplemental appropriation requests, including funding to further address the statewide deferred maintenance backlog and funding to replace broadcast transmitter and translator infrastructure.

**Mr. Donaldson** explained the FY 2024 line-item budget requests, including funding for various replacement items and capital funding for the St. Anthony Cottages, the Idaho State Police (ISP) District 2 headquarters in Lewiston, the ISP District Six headquarters in Idaho Falls, and the Youth Challenge Academy Dorms for the Military Division.

**Mr. Donaldson** reviewed the FY 2024 funding requests for 17 higher education capital projects totaling nearly \$110M and six projects for the Department of Health and Welfare and the Department of Juvenile Corrections totaling nearly \$41M. These funding requests are explained in greater detail in each agency's individual budget proposals. He also explained the Governor's recommendation for the Idaho State Historical Society for the storage and preservation facility.

In response to a committee question about inflation estimates for construction costs, **Mr. Donaldson** stated the Division had received a number of different inflation estimates from contractors, ranging from 8% to 14%; the Division decided to anticipate a 10% increase in construction costs for FY 2023. A committee member stated construction costs were falling, not rising.

In response to a committee question about the funding request supporting **H 1**, **Mr. Alex Adams**, Administrator, Division of Financial Management, stated this decision unit is separate from the policy bill. This funding would address needs for additional capacity at state institutions of higher education.

In response to a committee question about the demolition costs at the Southwest Idaho Treatment Center (SWITC), **Mr. Donaldson** explained the funding request addressed a shortfall in asbestos abatement and demolition estimates.

In response to a committee question, **Mr. Donaldson** stated the Permanent Building Fund Advisory Council asks agencies to consider ongoing operation and maintenance costs during the proposal process, but these factors are not necessarily considered when approving projects.

In response to committee questions, **Mr. Ross Edmonds**, Administrator at the DHW Division of Behavioral Health, gave further explanation about the proposed facility for the dangerously mentally ill. This facility is being developed in partnership with the Idaho Department of Correction (IDOC). Ten of the beds are intended for prisoners with acute psychiatric episodes and individuals charged with crimes but deemed not competent for trial. The location on the IDOC campus is critically important because security for the patients will be provided by prison guards. **Mr. Edmonds** further explained the improvements at the State Hospital South campus will better serve the psychiatric patients at the prison and their families.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 10:36 a.m.

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Representative Horman  
Chair

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Alyson Jackson  
Secretary