

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Wednesday, January 10, 2018

**TIME:** 8:00 A.M.

**PLACE:** Room C310

**MEMBERS PRESENT:** Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, and Wintrow

Senators Co-chairman Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, and Nye

**LSO STAFF PRESENT:** Jared Hoskins, Principal Budget & Policy Analyst, Paul Headlee, Division Manager

**ABSENT/ EXCUSED:** None

**CONVENED:** **Chairman Bell** called the meeting to order at 8:00 a.m.

**AGENCY PRESENTATION:** **State Department of Administration**

**PRESENTER:** **Jennifer Pike, Office of Group Insurance**

Part of management is the continual evaluation of current and future plan costs. Projections are done in May, ahead of the budget developmental timeline and November, ahead of the legislative session. Actuaries look at several variables, claims for the last 12–24 months and industry trend using the Milliman Health Cost Guidelines, reserve requirements are negotiated with the carrier, current funding levels, enrollment, benefit changes and health care reform related fees. In FY 2018 the legislature appropriated \$13,100 prr FTE, for FY 2019 the Governor has recommended appropriations of \$11,650 per FTE. The recommended appropriations will allow the state to return \$13.4 million to the General Fund, provide two months of premium holidays with excess reserve funds and maintain 10% contingency reserve. FY 2016 was a dramatic jump in medical premiums with FY 2017 & FY 2018 at a more moderate trend. Dental costs are more predictable.

**AGENCY PRESENTATION:** **Office of the State Board of Education**

**PRESENTER:** **Matt Freeman, Office of the State Board of Education and Dr. Ted Epperly, Executive Director of Family Medical Residences in Idaho**

**Mr. Freeman** stated that in FY 2016 **Governor Otter** charged the State Board of Education to work with the medical community and higher education institution to come up with a new 10 year plan for addressing the future demands for health care providers. In FY 2018 JFAC gave funding for the research on the 10 year plan. **Dr. Epperly** presented the Graduate Medical Education in Idaho: A Ten Year Strategic Plan. Dr. Epperly spoke on how this plan will grow the Graduate Medical Education (GME) program in Idaho from 9 to 21 programs. The plan will increase the residents and fellows in training from 141 currently to 356 and the number of graduates each year from Idaho's GME programs from 52 to 124. The Ten Year Plan details the programs, the timed rolled out and the budget for this plan. The plan addresses the sustainability of current and future GME programs and their sponsoring institutions which will incur 67% of the costs.

**AGENCY  
PRESENTATION:**

**Legislative Services Office**

**PRESENTER:**

**Jared Hoskins, Principal Analyst, LSO**

**Mr. Hoskins** explained that Deficiency Warrants are expenditures that are authorized under Idaho Code, where appropriations are not made until after the expenditure amount is known. Supplemental appropriations are changes made to current year appropriations. Mr. Hoskins reminded the JFAC committee of JFAC Rule 13 which pertains to reopening of budgets; it needs unanimous consent or a 2/3 majority to reopen a budget and the budget does close at adjournment for that day. Mr. Hoskins explained supplemental budgets are not to be used as a second attempt for the appropriations process.

**AGENCY  
PRESENTATION:**

**Office of the Governor**

**PRESENTER:**

**Jani Revier, Administrator Division of Financial Management and Paul Headlee, Division Manager**

**Mr. Headlee** presented the FY 2017 actual's and the FY 2018 JFAC action items. **Ms. Revier** presented the Executive Office of the Governor budget. The following are the 10 Budget by Decision Unit line items: 1) IT/Telecommunications: The Governor's Office requests \$8,600 ongoing from the General Fund for information technology-related items that include \$6,000 for Microsoft Office 365 annual subscription, \$700 for network IT support, and \$1,900 for Internet/security fees. 2) Governor-Elect Transition: The Governor requests \$15,000 onetime from the General Fund for the Governor-elect transition. 3) Create Office of Information Technology: The Governor recommends 29.00 FTP, \$1,372,600 from the General Fund, and \$2,583,600 from dedicated funds to consolidate the director of information security and the staff to the Division of Information Technology at the Department of Administration into a new Office of Information Technology within the Executive Office of the Governor. 4) Move Funding to Office of Info Tech: The Governor recommends decreasing 1.00 FTP (director of information security) and \$180,900 from the General Fund to be used in the proposed Office of Information Technology. This amount includes \$160,100 in personnel costs and \$20,800 in operating expenditures. 5) Info Technology Systems Analyst, Sr: The Governor recommends 1.00 FTP and \$86,600 from dedicated funds to hire an information technology systems analyst, senior position, to support telephone services. Of this amount, \$85,100 is ongoing for personnel costs and

\$1,500 is onetime for operating expenditures. 6) Domain Services Hardware Replacement: The Governor recommends \$175,300 from the General Fund for domain name services hardware replacement. Of this amount, \$165,500 is onetime and \$9,800 is ongoing. 7) Server and Storage Replacement: The Governor recommends \$628,500 from the General Fund for multi-agency server and storage replacement. Of this amount \$616,500 is onetime and \$12,000 is ongoing. 8) Video Conference Bridge Replacement: The Governor recommends \$506,000 for video conference bridge replacement. Of this amount, \$406,000 is onetime from the General Fund and \$100,000 is ongoing from dedicated funds. 9) Information Technology Functionality: The Governor recommends \$191,000 ongoing from the General Fund for information technology functionality upgrades to include technology discovery, phishing services, and penetration testing. 10) This recommendation includes 5.00 FTP, \$471,700 in personnel costs, \$396,900 in operating expenditures, and \$7,684,500 in trustee and benefit payments used as grants for training or retraining.

**PRESENTER:** **Jani Revier, Administrator Division of Financial Management and Paul Headlee, Division Manager.**

**Mr. Headlee** presented the FY 2017 Actual Expenditures and Analysis of Fund Balances. Ms. Revier presented the FY 2018 JFAC Action items. Mr. Headlee and Ms. Revier reviewed the Comparative Summary. Ms. Revier stated that the line item for IT/Telecommunications is the same that was presented in the Governors budget.

**PRESENTER:** **Eric Milstead, Director Legislative Services and Paul Headlee, Division Manager**

**Mr. Milstead** introduced some of his staff that was present, **Terri Kondeff**, Chief Operations Officer, **Glenn Harris**, IT Division, **April Renfro**, Audit Division Manager, **Mike Nugent**, Research and Legislation Division. Mr. Milstead stated the Legislative Services Office (LSO) provides nonpartisan legislative assistance to legislators and staff. **Mr. Headlee** presented FY 2017 Actual Expenditures and the analysis of Fund Balances for the Legislative Services Office. Mr. Milstead went through the FY 2018 JFAC action items. Mr. Milstead addressed the replacement items and the new request of Info Center Staffing and Operations. The Info Center Staffing and Operations request is for \$44,500 from the General Fund for the personnel costs and operating expenditures of the Legislative Information Center and Copy Center during the legislative session.

**ADJOURN:** There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 10:27 a.m.

---

Representative Bell  
Chair

---

Donna Warnock  
Secretary