

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, January 25, 2019

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairwoman Lodge** called the Senate State Affairs Committee (Committee) meeting to order at 8:04 a.m.

VOTE ON GUBERNATORIAL APPOINTMENT: The **Gubernatorial Appointment** of Alex Adams as Administrator to the Division of Financial Management.

MOTION: **Senator Hill** moved to send the Gubernatorial appointment of Alex Adams as Administrator to the Division of Financial Management to the floor with the recommendation that he be confirmed by the Senate. **Senator Anthon** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT: **Gubernatorial Re-Appointment** of Brigadier General Michael J. Garshak as Adjutant General of the Idaho Military Division.

Brigadier General Michael J. Garshak stated he was appointed in November of 2017 by Governor Otter and now by Governor Little. He has served in the Idaho National Guard (Guard) since 1993; prior to that, six years of active duty. The majority of his service has been in army aviation in the Guard, then Chief of Staff and currently Adjutant General.

Senator Hill asked about his challenges and experiences. **General Garshak** stated that the toughest part of his job was being in one place at a time. The first priority for the Guard is to maintain combat readiness as the combat reserve for the Army and the Air Force; a second responsibility is response to domestic disasters or emergencies anywhere in the State; and a third priority is building partnerships with all organizations that help the Guard maintain readiness.

Senator Winder asked if General Garshak was able to fill all available positions in the Air National Guard. He stated the Air National Guard recruitment requirements are 1,300 new recruits each year; the requirement is currently being exceeded and leading the nation at 102 percent. However, new requirements for the Army National Guard have increased to 3,300 new recruits and recruitment is currently at 91 percent. The Army National Guard is trending up but it is a challenge. **General Garshak** provided more details in what the Guard is doing in areas of recruitment, education, and training.

Chairwoman Lodge announced that voting would take place during the next meeting.

PASSED THE GAVEL: Chairwoman Lodge passed the gavel to Vice Chairman Harris.

**DOCKET NO.
38-0501-1801**

IDAPA 38 - DEPARTMENT OF ADMINISTRATION 38.05.01 Rules of the Division of Purchasing.

Keith Reynolds, Department of Administration (Department), commented on the action taken by the body across the rotunda and to address their issues; the Department reached out to industry representatives and others. The consensus reached from those conversations was to recommend that the Committee reject subsection 114 and accept the rest of the docket, if the Committee found it acceptable after the review. He deferred to Sarah Hilderbrand.

Sarah Hilderbrand, Administrator, Division of Purchasing, Department of Administration, presented the rule and explained that this docket addresses the format for preservation of purchasing records within the purchasing authority and adds a solicitation method allowing for competitive negotiations when justified by the agency and authorized by the administrator. **Ms. Hildebrand** explained it clarifies the use of electronic communications during the solicitation process and identified additional examples of potentially exempt acquisitions. It also adds a provision concerning information technology purchased through a reseller and includes minor modifications for consistency within the rules, including consolidation and/or modernizing existing language (see attachment 1). **Ms. Hilderbrand** stated there was no fiscal impact to the General Fund, and no incorporation by reference. Negotiated rulemaking was conducted.

DISCUSSION:

Senator Anthon asked what happens if contracts end and then the legislature makes that contract illegal. **Ms. Hilderbrand** said that would make the contract void as it violates either the Constitution or Idaho Code.

Senator Winder asked about the rulemaking process and what would happen if the status quo was maintained. **Ms. Hilderbrand** explained in detail how the negotiated rulemaking was conducted. **Senator Winder** asked if written notice could be provided to stakeholders or anyone of interest. **Ms. Hilderbrand** replied she did not send out individual notices but did send out a formal notice. **Senator Winder** stated that this legislative area could lead to potential future problems. **Ms. Hilderbrand** said the bulk of the legislation is a win-win and outlined why the rules are good. **Senator Winder** explained the issues regarding the rule in the past. **Ms. Hilderbrand** stated the rule outlined high level procedures and explained the process in more detail. She said that maintaining the integrity of the vetting process was paramount as was being open to working with industries.

Senator Souza and **Ms. Hilderbrand** discussed ways that members and interested parties could be informed.

TESTIMONY:

Kate Haas, Kestrel West, testified that only section 114.02.b addressed the process and highlighted problems with industry input in the negotiated rulemaking.

MOTION:

Senator Anthon moved to approve **Docket No. 35-0501-1801** with the exception of section 114.02.b which was rejected. **Senator Vick** seconded the motion. The motion carried by **voice vote**.

**DOCKET NO.
40-0101-1801**

IDAPA 40 - COMMISSION ON THE ARTS 40.01.01 Rules of the Idaho Commission on the Arts.

Michael Faison, Executive Director of the Idaho Commission on the Arts, stated that this rule adds folk and traditional arts to the list of artistic disciplines for which fellowships are awarded. This acknowledges the artistic excellence of individuals who maintain Idaho's artistic traditions with equal stature alongside Idaho artists who create work in more recognized art disciplines. Further changes revise a matching requirement and update, clarify, and simplify grant

application terminology and procedures. Currently, there are restrictions on college and university grant recipients to use non-public funds when matching grants from the Commission; a restriction not placed on any other public or not-for-profit grant recipient. The remaining rule changes are needed to update terminology and process explanations. The changes are housekeeping items that do not affect the availability of grants.

Mr. Faison stated there was no fiscal impact to the General Fund, and no incorporation by reference. Negotiated rulemaking was not conducted.

MOTION:

Senator Buckner-Webb moved to approve **Docket No. 40-0101-1801**. **Chairwoman Lodge** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL:

Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

ADJOURNED:

There being no further business, **Chairwoman Lodge** adjourned the meeting at 8:55 a.m.

Senator Lodge, Chair
Chair

Twyla Melton, Secretary

Assisted by Jon von Nieda