

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Monday, February 06, 2023

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

**PLACE:** Room C310

**MEMBERS PRESENT:** Senators Co-chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just

Representatives Co-chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Nash

**ABSENT/ EXCUSED:** Representative Furniss

**CONVENED:** **Co-Chairman Grow** called to order the Joint Finance Committee (JFAC) at 8:00 a.m.

**LSO STAFF PRESENTATION:** **LEGISLATIVE SERVICES OFFICE (LSO) AUDIT MANAGEMENT REVIEW OF THE OFFICE OF INFORMATION TECHNOLOGY (OITS); April Renfro, Division Manager, LSO Legislative Audits**

**Ms. Renfro** presented the management review for fiscal years (FY) 2019, 2020, and 2021. The review covered administrative procedures, accounting controls, and analysis of revenues and expenditures for services provided to other State agencies (see attachment 1). To better ensure agencies were billed appropriately OITS needed to implement a retrospective lookback to identify areas that needed adjustments in billing, and a more accurate full-time position (FTP) count. **Ms. Renfro** discussed the savings from consolidating other State agencies into OITS. Analysis was separated into three areas, payroll and operating costs related to consolidated entities in Phase I and II, comparison of FTP and comparison of pay rates for IT positions that were transitioned from the agency to OITS. In Phase I, FTP was reduced by 19 and Phase II saw a reduction of two FTP with cost savings not noticed due to increased software and wage costs. **Ms. Renfro** stated additional analysis would be needed to evaluate long term savings from standardized solutions and statewide licensing.

In response to committee questions, **Ms. Renfro** relayed that they did not see a large difference between what was charged and the actual expense, but were concerned going forward that there could be over or under charges if not reviewed. She relayed that a survey of the consolidated agencies would need to be requested for LSO to provide a survey.

**LSO STAFF PRESENTATION:** **OITS; Matt Farina, Analyst, LSO Budget and Policy Analysis**

**Mr. Farina** presented the appropriation and expenditures for OITS (see Attachment 2). He relayed that in Phase I and II there were 17 agencies and 105 FTP consolidated into OITS. He explained the increase in funds for FY 2021 that was spent on infrastructure including an email gateway and software licenses. The agency was primarily funded from agency billings. **Mr. Farina** stated there were two open audit findings.

**AGENCY  
PRESENTATION:**

**OITS; Alberto Gonzalez, ITS Administrator**

**Mr. Gonzalez** provided details on the FY 2023 expenditures and budget request for FY 2024 (see Attachment 3). He relayed that the FY 2023 appropriation was spent on a vehicle, to prepare facilities, equipment, and to hire new staff. The department was requesting appropriation for FY 2024 to cover licensing and software costs, cybersecurity tools and platforms, data center expansion, fleet vehicle costs, and costs associated with consolidating 39 agency IT positions. **Mr. Gonzalez** provided information on OITS consolidating with the Idaho Transportation Department's (ITD) data center to reduce duplicative services and utilize existing services.

In response to committee questions, **Mr. Gonzalez** provided details on the increased needs the ITD has for their data center due to expanded online service offerings and how OITS could assist. **Brian Smith**, Deputy Administrator, OITS provided details on the increase in software costs and where the money was spend and will provide the committee with a detailed breakdown. The agency is beginning to look at the various software being used as agencies are being consolidated and this will enable them to get better enterprise software agreements in place in the future.

**LSO STAFF  
PRESENTATION:**

**IDAHO DIVISION OF VOCATIONAL REHABILITATION (IDVR); Matt Farina, Analyst, LSO Budget and Policy Analysis**

**Mr. Farina** presented the appropriation and expenditure for the IDVR (see Attachment 4). He explained the Extended Employment Services program had been moved to the Department of Health and Welfare leaving the department with two budgeted programs: Vocational Rehabilitation (VR), and the Council for the Deaf and Hard of Hearing (CDHH). The funds came from state appropriations and the Federal Government. There are 142 full time positions (FTP) at VR which utilized 83 percent of their appropriation and the CDHH had 4 FTP. **Mr. Farina** relayed there was one open audit finding related to travel expenditures and it had been partially corrected.

**AGENCY  
PRESENTATION:**

**IDVR; Jane Donnellan, Administrator**

**Ms. Donnellan** presented the appropriation request for FY 2024 (see Attachment 5), explaining the requested appropriation for FY 2024 would be used to add three business relations coordinators, a Federal Grant Match, for interpreter services and LUMA fund adjustments. **Ms. Donnellan** relayed that the agency was requesting a four percent increase for staff salaries.

In response to committee questions, **Ms. Donnellan** explained that the three FTPs were needed due to changes in infrastructures and pre-employment transition services.

**AGENCY  
PRESENTATION:**

**HISTORICAL SOCIETY, Janet Gallimore, Executive Director**

**Ms. Gallimore** presented the request and expenditure for the Historical Society (see Attachment 6). She provided details on the FY 2023 reappropriated expenditures which included deferred maintenance at the Old Idaho Penitentiary, digital access to essential government records, and build education potential and access to historic sites. **Ms. Gallimore** provided details for FY 2024 appropriation for funds for federal match dollars, building rehabilitation, salary adjustments, and a new compliance position.

**AGENCY PRESENTATION:** **COMMISSION FOR LIBRARIES; Stephanie Bailey-White, State Librarian**

**Ms. Bailey-White** presented the appropriation request for FY 2024 (see Attachment 7). She relayed the need for funding to provide digital access for all Idahoans, the kindergarten readiness programs, virtual hard drive storage, library facilities projects, and grant matching.

In response to committee questions, **Ms. Bailey-White** relayed that she would provide the committee with numbers on how many people access the libraries in person. She relayed that no General Funds were spend for the digital e-book alliance. The hard drive need was driven by community needs where libraries were not available. **Ms. Bailey-White** stated they comply with state and federal law to address access to harmful materials.

**LSO STAFF PRESENTATION:** **DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSES (DOPL); Tim Hibbard, Analyst, LSO Budget and Policy Analysis**

**Mr. Hibbard** provided details for FY 2022 revenues and expenditures (see Attachment 8). He explained there were no General Fund appropriations. **Mr. Hibbard** relayed there were three open audit findings.

**AGENCY PRESENTATION:** **DOPL; Russell Barron, Division Administrator**

**Mr. Barron** presented an agency overview (see Attachment 9). He discussed the audit findings and corrections the agency was taking. **Mr. Barron** provided details on the spending authority requests including funds for new vehicles and computer related equipment. They were requesting a budget law exemption for flexibility in completing the transition of 11 agencies into 1. He asked for reappropriation authority to carry over unencumbered and unspent funds for the new licensing system.

In response to committee questions, **Mr. Barron** stated they are reviewing the excess funds and working on a plan to reduce them. They will provide the committee with account information for those with excess funds.

**ADJOURNED:** There being no further business at this time, **Co-Chairman Grow** adjourned the meeting at 10:41 a.m.

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Senator Grow  
Chair

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Lena Amoah  
Secretary