

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 21, 2023
TIME: 8:30 AM (TIME CHANGE)
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 8:30 a.m.

Mr. Keith Bybee, Division Manager, LSO Budget & Policy, explained the need for the technical corrections to two motions made in the previous day's meeting of the Joint Finance-Appropriations Committee (JFAC).

UNANIMOUS CONSENT REQUEST: **Co-Chairman Grow** requested and it was granted by unanimous consent, to hold the State Appellate Public Defender request for increased storage capacity in committee, subject to the call of the Chair.

UNANIMOUS CONSENT REQUEST: **Co-Chairman Grow** requested and it was granted by unanimous consent, to hold the Attorney General request for additional personnel costs in committee, subject to the call of the Chair.

Ms. Christine Otto, Principal Analyst, LSO Budget & Policy Analysis, presented the Division of Human Resources (DHR) FY 2024 original budget. This budget includes JFAC-adjusted items for personnel benefit costs, statewide cost allocation, change in employee compensation, and DHR consolidation, as previously approved by JFAC.

MOTION: **Rep. Bundy** made a motion, seconded by **Sen. Bjerke**, for the Division of Human Resources, beginning with the FY 2024 Base, an additional \$12,600 for benefit costs, \$3,000 for replacement items, \$2,000 for statewide cost allocation, and \$66,700 for change in employee compensation. Also included are the following line items: line item 62, which provides 1.00 FTP and \$98,200 for a financial specialist position; line item 63, which provides \$150,100 for salary equity adjustments; and line item 69, which provides 137.00 FTP and \$13,539,700 for DHR Consolidation. The totals for this motion for FY 2024 are 160.00 FTP and \$17,293,600 all from dedicated funds.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED.** Senators voting in favor of the motion: **Grow, Bjerke, Burtenshaw, Cook, VanOrden, Adams, Herndon, Just.** Senators voting in opposition to the motion: **None.** Senators Absent/Excused: **Lent, Ward-Engelking.** Representatives voting in favor of the motion: **Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, Nash.** Representatives voting in opposition to the motion: **None.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman.**

Ms. Otto explained the standard language for employee compensation. This decision was previously approved by JFAC and is included in the DHR appropriation bill.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Bundy requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION_. EMPLOYEE COMPENSATION. In accordance with Chapter 53, Title 67, Idaho Code, the Division of Human Resources shall shift the salary structure upward by an average of eight and one-half percent (8.5%) beginning on July 1, 2023, with the exception of the minimum wage of \$7.25 per hour at pay grade D, and shall add an additional pay structure for public safety. The division shall also maintain the job classifications currently on payline exception. Each agency is appropriated \$1.20 per hour for permanent employees to be distributed based on merit with the flexibility for agency heads and institution presidents to distribute funds for recruitment and retention purposes in hard-to-fill, hard-to-retain positions.

Ms. Otto explained the next section of language will be requested in appropriation bills for agencies subject to LSO audits.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Bundy requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION_. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

Ms. Otto presented the Public Employee Retirement System of Idaho (PERSI) FY 2024 original budget. This budget reflects the Governor's recommendations and JFAC-adjusted items, including personnel benefit costs, statewide cost allocation, change in employee compensation, and DHR consolidation.

MOTION:

Rep. Petzke made a motion, seconded by **Sen. Ward-Engelking**, for the Public Employee Retirement System Division, beginning with the FY 2024 Base, an additional \$55,800 for benefit costs, \$12,900 for inflationary adjustments, \$219,400 for replacement items, \$23,600 for statewide cost allocation, and \$221,300 for change in employee compensation. Also included are the following line items: line item 1, which provides \$3,000,000 for year two of a pension software upgrade; line item 2, which provides \$27,500 for travel expenses for member education; line item 3, which provides \$100,000 for salary increases for entry level positions; line item 4, which provides 9.00 FTP and \$633,600 for new positions; and line item 5, which provides \$71,700 for a salary adjustment to reclass an investment officer position. Additionally, this motion reduces 1.00 FTP and \$25,200 for DHR consolidation. The totals for this motion for FY 2024 are 81.00 FTP and \$13,629,000 all from dedicated funds.

Rep. Petzke stated this budget includes JFAC-adjusted items for personnel benefit costs, statewide cost allocation, change in employee compensation and DHR consolidation as approved by this committee on February 17, 2023. Additionally, this budget funds five line items. The supplemental request was moved to a line item in this motion as the agency has sufficient appropriation for the remainder of the fiscal year. There is language associated with this budget.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senator absent/excused: Lent. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Otto explained the standard language associated with this budget. The language sets state code for the Portfolio Investment Program, so the Portfolio Investment Program is continuously appropriated; the administrative costs have been appropriated. This allows PERSI to run its Portfolio Investment Program as perpetually appropriated but allows the administrative costs to go through the appropriation process.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Petzke requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION X. CONTINUOUS APPROPRIATION. Notwithstanding the provisions of Section 59-1311(4)(d), Idaho Code, moneys appropriated in Section 1 of this act for the Portfolio Investment Program are for administrative costs of the Portfolio Investment Program as provided in Section 59- 1311(3), Idaho Code. Amounts necessary to pay all other investment expenses related to the Portfolio Investment Program are perpetually appropriated to the Public Employee Retirement System Board as provided in Section 59-1311(4)(a), (b) and 8 (c), Idaho Code.

Ms. Jill Randolph, Principal Analyst, LSO Budget & Policy Analysis, presented the State Independent Living Council (SILC) FY 2024 original budget. She explained SILC is actively engaged in activities assisting Idahoans across both disabilities and lifespan to have a greater voice in obtaining consumer-responsive, cost-effective, and community-based services.

MOTION:

Sen. VanOrden made a motion, seconded by **Rep. Bundy**, for the State Independent Living Council, beginning with the FY 2024 Base, \$3,200 for benefit costs, \$800 for inflationary adjustments, \$4,800 for replacement items, \$2,800 for statewide cost allocation, and \$12,100 for change in employee compensation. Also included is line item 69, which provides \$3,300 for Division of Human Resources Consolidation. The totals for this motion for FY 2024 are 4.00 FTP, \$259,900 from the General Fund, \$393,600 from dedicated funds, and \$59,100 from federal funds, for a grand total of \$712,600.

Sen. VanOrden noted this motion includes the following items previously approved in JFAC statewide decisions: personnel benefit costs, statewide cost allocation, change in employee compensation, and DHR consolidation.

In response to a committee question, **Ms. Randolph** confirmed employee compensation was recalculated based on the extra \$1.20/hour recently approved by JFAC.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senator absent/excused: Lent. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Co-Chairman Grow reminded committee members JFAC approved an additional \$1.20/hour for salaries rather than the Governor's recommendation for a 4% increase across all salaries. This decision will affect all agency budgets.

Ms. Randolph presented the Commission on Aging FY 2024 original budget. She stated the Commission plans and promotes a statewide network designed to support older Idahoans live healthy and dignified lives in the community of their choice.

MOTION:

Rep. Bundy made a motion, seconded by **Sen. VanOrden**, for the Commission on Aging, beginning with the FY 2024 Base, \$9,300 for benefit costs, \$18,100 for inflationary adjustments, \$6,100 for statewide cost allocation, and \$42,400 for change in employee compensation. Also included are the following line items: line item 1, which provides \$5,288,600 for enhancing services; line item 2, which provides \$150,000 for Adult Protective Services; line item 3, which provides \$1,000,000 for an increase in the federal grant distribution; and line item 69, which provides \$14,000 for Human Resources Consolidation. The totals for this motion for FY 2024 are 14.00 FTP, \$5,361,600 from the General Fund and \$15,840,500 from federal funds, for a grand total of \$21,202,100.

In response to a committee question, **Ms. Randolph** explained this budget has two supplemental appropriation requests not yet voted on by JFAC; those items have been removed from this motion.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Randolph explained the language associated with this budget.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Bundy requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION __. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

Ms. Randolph presented a FY 2023 supplemental appropriation request for the Commission on Aging. This request is for onetime funds for the Adult Protective Services (APS) program. APS provides support services to vulnerable adults eighteen years and older who are alleged victims of an APS report. These funds will be used to implement dementia tool kits as well as provide Navigators to high-risk caregivers to assist them in obtaining services to stress-relieving services.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. VanOrden requested and it was granted by unanimous consent, the FY 2023 budget for the Commission on Aging was reopened.

MOTION:

Sen. VanOrden made a motion, seconded by **Rep. Handy**, for FY 2023, for the Commission on Aging, an additional \$345,100 onetime from the Federal COVID-19 Relief Fund.

Sen. VanOrden stated her support of the statute update the Commission on Aging has proposed regarding Adult Protective Services.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None. Representative absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Randolph presented another FY 2023 supplemental appropriation request for the Commission on Aging. She explained the agency requests a onetime increase to enable the full distribution of funds allocated to Idaho through the Older Americans Act of 1965. The entirety of the request is in trustee and benefit payments, for passthrough to the six Area Agencies on Aging (AAA) for the provision of services around the state.

MOTION:

Rep. Handy made a motion, seconded by **Sen. VanOrden**, for FY 2023, for the Commission on Aging, an additional \$750,000 onetime from the Federal Grant Fund.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senator absent/excused: Herndon. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None. Representative absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Frances Lippitt, Analyst, LSO Budget & Policy, presented the FY 2023 supplemental appropriation request for the Department of Administration. This request for \$2.9M in onetime funds from the State Fiscal Recovery Fund will reimburse the Idaho Independent Inter-governmental Authority (III-A) for medical costs incurred due to Covid. III-A serves fire and EMS districts, police departments, highway districts, irrigation districts, cities, and sewer and water districts. This reimbursement to the health plans for Covid costs will avoid a rate increase for members in the next year.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Tanner requested and it was granted by unanimous consent, the FY 2023 budget for the Department of Administration was reopened.

MOTION:

Rep. Tanner made a motion, seconded by **Sen. Cook**, for FY 2023, for the Department of Administration, the addition of \$2,900,000 onetime from the ARPA State Fiscal Recovery Fund to reimburse the Idaho Independent Intergovernmental Authority for medical expenses incurred due to Covid-19.

Rep. Tanner stated this appropriation allows the department to reimburse the III-A for medical costs it has already incurred to avoid an estimated 12.8% increase in member rates.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senator absent/excused: Herndon. Representatives voting in favor of the motion: Horman, Miller, Bundy, Furniss, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None. Representative absent/excused: Raybould.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Co-Chairman Grow reminded the committee about the preliminary meeting held daily at 7:30 a.m. He also stated JFAC would return to an 8:00 a.m. start time to be consistent with the published legislative books.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:04 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary