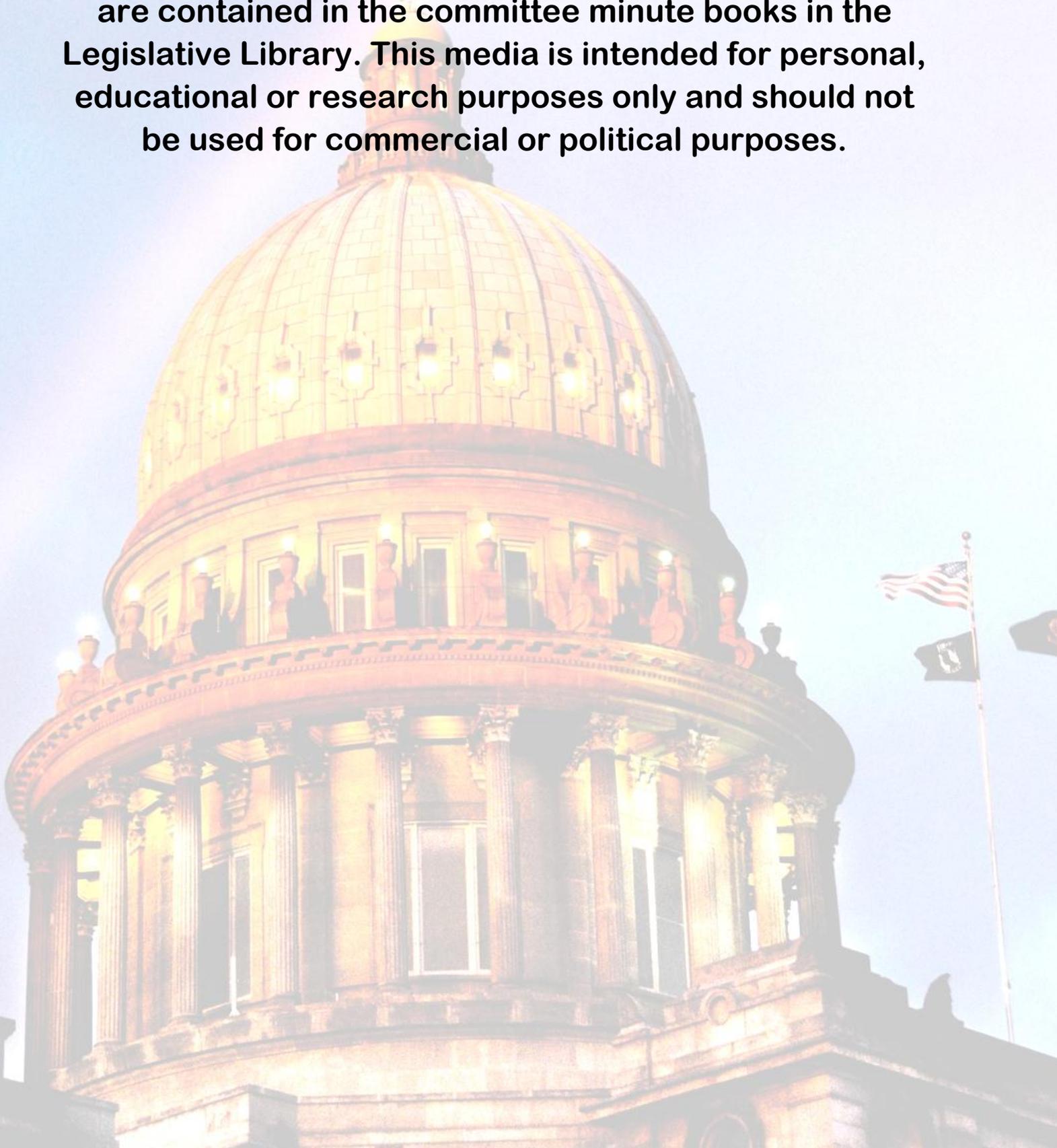


**Please be advised that this is an electronic reproduction of Legislative proceedings and does not represent the official record of committee actions that are contained in the committee minute books in the Legislative Library. This media is intended for personal, educational or research purposes only and should not be used for commercial or political purposes.**



# JFAC COMMITTEE MEETING MINUTES

2/11/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:27 a.m. with Chairman Cameron presiding.

## Roll Call:

Senators: Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey

Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Absent/Excused: None

Staff present: Lockett, Bybee, Ellsworth

Others Present: Medical Boards:

Mark Johnson, Executive Director, Board of Pharmacy  
Nancy Kerr, Executive Director, Board of Medicine  
Carol Youtz, Executive Director, Board of Veterinary Medicine  
Susan Miller, Executive Director, Board of Dentistry  
Sandy Evans, Executive Director, Board of Nursing  
Crime Victims Compensation Bureau:  
George Gutierrez, Chief

## IDAHO TRANSPORTATION DEPARTMENT (ITD)

**Presenter: Brian Ness, Director**

- ❖ Introductions
  - Jerry Whitehead, ITD Board Chairman
  - Joel Drake, Budget Analyst, ITD
  - Rik Hinton, Technical Writer, ITD
- ❖ ITD's mission:
  - Your safety
  - Your mobility
  - Your economic opportunity
- ❖ FY 2014 Governor's budget recommendation
  - Base \$453,643,300
    - Adjustments 29,961,300
    - Adjusted Base \$483,604,600
    - Line Items (8) 8,209,400
    - Appropriation Recommendation \$491,814,000

- By Fund Sources:
  - State Funds \$244.6 million
  - Federal Funds \$242.6 million
  - Other Funds \$ 4.6 million
  - Total program funding \$491.8 million
  - Debt Service \$ 58.3 million
  - Total program funding \$550.1 million (includes GARVEE debt pmt.)
- How the budget is divided:
  - Contract Construction \$245.2 million
  - Highway Operations 170.3 million
  - Other Divisions 76.3 million
  - Debt Service 58.3 million
  - Total \$550.1 million
  - Historically, administration and planning expenditures have been kept under 5% of the total budget
- Audit Findings
  - OPE audit was closed in November and accepted by JLOC
  - Last legislative audit was completed for 2011 – no audit findings
- Legislation with Fiscal Impact
  - Change in how motorcycles are registered – staggered vehicle registration
  - Pilot registration change – eliminates current pilot registration fees
  - Aircraft registration increase – Raise registration rate from one cent per pound to three cents per pound
    - Establishes a minimum fee of \$20 per aircraft
    - Raises the existing cap from \$200 to \$600 per aircraft
    - Should generate approximately \$167,000 in revenue annually
    - Will allow ITD to continue pilot-safety education programs and increase funding for the state's backcountry airports
- ❖ Federal Transportation Funding Bill (MAP-21)
  - Two-year federal funding bill that expires September, 2014, 3 options:
    - Continue to supplement with dollars from the General Fund
    - Increase federal transportation taxes to raise revenue
    - Cut appropriations to the states (could reduce Idaho's federal funding by up to \$100 million per year)
- ❖ Strategic Plan has 3 goals - each has measurable performance indicators developed to support ITD's mission
  - Goal: Commit to having the safest transportation system possible
  - Goal: Provide a mobility-focused transportation system that drives economic opportunity
    - Accomplishments:
      - New U.S. Dover Bridge removed traffic bottleneck
      - U.S. 95 Sand Creek Byway improving safety and commerce
      - I-90 Interchange constructed using STAR financing
      - Partnership with the Nez Perce will build new U.S. 95 rest area

- Idaho 162 project removes economic bottleneck
- I-84 GARVEE projects in the Treasure Valley
- Chobani Yogurt factory – provide safe access to U.S. 30
- Partnership with Pocatello to increase safety and keep commercial trucks moving on I-15
- I-15 Pancheri Drive Overpass (Idaho Falls)
- Idaho Freight Study (6 recommendations)
  - Expand sources for freight infrastructure funding
  - Align transportation policy and projects with economic development goals
  - Strategically invest in a freight network including corridor improvements and new/expanded multimodal facilities/connections
  - Facilitate the efficient movement of freight
  - Create an institutional framework for communication, collaboration, and partnership
  - Collect and analyze freight data
- Goal: Become the best organization by continually developing employees and implementing innovative business practices
  - ITD leadership summit (above study) was focused on customer service and identified leadership gaps
  - Changed ITD's organizational structure
    - Reduced nine layers of management and supervision to five
    - Each of the five layers now has clearly defined roles, responsibilities and measurable expectations
    - Eliminated 62 positions that only supervised one employee
    - 11 Assistant positions were eliminated
    - Current organization
      - Director
      - Chief Officers
      - Administrators
      - Managers
      - Supervisors
      - Front Line
  - Employee Development Accomplishments
    - Realignment generated \$5.7 million in savings the first year and another \$7 million the second year
    - Barriers were employee compensation and turnover
      - Implemented an employee compensation package
      - Reduced employee turnover rate
      - Have more experienced technicians and for some positions the turnover rate has been reduced to zero
  - ITD recognized nationally for innovative practices in 2012
  - Accomplishments
    - \$100 million made available for additional projects

- \$80 million invested in additional GARVEE projects
  - GARVEE innovation will save \$40 million in interest
  - Saved \$12.5 million in personnel and insurance costs
  - Reduced temporary employee costs by 40% in FY 09-12
  - Office consolidation saves \$140,000 in lease payments
- ❖ Potential for Revenue Enhancement – based on Governor’s Funding Task Force
    - Task Force concluded that transportation in Idaho is underfunded by \$543 million annually; \$262 million annually is needed just to preserve the existing system in its present condition
      - Bridge needs – one-third of bridges on the state highway system are more than 50 years old and designed to last 40 to 60 years
      - Current investment level of \$40 million annually is not enough to meet ITD’S performance target
      - At current funding levels, the bridges will have to last 120 years
    - Pavement needs
      - Using data driven management systems to more accurately predict pavement conditions
      - Currently invest \$100 million per year
      - Without an additional investment, the pavement conditions will be below performance target in four years – and conditions deteriorate more rapidly from that point on
      - Failing pavements are far more expensive to repair than pavements that are properly maintained
    - Return on Investment
      - Every 25% reduction in fatalities and serious injuries reduces the cost to every man, woman and child in Idaho by \$300 per year
      - An additional \$262 million annual transportation investment would create or sustain an additional 4,700 jobs
      - Reducing or eliminating height, weight, or width restrictions improves the ability to transport goods more efficiently and less expensively
- ❖ Major focus areas for this year
    - Continue to focus on implementing ITD’s strategic plan and measure the results and transform them from “lag to lead” measures
    - Using lead measures will be another step in improving performance, accountability and transparency, and delivering better customer service
    - Implement a succession plan that trains new leaders and closes the gap on leadership deficiencies identified in the survey
    - 50% of employees are eligible for retirement over the next five years
    - Continue to deliver high quality products and services

## **SELF-GOVERNING AGENCIES: Idaho Commission for Libraries**

**Present: Ann Joslin, State Librarian**

- ❖ Background
  - Idaho Free Library Commission was created as a state agency in 1901 to assist in the establishment and improvement of free public and school libraries throughout Idaho
  - Name has changed but the work is the same – Idahoans want traditional library services as well as 24/7 electronic information services and a place (physical and virtual) to participate
- ❖ New survey from the Pew Research Center's Internet and American Life project shows:
  - Libraries are key technology hubs
  - Many patrons would like even more tech-centered services and feel that print books remain important in the digital age
  - Free access to technology at public libraries now rival books and reference librarians as a key library service
  - Key library services:
    - 80% borrowing books
    - 80% reference librarians
    - 77% free Internet and computer use
- ❖ Idaho use of public libraries is consistent with national findings:
  - Circulation and reference increased significantly over the past five years
  - Use of the LiLI databases increased 65% over the last two years
  - No longer have a traveling library or have to sort through a large card catalog to find what people want
  - Have a library of online resources available through any internet connection
  - Growth area for the library is supporting digital literacy training in libraries- people of all ages are turning to librarians to help them figure out:
    - How to use what they have
    - How to find what they need
    - How to do what they need to do online
- ❖ Workforce challenges
  - Personnel
    - The library is understaffed
    - Staff is undercompensated
    - Since 2009 the Library has lost 7 full-time positions and moved 8 more to federal LSTA funds. Four positions are being held open to stay with the personnel appropriation
    - 32% decrease in state funded positions and a 235% increase in federal funded positions
    - Average length of service is almost 12 years
    - No classified staff is paid at market rates

- Recruitment is difficult and locally cannot compete with salaries offered by higher education, large public libraries or school districts
- Alternative Funding Source is one-time grants, such as:
  - Idaho Humanities Council
  - Bill & Melinda Gates Foundation
  - NTIA
  - Institute of Museum and Library Services
  - Leverage national campaigns that support the library's mission and require only moderate resources:
    - Designing programs to help public and school libraries celebrate annual Teen Tech Week and Teen Read Week
    - Money Smart Week
- ❖ Commission's programs and services called "From Readers to Leaders"
  - Read to Me (RTM) program is in its 16<sup>th</sup> year
    - By the time children are ten years old, usually in the 4<sup>th</sup> grade, they will have only spent 7% of their lifetime in school and 93% out of school.
    - To become a proficient reader, a child must read outside of school
    - Program helps level the playing field so any family, regardless of income or location, can raise a proficient reader
    - Focus is increasing access to books for young children who are unlikely to have books at home
    - RTM mini-grants from FY 2012 \$100,000 appropriation will make books available so children can read
      - Elementary school and public libraries were invited to apply
      - 97 applicants requesting a total of \$357,000
      - 29 received mini-grants (unable to fund the other 68)
    - \$250,000 Grade Level Reading Grant (one of only 19 awarded nationwide) – "Routes to Reading"
    - "Books to Go"
    - "Virtual Storytime" project for families who do not attend storytime at the library
    - Summer Reading Program – has increased 300% in the last 12 years
  - "online at your library" is another major grant project
    - Significantly increased broadband speed in 55 of the least connected public library buildings that serve 500,000 Idahoans
    - The project delivered 700 new devices to 55 buildings
    - Provides more online resources
      - LearningExpress Library (LEL) – most LEL resources in 2012 were related to the GED test which soon will be offered only online
      - GED tools were used 9,529 times – a good step toward helping more Idahoans gain a college degree to certification by 2020
      - To-date, Idahoans have used LEL career and study guides, practice tests, courses, and tutorials more than 42,200 times

- Also includes public information to ensure people know about online resources
  - Support from Idaho Public Television
  - Support from Department of Labor
  - Use of public access technology in 55 target libraries increased 57% over the two years of the project – in other libraries, use doubled, tripled or quadrupled
- ❖ Public Use Technology (PAT) - how it is used:
  - 86% accessed from outside the library, including with mobile devices
  - 50% used library public access technology even though they have access elsewhere
  - 68% received 1-on-1 technology help from library staff or volunteers
  - 47% e-commerce:
    - Researching products/services
    - Online banking, purchasing, bill paying
    - Checking credit rating
    - Finding potential customers
    - Applying for licenses/permits
  - 44% use for health or wellness
  - 43% employment or career
  - 42% e-government
  - 40% education
  - 29% civic engagement
  - To interview online for a new job
  - To find scholarships
  - To find customers
  - Importance of having access to PAT
    - 41% of Idaho's rural population does not have residential broadband
    - Public libraries in 140 communities offer broadband and computers free to the public
    - In many Idaho communities, the Internet and computers at the public library provide primary access to the economy, business resources, education and volunteer opportunities
- ❖ FY 2014 Governor's recommended budget request is \$4,767,400
  - Includes \$27,800 for contract inflation for the LiLI databases
  - Requested moving some spending authority in the Federal Grant Fund (\$224,400) from T&B to operating
- ❖ Challenges
  - Libraries' challenge is to plan for and sustain the necessary trained staff, collections, and technology to meet the growing demand for a range of services when, and where, people want them
  - The Commission's challenge is to help build the capacity of Idaho libraries to sustain their services and thrive in a demanding, rapidly changing environment

## **INDUSTRIAL COMMISSION**

**Presenter: Thomas Limbaugh, Chairman**

- ❖ Administer workers compensation law under Title 72, Idaho Code
  - Decide contested cases
  - Administer insurance requirements
  - Approve settlement agreements
  - Mediate worker's compensation disputes
  - Provide no cost return-to-work services
  - Decide unemployment insurance appeals
  - Administer the Crime Victims Compensation Program
- ❖ Common misconceptions – the Commission does/is not:
  - Pay workers' compensation benefits
  - The State Insurance Fund
  - An insurance company
  - Set workers' compensation rates
- ❖ Statistics:
  - In Fiscal Year 2012 there were 31,568 workplace accidents reported and 33 fatalities
  - In Calendar Year 2011 sureties reported:
    - \$233.8 million total benefits paid
    - \$150.7 million Medical (64%)
    - \$83.1 million in wage loss (36%)
- ❖ Adjudication Division
  - The Industrial Commission is an administrative court with exclusive jurisdiction over Workers' Compensation Law
  - The Commission decides disputed workers' compensation cases
    - Hearings
    - Case settlements
    - Mediations
  - Resolves medical fee disputes
  - Provides final decisions on unemployment appeals from the Department of Labor
- ❖ Employer Compliance Division
  - Staff receives Idaho business registrations from the state's online registration program, and notices of insurance cancellations from the National Council of Compensation Insurance (NCCI)
    - 9,018 Idaho business registrations
    - 4,804 letters sent due to cancellations
  - Corresponded with 14,318 employers last year regarding their coverage status
    - 13,657 employees became covered by workers' compensation insurance as a result of contact by the Employer Compliance Division



- ❖ Claims and Benefits Division
  - Collects and maintains status information on over 31,000 claims filed each year to ensure workers' compensation benefits are paid properly and timely
  - Conducts audits to ensure compliance with Idaho claims adjusting rules and in-state adjusting requirements
  - Reviews and makes approval recommendations on lump sum settlement agreements proposed between employer and employee
  - Provides a Workers' Compensation Certification Program (CIWCS) to industry professionals
    - Since 2002, 47 courses given involving 958 attendees
- ❖ Rehabilitation Division
  - Created in 1974 with the support of industry to assist injured workers return to gainful employment
    - Services are provided to employers, insurers and employees
    - Works closely with employers, medical providers and sureties to facilitate medical recovery and return to work
- ❖ Advisory Committee
  - 16-member committee representing:
    - Workers
    - Employers
    - Insurance industry
    - Attorneys representing injured workers and employers
    - Physicians and hospitals
    - 2 special members, generally a member from the Senate and House Commerce and Human Resources Committees
  - Meets quarterly to discuss issues and generate recommendations regarding Idaho's Workers' Compensation System
- ❖ Crime Victims Compensation Program
  - Provides financial assistance to innocent victims of crime
    - Helps pay for medical, psychological, sexual assault forensic examinations, wage loss, death benefits, and funeral expenses
    - 88% of cases filed involve criminal misconduct against women and children (64% of the children are under the age of 18)
    - \$25,000 maximum benefit
    - Since the program's inception, approximately 34,600 victims have been assisted by the program
  - Crime Victims Program Funding
    - No General Fund dollars
    - Fines imposed on offenders convicted of crimes in Idaho, and
    - The Victims of Crime Act of 1984 (VOCA) Federal Grant Award
    - In FY 2012, \$2,152,242 was paid to innocent victims of crime and service providers



- ❖ Division of Building Safety
  - Logging and Industrial Safety Bureau is funded by the Commission through workers' compensation premiums
    - Logging safety: \$383,300
      - Safety training for loggers
      - Inspects logging operations
    - Safety Inspections \$718,100
      - Perform workplace safety inspections pursuant to agreement
      - Inspects state-owned/maintained buildings to ensure safe working conditions
      - Inspects political subdivisions upon request
- ❖ Workforce Update
  - 137.25 positions – all are permanent, benefitted employees
  - Four vacancies as of 12/31/12 have all been filled
  - FY 2012 turnover (one-third were retirees)
  - Classified: 21.3%
  - Non-classified: 12%
- ❖ Changes to funding
  - The Commission is a dedicated fund agency and receives no General Funds
  - House Bill 240 passed by the 2011 Legislature amended Idaho Code, Section 72-523 to reduce the premium tax rate by 20% effective from January 1, 2012 through December 31, 2013
  - Premium tax is collected semi-annually; first collection period under the new rate was July 31, 2012
  - The expected decline in premium tax collections was somewhat mitigated by the increase in premium volume
- ❖ FY 2014 Governor's recommended budget totals \$15,297,600
  - Includes replacement items totaling \$166,100
  - Includes a line item for new equipment totaling \$31,800
  - Includes another line item – an object transfer from Trustee and Benefits to Personnel Costs of \$3,900 in the Peace and Detention Officer Temporary Disability Reimbursement Fund
- ❖ No Audit Findings from 2009, 2010, or 2011 audits

## **SELF-GOVERNING AGENCIES: Medical Boards**

**Presenter: Matt Ellsworth, Senior Budget and Policy Analyst**

- ❖ Division Description
  - The Division of Medical Boards includes five boards that regulate various medically-related professions in Idaho
- ❖ FY 2014 Governor's recommended budget: \$5,120,800
  - Inflation: Medicine/Nursing/Pharmacy \$ 6,900
  - Replacement Items
    - Dentistry/Medicine/Nursing/Pharmacy \$ 39,700

- Line Item 1: New Licensing System
  - Dentistry/Medicine/Pharmacy \$ 157,200
- Line Item 2: Salary Increase (Medicine) \$ 26,200
- Line Item 3: Salary Increase (Medicine) (not recommended) 0
- Line Item 4: Physician Health Contract (Medicine) \$ 18,100
- Line Item 5: Workforce Development (Nursing) \$ 100,000
- Line Item 6: ED Salary Increase (Nursing) \$ 10,700
- Line Item 7: New Computers (Nursing) \$ 5,400
- Line Item 9: Dep. ED (Pharmacy) \$ 44,200
- Line Item 10: Tech Records Specialist (Pharmacy) \$ 50,800
- Line Item 11: Rx Monitoring Program (Pharmacy) \$ 58,900
- Line Item 12: Salary Increases (Veterinary) (not recommended) 0
- FY 2014 Budget totals broken down by Board
  - Board of Dentistry \$ 489,700 with 3.0 FTP
  - Board of Medicine \$1,623,100 with 13.8 FTP
  - Board of Nursing \$1,235,400 with 10.5 FTP
  - Board of Pharmacy \$1,534,000 with 14.0 FTP
  - Board of Veterinary Med. \$ 238,600 with 2.0 FTP
    - Total Budget \$5,120,800 43.3 FTP

**ADJOURNED**

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary