

IN THE SENATE

SENATE BILL NO. 1384

BY FINANCE COMMITTEE

AN ACT

1 APPROPRIATING MONEYS TO THE DEPARTMENT OF HEALTH AND WELFARE FOR THE DIVI-
2 SIONS OF INDEPENDENT COUNCILS, INDIRECT SUPPORT SERVICES AND LICENSING
3 AND CERTIFICATION FOR FISCAL YEAR 2015; LIMITING THE NUMBER OF AU-
4 THORIZED FULL-TIME EQUIVALENT POSITIONS; PROVIDING FOR GENERAL FUND
5 TRANSFERS TO THE COOPERATIVE WELFARE FUND; DIRECTING EXPENDITURES FOR
6 TRUSTEE AND BENEFIT PAYMENTS; PROVIDING LEGISLATIVE INTENT FOR PROGRAM
7 INTEGRITY; DIRECTING MONTHLY MEDICAID TRACKING REPORTS; DIRECTING RE-
8 PORTING FOR THE MEDICAID PROGRAM INTEGRITY UNIT COLLECTIONS; DIRECTING
9 PROGRAM TRANSFER REPORTS; PROVIDING LEGISLATIVE INTENT REGARDING AP-
10 PROPRIATION BY FUND; AND PROVIDING GUIDANCE FOR EMPLOYEE COMPENSATION.
11

12 Be It Enacted by the Legislature of the State of Idaho:

13 SECTION 1. There is hereby appropriated to the Department of Health and
14 Welfare, the following amounts to be expended according to the designated
15 programs and expense classes, from the listed funds for the period July 1,
16 2014, through June 30, 2015:

	FOR	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	TRUSTEE AND	
	COSTS	EXPENDITURES	OUTLAY	BENEFIT	TOTAL
				PAYMENTS	
21	I. INDEPENDENT COUNCILS:				
22	A. DEVELOPMENTAL DISABILITIES COUNCIL:				
23	FROM:				
24	Cooperative Welfare (General)				
25	Fund	\$93,000	\$11,800		\$104,800
26	Cooperative Welfare (Dedicated)				
27	Fund		15,000		15,000
28	Cooperative Welfare (Federal)				
29	Fund	<u>307,600</u>	<u>196,600</u>	<u>\$31,600</u>	<u>535,800</u>
30	TOTAL	\$400,600	\$223,400	\$31,600	\$655,600

31 B. DOMESTIC VIOLENCE COUNCIL:

32 FROM:

33 Cooperative Welfare (General)

34 Fund \$12,400 \$1,300 \$13,700

35 Domestic Violence Project

36 Fund 161,400 163,200 \$171,800 496,400

	FOR	FOR	FOR	FOR		
	PERSONNEL	OPERATING	CAPITAL	TRUSTEE AND		
	COSTS	EXPENDITURES	OUTLAY	BENEFIT	TOTAL	
				PAYMENTS		
5	Cooperative Welfare (Dedicated)					
6	Fund	40,000			40,000	
7	Cooperative Welfare (Federal)					
8	Fund	<u>106,700</u>	<u>66,900</u>	<u>3,415,400</u>	<u>3,589,000</u>	
9	TOTAL	\$280,500	\$271,400	\$3,587,200	\$4,139,100	
10	DIVISION TOTAL	\$681,100	\$494,800	\$3,618,800	\$4,794,700	
11	II. INDIRECT SUPPORT SERVICES:					
12	FROM:					
13	Cooperative Welfare (General)					
14	Fund	\$10,307,100	\$6,584,900	\$1,232,600	\$18,124,600	
15	Cooperative Welfare (Dedicated)					
16	Fund	1,167,700	1,190,400	2,900	2,361,000	
17	Cooperative Welfare (Federal)					
18	Fund	<u>11,724,800</u>	<u>7,464,800</u>	<u>1,014,200</u>	<u>20,203,800</u>	
19	TOTAL	\$23,199,600	\$15,240,100	\$2,249,700	\$40,689,400	
20	III. LICENSING AND CERTIFICATION:					
21	FROM:					
22	Cooperative Welfare (General)					
23	Fund	\$1,286,400	\$271,800		\$1,558,200	
24	Cooperative Welfare (Dedicated)					
25	Fund	725,000	12,200		737,200	
26	Cooperative Welfare (Federal)					
27	Fund	<u>2,922,800</u>	<u>615,200</u>		<u>3,538,000</u>	
28	TOTAL	\$4,934,200	\$899,200		\$5,833,400	
29	GRAND TOTAL	\$28,814,900	\$16,634,100	\$2,249,700	\$3,618,800	\$51,317,500

30 SECTION 2. FTP AUTHORIZATION. In accordance with Section 67-3519,
31 Idaho Code, each of the divisions in the Department of Health and Welfare
32 listed below is authorized no more than the number of full-time equivalent
33 positions at any point during the period July 1, 2014, through June 30, 2015,
34 unless specifically authorized by the Governor. The Joint Finance-Appropriations
35 Committee will be notified promptly of any increased positions so
36 authorized.

1 Independent Councils9
2 Indirect Support Services288.5
3 Licensing and Certification63.9

4 SECTION 3. GENERAL FUND TRANSFERS. As appropriated, the State Con-
5 troller shall make transfers from the General Fund to the Cooperative
6 Welfare Fund, periodically, as requested by the director of the Department
7 of Health and Welfare and approved by the Board of Examiners.

8 SECTION 4. TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provi-
9 sions of Section 67-3511, Idaho Code, funds budgeted in the trustee and
10 benefit payments expenditure class shall not be transferred to any other
11 expense classes during fiscal year 2015.

12 SECTION 5. PROGRAM INTEGRITY. Notwithstanding any other provisions of
13 law, it is hereby declared to be the intent of the Legislature that the De-
14 partment of Health and Welfare shall be required to provide those services
15 authorized or mandated by law in each program, only to the extent of funding
16 and available resources appropriated for each budgeted program.

17 SECTION 6. MEDICAID TRACKING REPORT. The Department of Health and Wel-
18 fare, Medical Assistance Services Division and Indirect Support Services
19 Division shall deliver on a monthly basis to the Legislative Services Office
20 and Division of Financial Management a report that compares the Medicaid
21 budget as appropriated, distributed by month for the year, to actual ex-
22 penditures and remaining forecasted expenditures for the year. The report
23 shall also include a forecast, updated monthly, of the next fiscal year's
24 anticipated trustee and benefit expenditures. The format of the report, and
25 the information included therein, shall be determined by the Legislative
26 Services Office and Division of Financial Management.

27 SECTION 7. MEDICAID PROGRAM INTEGRITY COLLECTIONS. It is the intent of
28 the Legislature that the Indirect Support Services Division provide quar-
29 terly reports to the Legislative Services Office and Division of Financial
30 Management comparing the total costs from all funding sources used for the
31 Medicaid Program Integrity Unit and the collections related to those ef-
32 forts.

33 SECTION 8. PROGRAM TRANSFER REPORT. The Department of Health and Wel-
34 fare, Indirect Support Services Division shall provide, on a quarterly ba-
35 sis, to the Legislative Services Office and the Division of Financial Man-
36 agement, a report that compares the department budget as appropriated to the
37 estimated expenditures of the department for each budget unit, to include
38 transfers of FTP authority between and among budget units; transfers of ap-
39 propriation, by fund, between and among budget units; and transfers of funds
40 by expense class, between and among budget units.

41 SECTION 9. APPROPRIATION BY FUND. The Legislature recognizes the ben-
42 efits of the Cooperative Welfare Fund for the Department of Health and Wel-
43 fare; however, Management Review MR27012, as conducted by the Legislative

1 Services Office, Audit Division, identified areas of concern that included
 2 all three programs in the Division of Public Health Services exceeding their
 3 appropriated amounts, and transfers of appropriation between expenditure
 4 categories lacked proper approvals. Given the seriousness of these find-
 5 ings, along with the antiquated software system being used by the depart-
 6 6 ment, it is the intent of the Legislature that the Department of Health and
 7 Welfare provide to the Legislative Services Office and the Division of Fi-
 8 nancial Management a multifaceted plan by December 31, 2014, that shall in-
 9 clude:

- 10 1) Ensuring appropriation compliance and providing transparency with
 11 the appropriation remaining in the Cooperative Welfare Fund; and
- 12 2) Providing the department's solution to handling accounting
 13 transactions in the coming years, which may include:
 - 14 a) Replacing the current software system;
 - 15 b) Working with the Office of the State Controller to use the new
 16 accounting system, when developed;
- 17 3) Identifying the steps and projected costs that would need to occur
 18 if the Legislature was to appropriate by a specific fund source,
 19 rather than the Cooperative Welfare Fund for a program or programs.

20 SECTION 10. EMPLOYEE COMPENSATION. It is the intent of the Legisla-
 21 ture, working cooperatively with the Governor's Office, the Division of
 22 Human Resources, and the Division of Financial Management, to progress to-
 23 ward the goal of funding a competitive salary and benefit package that will
 24 attract qualified applicants, retain employees committed to public service
 25 excellence, motivate employees to maintain high standards of productivity,
 26 and reward employees for outstanding performance by:

- 27 1) Adjusting the compensation schedule upwards by 1% to move the salary
 28 structure toward market; and
- 29 2) Continuing the job classifications that are currently on payline
 30 exception to address specific recruitment or retention issues; and
- 31 3) Funding an ongoing 1% salary increase for state employees, and funding
 32 the equivalent of a one-time 1% bonus for state employees, based upon
 33 employee merit, with flexibility in distribution as determined by
 34 the agency directors.

35 The Legislature also finds that investing in state employee compensa-
 36 tion should remain a high priority even in tough economic times, and there-
 37 fore strongly encourages agency directors, institution executives and the
 38 Division of Financial Management to approve the use of salary savings to pro-
 39 vide either one-time or ongoing merit increases for deserving employees and
 40 also to target employees who are below policy compensation. Such salary sav-
 41 ings could result from turnover and attrition, or be the result of innova-
 42 tion and reorganization efforts that create savings. Such savings should be
 43 reinvested in employees. Agencies are cautioned to use one-time funding for
 44 one-time payments and ongoing funding for permanent pay increases.