

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 17, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT/ EXCUSED: Bolz

STAFF PRESENT: Tatro, Hoskins, Lockett, Burns

CONVENED: Senator Cameron convened the meeting at 8:00 a.m.

OFFICE OF THE GOVERNOR PRESENTATION: **IDAHO COMMISSION ON AGING (ICOA)**
Sam Haws, Administrator

To view the presentation, please click on the following link [Commission on Aging](#)

Ms. Haws introduced members of her staff. The Commission's mission is to provide services and programs that assist elders and persons with disabilities to remain in their homes for as long as possible. The Commission coordinates, funds, and monitors a wide array of programs and services which are implemented through contracts with six Area Agencies on Aging (AAAs) throughout the Idaho. The most needed services to keep elders in their homes are nutrition, supportive services, transportation, and elder rights and LTC ombudsman. Expenditures by category of service, number of clients served, categories of service, and ombudsman services for FY 2013 were reviewed. The Governor's FY 2015 budget recommendation totals \$12,935,300.00 with 14.35 FTP. A chart showing the estimated FY 2015 funding distribution to the six area agencies was explained.

SELF-GOVERNING AGENCY PRESENTATION: **COMMISSION ON HISPANIC AFFAIRS**
Margie Gonzalez, Executive Director

To view the presentation, please click on the following link [Commission on Hispanic Affairs](#)

Ms. Gonzalez gave a brief overview of the agency stating that it was established in 1987 as an independent entity of state government. The Commission's core functions are to advise the three branches of government and state agencies on matters affecting the Hispanic population in Idaho, and to serve as a liaison between community and government agencies to improve the quality of life for the Hispanics. The Hispanic community is the largest minority group in Idaho with a population of 185,159 which is 11.6% of the total population in 2012. From 2000 to 2012 Hispanic population increased by more than 83,469 or 83%; 40% of the total population in 2012 were 19 years of age or younger. Additional statistics showed the 15 Idaho counties with the most Hispanics, enrollment in K-12 public schools, and the top 10 school districts with the highest percentage of Hispanic students. The key issues for Hispanics were identified as education (the highest priority), health and human services, business and economic/workforce, and public policy.

Ms. Gonzalez discussed some special studies/reports conducted recently. Commission accomplishments included a partnership with the Department of Education to address substance abuse prevention and to reduce dropout rates, collaboration with the State Board of Education and the Department of Education to increase enrollment of Hispanics in Higher Education, and hosting an at-risk youth summit involving over 350 students. The economic influence of Hispanics continues to increase. The Governor's FY 2015 recommended budget for the Commission on Hispanic Affairs totals \$240,600, a 1.9% increase, with 3 FTP.

**OFFICE OF THE
GOVERNOR:
PRESENTATION:**

**IDAHO COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED (ICBVI)
Angela Jones, Administrator**

To view the Commission's presentation, please click on the following link
[Commission for the Blind and Visually Impaired](#)

The goal of the Commission is to provide direct service training to eligible blind and visually impaired individuals in order for them to achieve social and economic independence by providing vocational and other rehabilitative services. The main office is located in Boise with regional offices in Coeur d'Alene, Lewiston, Twin Falls, Pocatello and Idaho Falls. People are considered legally blind when their vision is 20/200 best corrected; however, 82% of the blind cannot be recognized as being blind because they have some useful vision. Only 2% have total vision loss.

ICBVI administers the following programs: Vocational Rehabilitation, Independent Living, Older Blind, Business Enterprise Program Assessment and Training Center, Summer Work Experience Program and Sight Restoration services, a store and a low-vision clinic. The total number of clients served in the Vocational Blind Rehabilitation program in 2013 was 496. The cost per rehabilitation in Idaho is \$5,839 which is 37% less than the national average. The Governor's FY 2015 recommended budget is \$4,526,200, an increase of 0.4%, with 39.12 FTP.

Ms. Jones gave the following updates: 1) the Commission's management audits for 2010-12 had no findings and is currently undergoing its single audit, 2) the annual RSA 722 Report on Client Appeals has been zero for the past 8 years, 3) The student training kitchen was remodeled, 4) an Independent Living Program survey was completed with blind clients age 55 and older where the overall satisfaction with services had an average rating of 5 out of a possible 5.

**STATE BOARD
OF EDUCATION
PRESENTATION:**

**DIVISION OF VOCATIONAL REHABILITATION (IDVR)
Jane Donnellan, Acting Director**

To view the presentation, please click on the following link [Vocational Rehabilitation](#)

IDVR works on behalf of people with disabilities to improve the quality of vocational rehabilitation services provided to Idaho residents. The goal is to prepare individuals with disabilities for employment and community enrichment. The Division operates three programs: Vocational Rehabilitation Services, Extended Employment Services (EES), and the Council for the Deaf and Hard of Hearing (CDHH). IDVR works in concert with the State Rehabilitation Council whose members represent various groups interested in the Division's services including disability advocacy groups, workforce development entities, community rehabilitation providers, rehabilitation counselors and others.

Vocational Rehabilitation met or exceeded all required federal performance measures. After receiving IDVR services, there was an enormous increase (449%) in customer wages. There was also collaborative training with staff from the State Department of Education and the Idaho Commission for the Blind and Visually Impaired. Accomplishments in the Extended Employment Services (EES) were: increased customer participation in competitive employment placements by 6.5% over the previous fiscal year, customers were better served by the 3% increase in the provider reimbursement rate and there was an increased ability to serve a higher number of customers with significant disabilities and functional limitations. Accomplishments for the Council for the Deaf and Hard of Hearing (CDHH) included: 1) establishing a deaf/blind equipment distribution program funded through the FCC, 2) coordinating the installation and replacement of three updated public access videophones in Idaho for those using sign language, 3) helping draft Idaho Court Administrative Rules regarding the use of sign language interpreters, 4) sponsoring activities for Idaho's deaf and hard of hearing population, 5) presenting a Distinguished Business award to Con-Agra Foods in Twin Falls, Idaho for the company's support of deaf individuals and a Distinguished Agency award to the Meridian Fire Department for providing smoke/fire alarms to deaf and hard of hearing individuals in the Treasure Valley, and 6) sponsoring the first Deaf Awareness Day for deaf and hard of hearing individuals throughout the state to discuss issues of importance to them.

Last year the State Renal Program was eliminated by Senate Bill 1326 based on an Office of Performance Evaluation audit. Referral resources were provided to those participants phased out of the program. IDVR maximizes resources by partnering with school districts, the Department of Correction, the Department of Juvenile Corrections and the Department of Health and Welfare. Various agreements with these partners help IDVR to bridge the gap from state funding to capture more federal grant money; the match is 21.3% of the total program. In FY 2013 Social Security reimbursements amounted to \$646,200 which was a 20% increase from FY 2012 reimbursements.

Recruitment and retention of qualified counselors continues to be a major agency concern. There is also increased demand for Extended Employment Services. The Governor's FY 2015 recommended budget totals \$23,780,700 which is a 2.8% increase.

**CEC COMMITTEE CHANGE IN EMPLOYEE COMPENSATION RECOMMENDATION
RECOMMENDATION: Joint Change in Employee Compensation Committee**

To view the letter submitted by the Joint Change in Employee Compensation Committee to members of the Sixty-Second Idaho Legislature, Second Regular Session, please click on the following link. [CEC Committee Final Report.](#)

Senator Tippetts, gave some background information on the Committee's deliberations explaining that they received reports on the statutory requirements of the State's compensation system, reports on the group health plan and retirement system, as well as reports from the Division of Human Resources, the Office of Performance Evaluations and the Hay Group. He also explained that the goal is to fund a competitive salary and benefit package that will attract qualified applicants, retain employees, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance.

Rep. Anderson shared the following information wherein the CEC Committee requested the Joint Finance-Appropriations Committee consider the following measures: 1) funding of approximately \$99,000 from the General Fund to adjust the compensation schedule upwards by one percent, as recommended in the FY 2014 report from the Division of Human Resources (DHR), 2) continue job classifications that are currently on payline exception to address specific recruitment/retention issues, 3) funding of approximately \$5.5 million from the General Fund for an ongoing one percent salary increase for state employees, and one-time funding of an additional \$5.5 million from the General Fund for the equivalent of a one percent bonus for state employees in FY 2015, and funding of approximately \$12.7 million from the General Fund to pay for the employer-provided share of the increased cost of health benefits recommended by the Governor and to maintain the current employee benefit package.

Rep. Hartgen commented that as the CEC Committee looked at data from the State Controller's Office showing that a large number of employees had not had much of a change over the past four or five years, and with an improving economy, it seemed appropriate to make this recommendation.

Senator Tippetts concluded his remarks by explaining the other five recommendations of the CEC Committee: 1) requested that JFAC appropriate to agencies funded from non-General Fund money in as nearly as possible the same manner as agencies funded by the General Fund, 2) investing in state employee compensation should remain a high priority and encouraged agency directors, institution executives and the Division of Financial Management (DFM) to approve the use of salary savings to provide either one-time or ongoing merit increases to deserving employees, and target employees who are below policy compensation; agencies are cautioned to use one-time funding for one-time payments and ongoing funding for permanent pay increases, 3) DHR and DFM should ensure that agency and institution compensation policies are managed consistent with the policies set forth in the January 10, 2014 letter, 4) appropriation measures to fund nonclassified employees should be prepared in as nearly as possible the same manner as for classified employees, and finally, 5) the Joint CEC Committee should reconvene during the 2015 legislative session.

MOTION:

Moved by Bell, seconded by Keough, that the Joint Finance-Appropriations Committee accept the report of the Joint Change in Employee Compensation Committee dated January 10, 2014. The motion carried by **unanimous voice vote**.

PASSED THE GAVEL:

Chairman Cameron passed the gavel to Co-Chair Bell.

**DEPT. OF
CORRECTION
PRESENTATION**

**IDAHO DEPARTMENT OF CORRECTION (IDOC)
Brent Reinke, Director and Kevin Kempf, Deputy Director**

To view a copy of the presentation, please click on the following link [ICC Transition to State Operation](#)

Mr. Reinke thanked the Committee for the opportunity to present the Governor's recommended FY 14 Supplemental appropriation request to transition the management of the state-owned Idaho Correctional Center (ICC) from a privately-operated facility to a state-operated facility. Mr. Reinke said the Board of Correction selected Kevin Kempf, Deputy Director, to be the ICC Transition Team Leader for this operational change of the ICC into State hands.

Mr. Kempf, said the project mission is to conduct a seamless transition in management at the Idaho Correctional Center while maintaining the integrity of the IDOC system. He introduced Jeff Zmuda, who will be the Incident Commander in charge of the project. Mr. Zmuda has been with IDOC for 26 years and the Department has confidence in his ability to manage the transition. The process to be used is known as the Incident Command Structure (ICS), a system used worldwide and very familiar to IDOC. The transition will shift 2,060 beds which is 25% of the overall prison's population, from contract to state management. The transition team has several sections and each team has several members. It is anticipated that 65% of the current Correction Corporation of America (CCA) correctional officers will be retained; however, IDOC will still need to hire additional officers as well as other personnel. The Governor's recommended supplemental for the transition totals \$1,931,200 and adds 90 FTP. The supplemental will be voted on at the JFAC meeting on Monday, January 20, 2014.

ADJOURNED: Chairman Bell adjourned the meeting at 10:08 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary