

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, March 02, 2015
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Cameron, Keough, Mortimer, Bair, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Burtenshaw, Horman, Malek, Monks, King, Gannon
ABSENT/EXCUSED: None
CONVENED: Senator Cameron convened the meeting at 8:00 A.M.
STAFF PRESENT: Tatro, Lockett, Bybee

BUDGET SETTING: **SETTING FY 2016 APPROPRIATIONS**

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER: **Jared Tatro, Principal Budget and Policy Analyst, Legislative Services Office**

Medical Assistance Services (Medicaid)

MOTIONS: **Original Motion**

Moved by Schmidt, seconded by Malek, to approve for introduction \$502,684,900 General Funds, \$269,519,100 Dedicated Funds, \$1,331,297,600 Federal Funds for a total of \$2,103,501,600 with FTP of 208.00

FAILED: **Substitute Motion**

Moved by Nuxoll, seconded by Mortimer, to approve for introduction \$501,814,900 General Funds, \$269,519,100 Dedicated Funds, \$1,331,297,600 Federal Funds for a total of \$2,102,631,600 with FTP of 208.00

Ayes: 3

Bair, Mortimer, Nuxoll

Nays: 17

Cameron, Keough, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Ab/Ex: 0

**ORIGINAL
MOTION
CARRIED:**

Ayes: 18

Cameron, Keough, Bair, Johnson, Thayne, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 2

Mortimer, Nuxoll

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**LEGISLATIVE
INTENT:**

Legislative Intent Language (Department-wide language)

GENERAL FUND TRANSFERS. As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provisions of Section 67–3511, Idaho Code, funds budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense class during fiscal year 2016.

PROGRAM INTEGRITY. Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that the Department of Health and Welfare shall be required to provide those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

**UNANIMOUS
CONSENT:**

On request by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

**LEGISLATIVE
INTENT:**

Legislative Intent Language

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medicaid Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Services Office and the Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for the trustee and benefit payments expenditure class in the Medicaid Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced

Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration and Medical Management Program, but shall not be transferred to any other budgeted programs or expenditure class within the Department of Health and Welfare during fiscal year 2016.

MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division shall provide reports biannually to the Legislative Services Office and the Division of Financial Management, on progress in integrating managed care approaches into the state Medicaid system. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than December 31, 2015 and the second report shall be submitted no later than June 30, 2016.

**UNANIMOUS
CONSENT:**

On request by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

**LEGISLATIVE
INTENT:**

Legislative Intent Language

REPORT ON FLEXIBLE RECEIPT AUTHORITY. The Medicaid Division shall provide a report annually, at time of budget submission, to the Legislative Services Office and the Division of Financial Management that describes the need for having additional dedicated receipt authority built into the budget. The additional dedicated fund appropriation is not to be considered when calculating the estimated need for ongoing Medicaid costs, but rather to be held in reserve and used in lieu of General Funds when noncognizable receipts are received by the department.

**UNANIMOUS
CONSENT:**

Unanimous Consent Request

On request by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

CARRIED:

Division of Welfare

Original Motion

Moved by Malek, seconded by Schmidt, to approve for introduction \$39,455,500 General Funds, \$8,241,500 Dedicated Funds, \$101,848,500 Federal Funds for a total of \$149,545,500 with FTP of 634.55

Ayes: 16

Cameron, Keough, Bair, Johnson, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Burtenshaw, King, Gannon

Nays: 4

Mortimer, Nuxoll, Thayn, Monks

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**LEGISLATIVE
INTENT**

Legislative Intent Language

ACTUAL AND FORECAST DETAIL REPORTING. The Division of Welfare shall deliver the Self-Reliance Programs Forecast biannually to the Legislative Services Office and Division of Financial Management. The report shall include monthly caseload details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Advanced Premium Tax Credit (APTC), Aid to the Aged, Blind and Disabled, Food Stamps, and Child Support programs. The Self-Reliance Programs Forecast shall also include expenditure details for all of the named programs with the exception of Medicaid. The format of the report, and any additional information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management. The first report shall be submitted no later than December 31, 2015 and the second report shall be submitted no later than June 30, 2016.

**UNANIMOUS
CONSENT**

On request by Malek, granted by unanimous consent, the legislative intent language shown above was accepted.

OFFICE OF THE GOVERNOR

Commission on Aging

PRESENTER:

Jared Tatro, Principal Budget and Policy Analyst, Legislative Services Office

CARRIED:

Original Motion

Moved by Lacey, seconded by Gibbs, to approve for introduction \$4,494,700 General Funds, \$0 Dedicated Funds, \$7,997,700 Federal Funds for a total of \$12,492,400 with FTP of 13.00

Ayes: 18

Cameron, Keough, Bair, Mortimer, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King

Nays: 1

Nuxoll

Ab/Ex: 1

Gannon

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**LEGISLATIVE
INTENT:**

Legislative Intent Language

MANAGEMENT REVIEW. As provided for in Idaho Code Section 67–702(c) the Audit Division of the Legislative Services Office will perform a management review of the Idaho Commission on Aging for state fiscal years 2014 and 2015. The review should evaluate compliance with budget laws and proper accounting procedures. This work can be done in coordination with work related to the Single Audit. In addition, the review will include an analysis of revenues and expenditures associated with the operations and management of the region 3 local planning and service area. Further, this review should evaluate the funding distribution formula used by the state to distribute state and federal funds received and identify the (1) potential impact of changing the funding formula; and (2) steps that would need to be taken to change the formula. At the discretion of the Audit Division the review of region 3 should be compared to other local planning and service areas in Idaho for compliance, consistency, and conformity to state and federal laws.

**UNANIMOUS
CONSENT:**

On request by Lacey, granted by unanimous consent, the legislative intent language shown above was accepted.

STATE TREASURER

Millennium Fund

PRESENTER

Jared Tatro, Principal Budget and Policy Analyst, Legislative Services Office

CARRIED:

Original Motion

Moved by Johnson, seconded by Youngblood, to approve for introduction \$0 General Funds, \$10,561,600 Dedicated Funds, \$0 Federal Funds for a total of \$10,561,600 with FTP of 0.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**LEGISLATIVE
INTENT:**

Legislative Intent Language

Notwithstanding any other provision of law to the contrary, on June 30, 2016, or as soon thereafter as is practicable, any remaining unexpended and unencumbered balance of moneys appropriated in this act shall be reverted to the Idaho Millennium Income Fund.

Notwithstanding any other provision of law to the contrary, on June 30, 2016, or as soon thereafter as is practicable, the State Controller, at the request of the State Treasurer, shall transfer any remaining unexpended and unencumbered balance of moneys in the Idaho Millennium Income Fund to the Idaho Millennium Permanent Endowment Fund.

**UNANIMOUS
CONSENT:**

On request by Johnson, granted by unanimous consent, the legislative intent language shown above was accepted.

SELF-GOVERNING AGENCIES

Commission for Libraries

PRESENTER:

Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office

MOTIONS:

Original Motion

Moved by King, seconded by Gannon, to approve for introduction \$3,683,400 General Funds, \$70,000 Dedicated Funds, \$1,607,700 Federal Funds for a total of \$5,361,100 with FTP of 37.50

CARRIED:

Substitute Motion

Moved by Gibbs, seconded by Lacey, to approve for introduction \$3,583,400 General Funds, \$70,000 Dedicated Funds, \$1,607,700 Federal Funds for a total of \$5,261,100 with FTP of 37.50

Ayes: 19

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, Gannon

Nays: 1

King

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

STATE CONTROLLER

PRESENTER: **Robyn Lockett, Principal Budget and Policy Analyst, Legislative Services Office**

CARRIED: **Original Motion**

Moved by Monks, seconded by Keough, to approve for introduction \$6,959,700 General Funds, \$7,504,500 Dedicated Funds, \$0 Federal Funds for a total of \$14,464,200 with FTP of 95.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

LEGISLATIVE INTENT:

Legislative Intent Language

SECTION _____. The moneys assessed by the Division of Financial Management in accordance with Section 67-3531, Idaho Code, for State Controller services shall be placed in the Indirect Cost Recovery Fund. On June 30, 2016, the State Controller shall transfer the amount assessed in the statewide cost allocation plan from the Indirect Cost Recovery Fund to the state General Fund.

SECTION _____. NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the State Controller for the Computer Service Center program for fiscal year 2015 to be used for nonrecurring expenditures in that program for the period of July 1, 2015, through June 30, 2016.

UNANIMOUS CONSENT:

On request by Lacey, granted by unanimous consent, the legislative intent language shown above was accepted.

PUBLIC UTILITIES COMMISSION
STATE TAX COMMISSION
INDUSTRIAL COMMISSION

PRESENTER: **Keith Bybee, Principal Budget and Policy Analyst, Legislative Services Office**

RS23825

Commissioner Salary Increases for Appointed Officials

Keith Bybee introduced **RS23825** which authorizes and funds a three percent (3%) increase in the annual salary of each of the Public Utilities Commissioners, State Tax Commissioners, and Industrial Commissioners effective July , 2015. The salary of each of the three Tax Commissioners is raised to \$97,799 from \$94,950; the salary of each of the four Tax Commissioners is raised to \$90,669 from \$88,028, and the salary of each of the three Industrial Commissioners is raised to \$95,193 from \$92,420. This legislation provides a total of \$33,300 for ongoing salary increases.

CARRIED:

Original Motion Bell moved to print RS23825; Keough seconded the motion.

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion passed to print **RS23825**.

Funding for Salary Increases for Appointed Officials

The following motion provides the statutory changes to increase commissioner salaries 3% ongoing beginning July 1, 2015. Additionally, this legislation appropriates the necessary funding to the agencies by moving \$10,100 from the General Fund and \$23,200 from dedicated funds for a total of \$33,300.

CARRIED:

Original Motion

Moved by Keough, seconded by Youngblood, to approve for introduction \$10,100 General Funds, \$23,200 Dedicated Funds, \$0 Federal Funds for a total of \$33,300 with FTP of 0.00

Ayes: 20

Cameron, Keough, Bair, Mortimer, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and

without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

ADJOURNED: There being no further business, Chairman Cameron adjourned the meeting at 8:55 A.M.

Senator Cameron
Chair

Peggy Moyer
Secretary