

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 22, 2016
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/EXCUSED: None
CONVENED: Chairman Keough convened the meeting at 8:00 A.M.
STAFF PRESENT: Tatro, Burns
PRESENTATION: **SELF-GOVERNING AGENCIES**
Division of Veterans Services
PRESENTER: **Col. David E. Brasuell, Division Administrator**

To view this presentation, please click on the following link: [Division of Veterans Services](#)

The Division's mission is caring for America's heroes and providing superior advocacy, excellent assistance with benefits and education, high quality long-term care, and respectful interment services in a dignified final resting place. A five-member Veterans Affairs Commission provides guidance and assists in promoting Division activities. There are three long-term care facilities in Boise, Pocatello, and Lewiston and a Veterans Cemetery in Boise. The Division serves as the state approving agency and is responsible for reviewing, approving and auditing veterans' education benefits through the Post-9-11 GI Bill program. Federal regulatory requirements continue to increase personnel and operating costs which have dramatically increased scrutiny of the criminal history process and will require reporting detailed employee and contractor staffing hours to the Centers for Medicare and Medicaid Services (CMS).

Brasuell commented that it is challenging to serve over 132,000 Idaho veterans spanning four generations across five major wars. The Office of Veterans Affairs (OVA) assists in bringing millions of dollars to Idaho each year which makes a significant contribution to Idaho's economy. Last year over \$746 million in benefits came into Idaho and about \$84 million moved directly through the Veterans Services Boise office. For every dollar the Division spends of state general funds, Idaho gains a return on investment of over \$85 million. The number of veterans is declining, however, the number of those seeking care and benefits is increasing. As a result the workload has risen dramatically due to the number of claims filed.

Improving and expanding outreach efforts continues to be of major importance. A satellite OVA office was opened in Twin Falls in July, 2015 which allows Magic Valley veterans and their families to access services closer to home. The Division continues to partner with the Idaho Suicide Hotline and the Veterans' Courts (which are modeled on drug and mental health courts) and the Idaho Veterans Service-members & Families Coordination Council. The Council collaborates in the MyVA Communities with the goal of bringing together service providers from government and nonprofit sectors to address veteran issues in local communities. There is continued emphasis on education, on-the-job (OJT) training, and apprenticeship programs. One significant challenge is to work with the continued steady decline in federal funding for the Veterans Education Program. The Division continues to encourage increased funding for the Idaho National Guard's Tuition Assistance Program.

Residents of long-term care facilities enjoy care, fellowship, involvement and support from volunteers and caring communities. The occupancy rate averages about 90% in the three veterans homes. The two top recommendations from a 2014 needs assessment study indicated 1) the need to increase and upgrade the capacity at the facility in the Treasure Valley, and 2) to construct a 4th veterans home in northern Idaho due to current and projected bed shortage. The Post Falls community and leaders have expressed considerable interest in hosting this fourth home. It could take between 5 and 10 years before funding will be granted by the VA. To date over 5,900 veterans, spouses and eligible dependents have been interred at the Veterans Cemetery in Boise. The Division would like to have a second cemetery in eastern Idaho.

Brasuell discussed staffing needs, especially for nurses, low pay and salary inequities and the challenge to retain meritorious employees. He expressed gratitude for the 3% CEC; his office has experienced a significant turnover rate in the past three fiscal years. He discussed the following budget recommendations: 1) adding two new staff positions for \$84,600, 2) hiring a project manager to oversee grant application, construction planning, and initial startup for a 4th veterans home and a second cemetery, 3) \$167,800 to purchase capital outlay items, and \$345,000 in dedicated funds for the Veterans Recognition Fund. There were no audit findings with the last Legislative audit.

PRESENTATION:

OFFICE OF THE GOVERNOR
Office of Drug Policy (ODP)

PRESENTER:

Elisha Figueroa, Administrator

To view the presentation, please click on the following link: [Office of Drug Policy](#)

The Office of Drug Policy (ODP) leads Idaho's substance abuse policy and prevention efforts by developing and implementing strategic action plans and collaborative partnerships to reduce drug use and related crime, thereby improving the health and safety of all Idahoans. The office has six full-time employees.

During the past year, ODP has accomplished several notable goals: 1) worked with the Legislature to address prescription drug abuse, specifically to allow easier access to Naloxone, 2) redesigned the “Be The Parents” campaign that advocates that parents be aware, be engaged, and be the parents to reduce underage drinking (which resulted in a national outstanding state award), and 3) began management of the prevention portion of the Federal Substance Abuse Grant (SABG) beginning July 1, 2015.

The SAPT block grant is for \$1.8 million a year and funds 47 providers statewide who delivered 785 programs to 19,582 Idahoans. The grant funds evidence-based direct services with a smaller portion of the money going to community-based coalitions for environmental strategies; it also funds the dissemination of prevention-related materials and resources. The second federal grant the ODP administers is the Strategic Prevention Framework (SPF) that was awarded in August, 2013. The grant provides Idaho with \$1.5 million per year for five years and funds 17 community-based organizations and three law enforcement agencies throughout Idaho to deliver environmental strategies. ODP has formed an advisory council to guide its efforts in implementing the Strategic Prevention Framework in Idaho. ODP’s mission is to reduce drug use and related crime thereby improving the health and safety of all Idahoans and data is showing positive movement. Working collaboratively, Idaho has reduced the non-medical use of prescription pain relievers and underage drinking.

Figuroa discussed the following FY 17 budget recommendations which total \$4,660,600: 1) requested spending authority for private donations made for marijuana education (dedicated funds), 2) requested spending authority for federal prevention block grants, and 3)requested spending authority for the SPF grant funds.

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

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

To view the presentation, please click on the following link: [Medical Boards](#)

The Division of Medical Boards includes five boards that regulate various medically-related professions in Idaho, they are: 1) Board of Dentistry, FY 2017 budget request for \$611,400, Susan Miller, Executive Director; 2) Board of Medicine, FY 2017 budget request for \$1,856,500, Anne Lawler, Executive Director; 3) Board of Nursing, FY 2017 budget request for \$5,521,100, Sandra Evans, Executive Director; 4) Board of Pharmacy, FY 2017 budget request for \$2,020,300, Alex Adams, Executive Director; and 5) Board of Veterinary Medicine, FY 2017 budget request for \$300,600, Jodie Ellis, Executive Director.

Regarding Legislative Audits, the Board of Medicine had one finding regarding the Board's cash balance that had grown in excess of their average annual expenditures; it was recommended that the Board complete an analysis of their operations and customer needs to develop a solution for reducing their cash balance to an appropriate level. The one audit finding for the Board of Nursing indicated the Board exceeded internal policies for operating cash needs by three times, with approximately two years' expenditures worth of cash on hand; an analysis by the Legislative Audits Division showed the Board's projected cash balance at the end of FY 2015 would be approximately 170% of their FY 2016 expenditure appropriation of \$1,372,900. In addition, there was an increase in receipts during even fiscal years and only a projected slight decrease in the odd years and it was not anticipated that the Board's cash balance would be reduced to a 12-month reserve over the next few years.

Commission on Hispanic Affairs

PRESENTER:

Margie Gonzalez, Executive Director

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

The Commission was established in 1987 as an independent entity of state government. The core functions include: 1) advising the Governor, legislature and state departments and agencies on statewide issues impacting Hispanics in Idaho, 2) serving as a liaison between the community and government entities to improve work-life quality, and 3) providing leadership, guidance, and advocacy concerning issues facing the Hispanic population in Idaho. The Commission is staffed with three full-time employees, has one office in Boise, and is overseen by a board of nine - 5 appointed by the Governor and 4 appointed from the Legislature.

Idaho has a growing Hispanic population. Hispanics are the largest minority group in Idaho representing 12.02% of the total population. The Commission conducts outreach to better assess issues affecting Hispanics by visiting communities with the highest concentration of Hispanics and providing opportunities for local people to get their questions about state government answered by Commission members. District 5 has the highest Hispanic population which includes Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls Counties.

Hispanic population growth has posed challenges in the following areas: education, healthcare, economics and in social areas such as voter registration and civic involvement. Hispanic students are the fastest-growing demographic group in the education system. Enrollment in public K-12 schools increased by 93% between 2000 and 2015. The Hispanic community has continued to make important contributions in business, professions, academics, politics, and culture. The Commission leverages public and private partners to strategically improve outcomes for Hispanics statewide. Accomplishments include decreasing dropout rates in public schools and the Hispanic Youth Leadership summit attended by 550 youth throughout Idaho. The Governor's FY 2017 recommendations total \$283,400.

FY 2016 SUPPLEMENTAL APPROPRIATIONS

SUPPLEMENTAL: **IDAHO STATE POLICE**
Division of Idaho State Police
Restore Byrne JAG/Idle Pool Loss

PRESENTER: **Richard Burns, Principal Analyst, Budget & Policy, Legislative Services Office**

A one-time supplemental is requested to provide for a \$16,398.48 cash transfer from the General Fund to the Federal Grant Fund to cover ISP's federal fund portion of the Office of the State Treasurer IDLE Pool portfolio loss distribution. The federal Office of Justice Programs (OJP) considers this loss distribution to be unallowable as a condition of receiving federal grant awards.

Each OJP federal grant award includes a special condition that states: "The recipient is required to establish a trust fund account (the trust fund may or may not be an interest-bearing account). The fund, including any interest, may not be used to pay debts or expenses incurred by other activities beyond the scope of the Edward Byrne Memorial Justice Assistance Grant Program (JAG). The recipient also agrees to obligate the grant funds in the trust fund (including any interest earned) during the period of the grant and expend within 90 days thereafter. Any unobligated or unexpended funds, including interest earned, must be returned to the Office of Justice Programs at the time of closeout." Recent OJP correspondence further states: "unless authorizing guidance was granted by the Bureau of Justice Assistance, federal funding is not pooled with investments mitigating potential/actual losses. Losses are unallowable."

UNANIMOUS CONSENT: On request by Youngblood, granted by unanimous consent, the FY 2016 budget for the Idaho State Police was reopened.

CARRIED: **Original Motion**
Fund Transfer

Moved by Youngblood, seconded by Mortimer, to approve for introduction a \$16,400 General Fund transfer to the Federal Grant Fund for FY 2016.

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Thayn

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 Keough.

SUPPLEMENTAL: **Division of Idaho State Police**
Patrol
Absorb Byrne JAG/IDLE Pool Loss

The agency requests, and the Governor recommends, a \$16,400 one-time General Fund operating rescission to offset the cost of the requested supplemental appropriation and transfer.

CARRIED: **Original Motion**
Rescission

Moved by Youngblood, seconded by Mortimer, to approve for introduction \$(16,400) General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$(16,400) with FTP of 0.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Thayn

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 Keough.

SUPPLEMENTAL: **OFFICE OF THE GOVERNOR**
Commission for the Blind and Visually Impaired
Program Income

PRESENTER: **Richard Burns, Principal Analyst, Budget & Policy, Legislative Services Office**

One-time funding is requested from the Rehabilitation Revenue and Refunds Fund. Receipts to this fund are based on clients being competitively employed and making substantial gainful activity for nine consecutive months out of twelve and who were Social Security recipients. Receipts are unpredictable, and vocational rehabilitation agencies are required to spend program income prior to drawing against federal grants.

UNANIMOUS CONSENT: On request by Youngblood, granted by unanimous consent, the FY 2016 budget for the Commission for the Blind and Visually was reopened.

CARRIED:

Original Motion

Moved by Youngblood, seconded by Mortimer, to approve for introduction \$0 General Funds, \$42,400 Dedicated Funds, \$0 Federal Funds for a total of \$42,400 with FTP of 0.00

Ayes: 19

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

Nays: 0

Ab/Ex: 1

Thayn

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 Keough.

SUPPLEMENTAL:

Commission for the Blind and Visually Impaired
Title I Federal Grant

Federal grants received by the commission as authorized by the Rehabilitation, Comprehensive Services and Developmental Disabilities Legislation (P.L. 88-164, P.L. 93-112, P.L. 93-516, P.L. 94-103, P.L. 94-230 and P.L. 95-602). The pertinent sections of this legislation are Title I: Vocational Rehabilitation Services, Title VI: Employment Opportunities for Individuals with Disabilities, and Title VII: Independent Living Services and Centers for Independent Living. The state matching requirements vary from program to program. Ongoing spending authority is requested for increased federal funds received under Title I. Additional General Fund match is not required.

CARRIED:

Original Motion

Moved by Youngblood, seconded by Mortimer, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$50,000 Federal Funds for a total of \$50,000 with FTP of 0.00

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Ayes: 19

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

Nays: 0

Ab/Ex: 1

Thayn

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 Keough.

ADJOURNED: Chairman Keough adjourned the meeting at 10:00 A.M.

Senator Keough
Chair

Peggy Moyer
Secretary