

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 20, 2017

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye

Representatives Co-chairman Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

ABSENT/EXCUSED: None

CONVENED: Senator Keough convened the meeting at 8:30 A.M.

AGENCY PRESENTATION: **SUPPLEMENTAL APPROPRIATIONS: CATASTROPHIC HEALTH CARE PROGRAM**

LSO STAFF PRESENTATION: **JARED TATRO:** The Catastrophic Health Care Program requests a rescission of \$4,945,100 to be transferred from the Catastrophic Health Care (CAT) Fund to the General Fund. The excess is the result of fewer claims than expected being processed by the CAT Board in FY 2016.

CONSENT On the request of Sen Bair; granted by unanimous consent to reopen the fiscal year 2017 budget for the Catastrophic Health Care Program.

CARRIED: ORIGINAL MOTION
Moved by Sen Bair, seconded Rep King, move to the Catastrophic Health Care Program a reduction of \$4,945,100, from the Catastrophic Health Care Cost Fund for fiscal year 2017, one-time.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE
INDIRECT SUPPORT SERVICES; ADDITIONAL ENHANCED
FEDERAL FUNDS**

LSO STAFF PRESENTATION: **JARED TATRO:** Since FY 2013, the department has been receiving an enhanced earned revenue rate (ERR) from the federal government for various IT projects, including the Medicaid Readiness Project. The enhanced funding for these projects has increased the federal share of costs to about 75%; traditional share is 50%. Throughout this time period the department has participated in several IT projects at an enhanced rate; once an enhanced funded project ended, another enhanced funded project would begin. Current correspondence with federal funders indicate that the enhanced funding will continue, but with fewer projects at the 75% rate.

CONSENT: On the request of Rep. King granted by unanimous consent to reopen fiscal year 2017 budget for the Department of Health and Welfare.

CARRIED: ORIGINAL MOTION
Moved by Rep. King, seconded Sen. Bair, move to the Department of Health and Welfare, for Indirect Support Services, an additional \$1,360,000 in personnel costs, from the Cooperative Welfare Federal Fund, for fiscal year 2017, ongoing.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

AGENCY PRESENTATION: **DIVISION OF MEDICAID: HOSPITAL COST SETTLEMENT**

LSO STAFF PRESENTATION: **JARED TATRO:** The department requests a rescission for savings related to hospital cost settlements. Hospital cost settlements are coming in \$21,200,000 lower than originally forecasted. Factors affecting the reduction in hospital costs include the implementation of ICD-10, the new diagnostic code reporting system; and improvements to third party billing recoveries.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Bair, seconded Rep. King, move to the Department of Health and Welfare, to the Division of Medicaid, to the Enhanced Medicaid Plan, a reduction of \$6,062,100 from the Cooperative Welfare General Fund and a reduction of \$15,136,900 from the Cooperative Welfare Federal Fund, all from trustee and benefit payments, for Fiscal Year 2017.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

**DIVISION OF MEDICAID: NON-EMERGENCY MEDICAL
TRANSPORTATION**

**LSO STAFF
PRESENTATION:**

JARED TATRO: Non-emergency medical transportation is an optional program for clients that need transportation to and from medical appointments. A new contract went into affect on July 1, 2016. The new contracted broker VEYO was awarded a \$70.4 million contract for three years, with no more than 20% of the award to be used for contract administration. VEYO submitted a per member per month bid of \$6.59, which is \$0.41 less than the prior contractor.

CARRIED:

ORIGINAL MOTION

Moved by Rep. Wintrow, seconded Sen. Mortimer, move to the Department of Health and Welfare, to the Division of Medicaid, a transfer from trustee and benefit payments in the Enhanced Medicaid Plan to operating expenditures in the Medicaid Administration and Medical Management Program, with \$100,000 from the Cooperative Welfare General Fund and \$100,000 from the Cooperative Welfare Federal Fund, for Fiscal Year 2017, ongoing. Further, this motion includes an ongoing reduction from the Enhanced Medicaid Plan of \$298,600 in trustee and benefit payments from the cooperative Welfare General Fund and an ongoing reduction of \$901,400 in trustee and benefit payments from the Cooperative Welfare Federal Fund, for Fiscal Year 2017, ongoing.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

CONSENT: On request by Rep. Wintrow, granted by unanimous consent, to accept the following intent language:
NON-EMERGENCY MEDICAL TRANSPORTATION. It is the intent of Legislature that of the moneys appropriated in Section 1 of this act, \$200,000 shall be used solely for purposes of improving the Non-Emergency Medical Transportation (NEMT) Program. This shall include, but is not limited to, the hiring of an outside entity to conduct an audit of the NEMT program and to develop and implement a training program that meets the needs of all provider types, the contracted broker, the Department of Health and Welfare, and most importantly the Idahoans that are participating in this program. The training program is to be developed in collaboration with relevant stakeholder groups. In addition, no later than June 30, 2017, the Department of Health and Welfare, Division of Medicaid shall provide to the Legislative Services Office and the division of Financial Management a report that includes details on the implementation of the audit, trainings, and any other steps that have been taken by the department to improve the NEMT Program. Any unexpended and unencumbered funds that have been appropriated for this purpose are to be reverted at the end of the fiscal year, or as soon thereafter as is practicable.

AGENCY PRESENTATION: PUBLIC HEALTH SERVICES: EXPANDED ACCESS PROGRAM

LSO STAFF PRESENTATION: **JARED TATRO:** The supplemental appropriation request for FY2017 adds 15 children to the current 25 children in the EAP at a requested amount of \$128,600 which includes \$3,500 for the enrollment procedures and \$5,000 for each child that receives a 12-week check-up. There is also \$1,100 included for administrative oversight and assistance. This pharmaceutical is not commercially available, but the department estimates that there could be FDA approval within the next one to two years. The Department has already started enrolling these children in the program and is therefore requesting a reimbursement from the General Fund to backfill the moneys already spent. [one-time]

CARRIED: ORIGINAL MOTION
Moved by Sen. Bair, seconded Rep. King, move to the Department of Health and Welfare, a transfer of \$128,600 from Indirect Support Services personnel costs, from the Cooperative Welfare General Fund, to the Physical Health Services Program in trustee and benefit payments, for fiscal year 2017, one-time.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

AGENCY PRESENTATION: **DIVISION OF WELFARE: AID TO THE AGED, BLIND, AND DISABLED**

LSO STAFF PRESENTATION: **JARED TATRO:** The Governor recommends an additional \$116,300 from the General Fund to cover a projected shortfall in the Aid to the Aged, Blind, and Disabled (AABD) Program. The (AABD) program provides cash payments to certain low-income participants who are blind, disabled, or over the age of 65. This program is paid for with 100% from the General Fund and in FY 2016 the expenditures were \$9,139,200 or 5.24% higher than in FY2015.

CARRIED: ORIGINAL MOTION
Moved by Rep. King, seconded Sen. Bair, move to the Department of Health and Welfare, a transfer of \$116,300 from Indirect Support Services personnel costs, from the Cooperative Welfare General Fund, to the Benefits Payments Program in trustee and benefit payments, for fiscal year 2017, ongoing.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

AGENCY PRESENTATION: **DEPARTMENT OF LABOR: AMERICORPS CAREER ADVISORS**

LSO STAFF PRESENTATION: **KEITH BYBEE:** This request includes \$18,000 ongoing in operating expenditures and \$62,000 ongoing in trustee and benefit payments from the Miscellaneous Revenue Fund for local cash to match a new Corporation for National and Community Service (CNCS) grant. The source of the funding is from local public schools from around the state. Each participating school will remit \$2,250 to the Idaho Department of Labor (IDOL) for the local matching requirement of the CNCS grant, and Career Information System (CIS) will pay the AmericCorps career advisor(s)

CONSENT: On the request of Sen. Mortimer, granted by unanimous consent, to reopen fiscal year 2017 budget for the Department of Labor.

CARRIED: ORIGINAL MOTION
Moved by Sen. Mortimer, seconded Sen. Souza, move the appropriation of \$80,000, from the Miscellaneous Revenue Fund ongoing to the Idaho Department of Labor for fiscal year 2017.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

AGENCY PRESENTATION: STATE BOARD OF EDUCATION: CAREER TECHNICAL EDUCATION ADDITIONAL CAREER AND TECH STUDENT ORGANIZATION MANAGERS

LSO STAFF PRESENTATION: JANET JESSUP: This supplemental request transfers \$303,900 ongoing from the General Fund to Personnel Cost from Trustee and Benefits within General Programs, a budgeted program of the Division for Career-Technical Education. This transfer is intended to enable the Division to transfer oversight of student organizations within the agency instead of continuing to contract this supervision to the University of Idaho.

CONSENT: On the request of Rep. King, granted by unanimous consent, to reopen fiscal year 2017 budget for the Division of Career-Technical Education.

CARRIED: ORIGINAL MOTION
Moved by Rep. King, seconded Sen. Mortimer, move a fiscal year 2017 supplemental appropriation to the Division of Career-Technical Education to transfer \$303,900, ongoing from the General Fund, to Personnel Cost from Trustee and Benefits in General Programs and the allocation of 4.00 FTP to serve as Student Organization Managers.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

CAREER-TECHNICAL EDUCATION: CTE TEACHER EDUCATION

**LSO STAFF
PRESENTATION:**

JANET JESSUP: This supplemental request transfers \$199,600 ongoing from the General Fund to Personnel Costs from Trustee and Benefits within General Programs, a budgeted program of the Division for Career-Technical Education. This transfer is intended to enable the Division to more efficiently deliver teacher training courses for professionals earning certification to be CTE instructors.

CARRIED:

ORIGINAL MOTION

Moved by Rep. King, seconded Sen. Mortimer, move a fiscal year 2017 supplemental appropriation to the Division of Career-Technical Education to transfer \$199,600, ongoing from the General Fund, to Personnel Cost from Trustee and Benefits in General Programs and the allocation of 2.00 FTP to oversee delivery of services.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

**CAREER-TECHNICAL EDUCATION: TRANSFER FUNDS TO STATE
LEADERSHIP**

**LSO STAFF
PRESENTATION:**

JANET JESSUP: This supplemental request transfers \$35,100 ongoing from the General Fund from Trustee and Benefits in Post-Secondary Programs to Personnel Cost in State Leadership and Technical Assistance, budgeted programs of the Division for Career-Technical Education. This transfer is intended to more accurately align work being done by personnel within the agency structure and programmatic structure.

CARRIED:

ORIGINAL MOTION

Moved by Rep. King, seconded Sen. Mortimer, move a fiscal year 2017 supplemental appropriation to the Division of Career-Technical Education to transfer \$35,100, ongoing from the General Fund, from Trustee and Benefits in General Programs to Personnel Cost in State Leadership and Technical Assistance.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

OFFICE OF THE GOVERNOR: COMMISSION FOR THE BLIND AND VISUALLY-IMPAIRED

**LSO STAFF
PRESENTATION:**

JANET JESSUP: This supplemental appropriation, in the amount of \$10,000 one-time from the Dedicated Fund (0288-00, Rehabilitation Revenue and Refunds), would be provided to the Commission for the Blind and Visually Impaired for the remainder of fiscal year 2017. The funding is intended to enable the Commission to spend reimbursements to the agency from the Social Security Administration and other state programs for rehabilitation services provided by the agency.

CONSENT:

On the request of Rep. Youngblood, granted by unanimous consent, to reopen fiscal year 2017 budget for the Commission for the Blind and Visually impaired.

CARRIED:

ORIGINAL MOTION

Moved by Rep. Youngblood, seconded Sen. Martin, move a fiscal year 2017 supplemental appropriation to the Commission for the Blind and Visually Impaired in the amount of \$10,000, one-time from the Dedicated Fund (0288-00, Rehabilitation Revenue and Refunds), to allow for spending of reimbursements by the agency.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

DEPARTMENT OF AGRICULTURE: QUAGGA MUSSELS

**LSO STAFF
PRESENTATION:**

RAY HOUSTON: Last season, the Idaho State Department of Agriculture implemented an expanded level of service for the invasive species watercraft inspection stations as directed by the Legislature. The expansion resulted in an increased presence throughout the state and also increased the hours that each station remained open. This expansion resulted in larger contracts for stations run by local districts and also increased costs for temporary staff to run the stations managed by the agency. This level of service cannot continue without additional resources.

CONSENT:

On the request of Rep. Bell, granted by unanimous consent, to reopen fiscal year 2017 budget for the Department of Agriculture.

CARRIED:

ORIGINAL MOTION

Moved by Rep. Bell, seconded Sen. Bair, move to the Department of Agriculture, for the Plant Industries Program, for fiscal year 2017, an additional \$75,000 in personnel costs, \$20,000 in operating expenditures, and \$615,000 in trustee and benefit payments for a total of \$710,000 from the General Fund; and an additional \$140,300 in personnel costs, \$14,600 in operating expenditures, \$1,600 in capital outlay, and \$143,500 in trustee and benefit payments for a total of \$300,000, from the Invasive Species Fund; for a grand total of \$1,010,000, one-time. The motion includes the addition of 3 positions.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

**DEPARTMENT OF ADMINISTRATION: INCREASED FIREWALL
CAPACITY**

**LSO STAFF
PRESENTATION:**

ROBYN LOCKETT: The Governor recommends increased firewall capacity. Cost Breakout: Firewall replacement system: \$515,000 one-time from the General Fund, of which \$245,000 is for operating expenditures and \$270,000 is for capital outlay. An ongoing increase to the annual maintenance costs from the Administration and Accounting Services Fund of \$30,000 is also requested. **REP. ANDERSON:** I am not planning to request that we reopen the fiscal year 2017 budget for the Department of Administration to consider this supplemental request at this time. I recognize the value of the request, but the timing is such that this item can be adequately addressed during consideration of the fiscal year 2018 budget without being problematic for the department.

**AGENCY
PRESENTATION:**

**DEPARTMENT OF ADMINISTRATION: CYBERSECURITY
PENETRATION TEST**

**LSO STAFF
PRESENTATION:**

ROBYN LOCKETT: The Governor recommends an annual cybersecurity penetration test. The request is for \$52,600, of which \$11,600 is one-time operating expenditures from the General Fund for software installation and configuration, and \$41,000 is ongoing operating expenditures from the Administration and Accounting Services Fund for the software licensing that will be billed to state agencies.
REP. ANDERSON: I am not planning to request that we reopen the fiscal year 2017 budget for the Department of Administration to consider this supplemental request at this time. I recognize the value of the request, but the timing is such that this item can be adequately addressed during consideration of the fiscal year 2018 budget without being problematic for the department.

**AGENCY
PRESENTATION:**

DIVISION OF BUILDING SAFETY: DAMAGE PREVENTION BOARD

**LSO STAFF
PRESENTATION:**

ROB SEPICH: The Governor recommends ongoing funding for the Damage Prevention Board in operating expenditures in support of H454 which passed last legislative session without a corresponding appropriation. The Damage Prevention Board was established to provide statewide education and enforcement of underground damage prevention statutes and prevent federal oversight through Idaho primacy. The Division of Building Safety determined it best to wait until the Damage Prevention Board could convene before requesting an appropriation, and after the initial meeting on September 8th, 2016, the board has settled on \$50,000. this request will allow the board to begin implementation of the Dig Line program in FY 2017.

CONSENT:

On the request of Rep. Horman, granted by unanimous consent, to reopen fiscal year 2017 budget for the Division of Building Safety.

CARRIED:

ORIGINAL MOTION
Moved by Rep. Horman, seconded Sen. Martin, move for the Division of Building Safety the ongoing appropriation of an additional \$50,000 in Operating Expenditures from the State Regulatory Fund for the Division to carry out Dig Line education in FY 2017.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

REGULATORY BOARDS: BOARD SALARY STIPEND

**LSO STAFF
PRESENTATION:**

ROB SEPICH: The Board of Professional Engineers and Land Surveyors requests a one-time supplemental appropriation of \$15,000 in personnel costs and \$50,000 in operating expenditures from the State Regulatory Fund for additional compensation to board members and legal fees incurred in unanticipated investigations and disciplinary hearings extending into FY 2017. These expenses were not foreseen when the budget was initially set, and the board requests additional appropriation to continue through the end of the year. This request will allow the board to carry out unanticipated disciplinary actions in FY 2017.

CONSENT:

On the request of Rep. King, granted by unanimous consent, to reopen the fiscal year 2017 budget for the Board of Professional Engineers and Land Surveyors.

CARRIED:

ORIGINAL MOTION

Moved by Rep. King, seconded Rep. Youngblood, move for the Board of Professional Engineers and Land Surveyors the appropriation of an additional \$15,000 in Personnel Costs and \$50,000 in Operating Expenditures from the State Regulatory Fund to carry out investigations and disciplinary hearings in FY 2017

AYES: 20

NAYS: 0

ABSENT/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 Keough.

**AGENCY
PRESENTATION:**

**REGULATORY BOARDS: APPROPRIATION FOR RECORDS
SPECIALIST**

**LSO STAFF
PRESENTATION:**

ROB SEPICH: The Bureau of Occupational Licenses requests an additional 1.00 FTP, \$11,900 in personnel costs, and \$1,400 in one-time capital outlay from the State Regulatory Fund to hire a technical records specialist pursuant S1318 from the 2016 Legislative Session. S1318 established oversight of Appraisal Management Companies (AMCs) through the Board of Real Estate Appraisers, and this position will have ongoing funding through dedicated funds raised in the licensure of AMCs. This request will fund the position through the end of FY 2017 as the specialist has an anticipated hire date of 4/01/2017. S1318 became law shortly before the close of the 2016 legislative session, so a trailer bill was not possible and the bureau requests a supplemental in the 2017 session.

CONSENT: On the request of Rep. Dixon, granted by unanimous consent, to reopen the fiscal year 2017 budget for the Bureau of Occupational Licenses.

CARRIED: ORIGINAL MOTION
Moved by Rep. Dixon, seconded Sen. Crabtree, move for the Bureau of Occupational Licenses the appropriation of an additional \$1,400 in one-time Operating Expenditures and 1.00 FTP with ongoing Personnel Costs of \$11,900 from the State Regulatory Fund for the Bureau to implement oversight of Appraisal Management Companies in FY 2017.

AYES: 20

NAYS: 0

ABSENT/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 Keough.

ADJOURNED: There being no further business, Senator Keough adjourned the meeting at 9:40 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary