

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 26, 2018

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

LSO STAFF PRESENT: Rob Sepich and Jill Randolph

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Bell** called the meeting to order at 8:00 a.m.

DEPARTMENT OF WATER RESOURCES

PRESENTER: **Gary Spackman, Director and Rob Sepich, Budget & Policy Analyst**

Director Spackman presented an overview of the duties of the Department of Water Resources. He stated the mission of the Department of Water Resources is to serve the citizens of Idaho, by insuring that water is conserved and is available for the sustainability of Idaho's economy and ecosystem and resulting in equal quality of life.

Rob Sepich reviewed the FY 2017 actual expenditures and the analysis of fund balances.

Director Spackman discussed the following two audit findings:

Finding #1 — A note receivable for \$2.9 million was not reported to the Office of the State Controller in the loans and notes receivable closing package

Finding #2 — Capital assets totaling \$4,385,000 were not properly recorded or reported to the Office of the State Controller.

DEPARTMENT OF AGRICULTURE

PRESENTER: **Celia Gould, Director and Rob Sepich, Budget & Policy Analyst**

Rob Sepich presented the FY 2017 actual expenditures and the analysis fund balances.

Director Gould spoke on the FY 2018 JFAC line items and the replacement items. There was a total of six budget requests for FY 2019, they are as follows:

1. Lab Quality Assurance Manager, request is for 1.00 FTP, \$84,300 in personnel costs, \$6,000 for operating expenditures, and \$2,200 in capital outlay for a total of \$92,500. This request is 50% general fund and 50% from dedicated funds.
2. Dairy Program Inspectors, request is for 2.00 FTP and a total of \$255,600 from dedicated Dairy Inspection Fees.
3. Marketing Personnel Costs, request is for \$26,000 from the dedicated Agricultural Inspection Fund.

4. Food Safety Grant, request is for 3.00 federally-funded FTP to comply with the Food and Drug Administration agreement.
5. Office Space at IFQAL, this department requests \$500,000 from the Administration.

WOLF DEPREDATION CONTROL BOARD

PRESENTER: Carl Rey, Member-at-Large and Rob Sepich, Budget & Policy Analyst

Carl Rey stated the Wolf Depredation Control Board was created in 2014 within the office of the Governor and the board is tasked through Idaho Code to manage funds for wolf depredation control in the state. The funds managed by the board are comprised of fees collected by the cattle and sheep industries, brand registrations, surcharge on the sale of wool, hunting and fishing licenses, sportsman fees, and the states general fund. Mr. Rey stated this is the fifth budget enhancement request and by statute after five years the boards authority is scheduled to sunset June 30, 2019. The Wolf Depredation Control Board is proposing new legislation that would repeal the sunset provision allowing the boards authority to continue.

Rob Sepich, Budget & Policy Analyst, stated this budget is a zero fund agency because the appropriation is transferring out cash, it does not have an original appropriation because it is a one-time reverted expenditure. Mr. Sepich reviewed the FY 2017 line items and the analysis of fund balances.

In response to committee questions, **Mr. Rey** stated the \$400,000 is spent on trappers, helicopters, and most of the cost is in investigations.

DIVISION OF VOCATIONAL REHABILITATION

PRESENTER: Jane Donnellan, Administrator and Jill Randolph, Budget and Policy Analyst

Administrator Donnellan gave an overview of the three programs under the Division of Vocational Rehabilitation, 1) Vocational Rehabilitation (VR), 2) Extended Employment Services (EES), and 3) Council for the Deaf and Hard of Hearing (CDHH).

Jill Randolph gave an overview of FY 2017 expenditures and fund balances.

Administrator Donnellan stated the one audit finding for FY 2016 has been corrected measures were taken and LSO has signed off and the audit finding will remain open until the single audit FY 2017.

Administrator Donnellan spoke on the FY 2018 line item, increased provider rates in the amount of \$214,300. She stated the additional amount of funding received was for the assistant of recruiting and obtaining the most qualified front line staff to support the individuals served.

Jill Randolph gave an overview of the two adjustments for FY 2018, 1) Inflationary Adjustments — was for office leases, which is a 3% increase over the FY 2019 base and 2) Replacement Items — \$54,000 in onetime capital outlay funds, of which \$12,600 would be from the general fund and \$41,400 would be from the Federal Grant fund.

Administrator Donnellan and Jill Randolph gave an overview of the FY 2019 request, 1) Community Outreach Coordinator, Council for the Deaf and Hard of Hearing. The request is for 1.00 FTP and \$82,600 from the general fund, of which \$78,600 would be ongoing personnel costs and operating expenditures and \$4,000 would be onetime capital outlay, 2) Social Security Reimbursement Coordinator, Vocational Rehabilitation. The request is for 1.00 FTP, \$57,200 in personnel costs, and \$2,700 in onetime capital outlay from the Rehabilitation Revenue and Refunds Fund. The Governor recommended the Social Security Reimbursement Coordinator.

COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

PRESENTER: Beth Cunningham, Administrator and Jill Randolph, Budget and Policy Analyst

Administrator Cunnigham stated the Commission for the Blind and Visually Impaired assists individuals who are blind or visually impaired achieve independence. The program helps with education, counseling, and guidance, blindness prevention, reading/taping, and related services, training and job identification.

Jill Randolph reviewed the FY 2017 expenditures and fund balances, noting there are six funds for this one budgeted program. She continued that there were six open audit findings, the first three are in the state wide audit report and are for the Vocational Rehabilitation Grants and the other three are in the management review audit. **Administrator Cunnigham** addressed the audit findings stating all have been corrected or have a corrective action plan and the audit findings will stay open until the next audit. The management audit covered the years 2013–2016.

Jill Randolph reviewed the FY 2018 line item, project coordinator. **Administrator Cunnigham** stated this person started full-time in October.

Jill Randolph reviewed the FY 2019 budget request. She stated that the Governor recommended replacement items in the amount of \$6,000 and the agency request for \$1.700 for ongoing from the general fund for IT/Telecommunications. This was recommended by the Governor.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 11:01 a.m.

Representative Bell
Chair

Donna Warnock
Secretary