

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 01, 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, Widmyer (Malek), Anderson, Dixon, King, Wintrow
ABSENT/ EXCUSED: None
LSO STAFF PRESENT: Maggie Smith, Jill Randolph
CONVENED: **Chairman Bell** called the meeting to order at 8:00 a.m.
CARRIED: Original Motion
Office of the Governor
Commission on Aging
Moved by **Wintrow**, seconded by **Lee**, for the Commission on Aging, beginning with the FY 2019 Base, a reduction of \$18,200 for benefit costs, an increase of \$11,400 for replacement items, an increase of \$2,600 for statewide cost allocation, and an increase of \$29,800 for change in employee compensation.
Also included are three line items. Line item #1 for \$50,000 for adult protection evaluation and program design. Line item #2 for \$3,800 for IT/telecommunications upgrades as recommended by the Office of the Chief Information Officer. Line item #3 for \$956,600 for an increase in area agencies on aging grants.
The totals for this motion for FY 2019 are 13.00 FTP, \$4,597,900 from the General Fund and \$8,996,500 from federal funds, for a grand total of \$13,594,400.
Ayes: 18
Keough, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Widmyer (Malek), Anderson, Dixon, King, Wintrow
Nays: 0
Ab/Ex: 2 Senator Bair and Representative Horman
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 Bell**.
DISCUSSION: **Representative Wintrow**, stated she had met with the director of the commission, and the director is planning on doing a study on the aging population in adult protection using the \$50,000.
Original Motion
Secretary of State

Moved by **Anderson**, seconded by **Youngblood**, for the Secretary of State, beginning with the FY 2019 Base, a reduction of \$40,700 for benefit costs, an increase of \$5,600 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the Secretary of State, and an increase of \$50,100 for change in employee compensation.

Also included are the following line items: \$208,000 for Business Entities IT Maintenance for Line Item #1; \$60,000 for Additional Online Services for Line Item #3; \$300,000 for Elections Costs for Line Item #6; and \$7,600 for Conference Costs for the Commission on Uniform State Laws for Line Item #7. The totals for this motion for FY 2019 are 29.00 FTP, and \$3,763,800 from the General Fund.

DISCUSSION: **Representative Anderson** stated there was \$1,726,500 that was reappropriated, it was money allocated for a project that has not been completed, but should be done by the end of fiscal year 2018 and the money will be used at that point. He continued discussing the following line items: line item #1; business entities IT maintenance relates to the \$1,726,500 and to maintain it will cost \$208,000. Line item #2 for elections system upgrade, the idea was to install a system that would help provide security and convenience to the voters in regards to the elections. It is anticipated that the new system will cost approximately five million dollars for the first part and then there will be more general funds required next year. It will cost \$5,000,000 total, \$1.2 million requested this year, more general funds required next year. The \$250,000 requested in line item # 3, has been reduced \$60,000 by the governor's office, is for credit card expenses. Line item #4 is for a cybersecurity analyst, this was not chosen to be fund in this budget because there is an office of information technology in the governor's office that has been recently established and is in the stages of being consolidated and one of the goals is cybersecurity. Line item #5 is for a communications FTP which was not recommended by the governor or the committee. Line item #6 is for election costs, that is money that is expended every two years. Representative Anderson continued that line item #2 could be funded through the technology fund, that the committee has recently established, and the department could ask for a supplemental appropriation to get the funding.

Representative Miller, asked for clarification on the \$1.29 million. In response to committee question, **Representative Anderson** stated that the \$1.29 million dollars is for a new system and the intent of the Secretary of State's office is to issue an RFP for a new system, dealing with elections, and that would be done in the latter part of this year. He continued that the \$1.29 million is not what will be expended in the process but would be available to pay for the service when they get to that point.

Secretary of State **Lawrence Denney** stated that they need the \$1.29 million in place and in process to meet the 2020 deadline for the next presidential election. He continued that he doesn't feel they can go out for a RFP without a commitment of funds and asking for a supplemental is not a commitment of funds, so they would like the \$1.29 million up front, even though the money might not be spent in this fiscal year.

Co-chairman Keough asked for clarification from **Representative Miller** if the \$1.29 million would be taken out of the Technology Fund, he stated that is his understanding.

Substitute Motion

Moved by **Miller**, seconded by **Nye**, for the Secretary of State, beginning with the FY 2019 Base, a reduction of \$40,700 for benefit costs, an increase of \$5,600 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the Secretary of State, and an increase of \$50,100 for change in employee compensation.

Also included are the following line items: \$208,000 for Business Entities IT Maintenance for Line Item #1; \$60,000 for Additional Online Services, Line Item #2; \$1,290,000 for Elections System Upgrade Line Item #3; \$300,000 for Elections Costs for Line Item #6; and \$7,600 for Conference Costs for the Commission on Uniform State Laws for Line Item #7. The totals for this motion for FY 2019 are 29.00 FTP, \$3,763,800 in General Funds, dedicated fund of \$1,290,000 and total funds of \$5,053,800.

DISCUSSION: **Representative Miller** stated he felt the Secretary of State needs the \$1,290,000 to be able to move forward with the RFP.

Amended Substitute Motion

Moved by **Wintrow**, seconded by **King**, for the Secretary of State, beginning with the FY 2019 Base, a reduction of \$40,700 for benefit costs, an increase of \$5,600 for statewide cost allocation, an increase of \$1,000 for a salary annualization for the Secretary of State, and an increase of \$50,100 for change in employee compensation.

Also included are the following line items: \$208,000 for Business Entities IT Maintenance for Line Item #1; \$60,000 for Additional Online Services, Line Item #2; \$1,290,000 for Elections System Upgrade Line Item #3; \$300,000 for Elections Costs for Line Item #4; \$96,000 Cybersecurity Analyst for Line Item #6; and \$7,600 for Conference Costs for the Commission on Uniform State Laws for Line Item #7. The totals for this motion for FY 2019 are 30.00 FTP, \$3,860,00 in General Funds, dedicated fund of \$1,290,000 and total funds of \$5,150,00

DISCUSSION **Representative Wintrow** stated that in the future, if the Cybersecurity position is not needed then it would be reviewed.

Security of State **Lawrence Denney** responded to committee questions; the elections system they have now is approximately twelve years old and this new system would bring them up-to-date.

Representative Youngblood stated this is an example of why the technology fund was established, there is \$28,000,000 in that fund and they are having to make critical decisions.

FAILED: **Amended Substitute Motion**

Ayes: 6

Keough, Crabtree, Miller, King, Wintrow

Nays: 13

Martin, Bair, Mortimer, Souza, Lee Agenbroad, Bell, Youngblood, Horman, Widmyer, Burtenshaw, Anderson, Dixon

Ab/Ex: 1 — Senator Ward-Engelking

The majority having failed to vote in the affirmative, the motion has failed.

FAILED:

Substitute Motion

Ayes: 8

Keough, Bair, Lee, Nye, Miller, Dixon, King, Wintrow

Nays: 11

Martin, Mortimer, Souza, Agenbroad, Crabtree, Bell, Youngblood, Horman, Widmyer, Burtenshaw, Anderson

Ab/Ex: 1 — Senator Ward-Engelking

The majority having failed to vote in the affirmative, the motion has failed.

CARRIED:

Original Motion

Ayes: 18

Keough, Martin, Bair, Mortimer, Souza, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Horman, Widmyer, Burtenshaw, Anderson, Dixon, King, Wintrow

Nays: 0

Ab/Ex: 2 — Senator Lee and Senator Ward-Engelking

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 Bell**.

CARRIED:

Original Motion

Industrial Commission

Moved by **Wintrow**, seconded by **King**, for the Industrial Commission, beginning with the FY 2019 Base, a reduction of \$195,300 for benefit costs, an increase of \$123,200 for replacement items, an increase of \$16,900 for statewide cost allocation, and an increase of \$231,000 for change in employee compensation. Also included is one line item: \$11,100 as recommended for the CEC for Commissioners. The totals for this motion for FY 2019 are 138.25 FTP, \$15,981,100 from dedicated funds, and \$1,200,000 from federal funds for a grand total of \$17,181,100.

Ayes: 18

Keough, Mortimer, Martin, Souza, Bair, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Widmyer (Malek), Anderson, Dixon, King, Wintrow

Nays: 0

Ab/Ex: 2 Senator Lee and Senator Ward-Engelking

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 Bell**.

DISCUSSION:

Representative Wintrow stated Replacement items are requested for each of the four budgeted programs and include: computers, printers, and standard IT equipment; office furniture; and one vehicle. For statewide cost allocation, the \$3,000 difference between the agency request and the Governor's Recommendation is due to fees for Legislative Audits, which were billed after the budget submission deadline and as such were included in the Governor's Recommendation. The 3% CEC for the Commissioners was not requested by the agency, but was included in the Governor's Recommendation along with the 3% CEC for all state employees, and requires amending Section 72-503, Idaho Code, in which the Commissioners' salaries are set in statute. There is a second motion to follow.

**UNANIMOUS
CONSENT:**

On request by **Representative Wintrow**, granted by unanimous consent to introduce, as a separate section of the Industrial Commission's FY 2019 original appropriation bill, amendments to Section 72-503, Idaho Code, to increase the salaries of the Industrial Commissioners, with a do-pass recommendation.

INDUSTRIAL COMMISSION FOR FISCAL YEAR 2019 SECTION . That Section 72-503, Idaho Code, be, and the same is hereby amended to read as follows: 72-503. SALARY. Commencing July 1, 2017, the annual salary of each member of the industrial commission shall be one hundred four thousand twenty dollars (\$104,020). Industrial commissioner salaries shall be paid from sources set by the legislature. Each member of the industrial commission shall devote full time to the performance of his duties.

CARRIED:

Original Motion
Medical Boards

Moved by **King**, seconded by **Souza** for the Medical Boards, beginning with the FY 2019 Base, a reduction of \$67,600 for benefit costs, an increase of \$4,800 for inflationary adjustments, an increase of \$1,700 for replacement items, an increase of \$14,400 for statewide cost allocation, and an increase of \$88,100 for change in employee compensation. Also included are the following line items. For the Board of Medicine: \$10,000 for Cyber Insurance for a Contractor for Line Item #1; \$2,000 for Walls for the Front Desk Area for Line Item #4; and 1.00 FTP and \$84,300 for a Licensing Manager Position for Line Item #6. For the Board of Nursing: \$14,800 for IT/Telecommunications for Line Item #7. For the Board of Pharmacy: \$20,000 for Prescriber Report Cards for Line Item #8; and \$120,000 for a Contract with the Department of Health & Welfare. For the Board of Veterinary Medicine: \$105,000 for Online Licensing Software for Line Item #10. The totals for this motion for FY 2019 are 49.20 FTP, and \$6,466,800 from dedicated funds.

Ayes: 18

Keough, Mortimer, Martin, Souza, Bair, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Widmyer (Malek), Anderson, Dixon, King, Wintrow

Nays: 0

Ab/Ex: 2 Senator Lee and Senator Ward-Engelking

DISCUSSION:

Representative King stated there were a few added items and the licensing manager position is needed due to a 96% increased in physicians and 60% in physician assistants to be licensed.

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 Bell**.

CARRIED:

Original Motion
State Lottery

Moved by **Souza**, seconded by **Martin** for the State Lottery, beginning with the FY 2019 Base, a reduction of \$62,300 for benefit costs, an increase of \$40,600 for replacement items, a reduction of \$6,300 for statewide cost allocation, and an increase of \$83,100 for change in employee compensation. The totals for this motion for FY 2019 are 45.00 FTP and \$6,057,700 from dedicated funds.

Ayes: 17

Keough, Mortimer, Souza, Bair, Agenbroad, Crabtree, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Widmyer (Malek), Anderson, Dixon, King, Wintrow

Nays: 1 Senator Martin

Ab/Ex: 2 Senator Lee and Senator Ward-Engelking

**UNANIMOUS
CONSENT:**

On request by **Senator Souza**, granted by unanimous consent to include the legislative intent language, as shown, in the FY 2019 original appropriation bill for the State Lottery.

**INTENT
LANGUAGE:**

Intent Language for the Idaho State Lottery

SECTION _. LEGISLATIVE INTENT. It is the intent of the Legislature that amounts necessary to pay prizes, retailer commissions, advertising and promotional costs, and gaming supplier vendor fees based on sales shall be continuously appropriated to the Idaho State Lottery under the provisions of Section 67-7428, Idaho Code.

ADJOURN:

There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 8:55 a.m.

Representative Bell
Chair

Donna Warnock
Secretary