

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, March 05, 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

**ABSENT/
EXCUSED:** None

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

CARRIED: Original Motion
Department of Fish and Game

Moved by **Bair**, seconded by **Miller** for the Department of Fish and Game, beginning with the FY 2019 Base, a reduction of \$862,300 for benefit costs, an increase of \$4,600,100 for replacement items, an increase of \$25,100 for statewide cost allocation, and an increase of \$1,174,200 for change in employee compensation. Also included are line items 1 through 6 and 8 through 12 as recommended by the Governor. Line item 7 adds \$120,000 onetime for fish habitat rehabilitation. Line item 13 adds 4.00 FTP and \$2,235,000 to transfer operation of the Hagerman National Fish Hatchery from the US Fish and Wildlife Service. The totals for this motion for FY 2019 are 569.00 FTP, \$0 from the General Fund, \$61,298,500 from dedicated funds, and \$51,405,800 from federal funds for a grand total of \$112,704,300.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

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 Bell**.

CARRIED: Original Motion
Department of Environmental Quality

Moved by **Dixon**, seconded by **Burtenshaw**, for the Department of Environmental Quality, beginning with the FY 2019 Base, a reduction of \$535,700 for benefit costs, an increase of \$620,600 for replacement items, an increase of \$89,500 for Statewide Cost Allocation, and an increase of \$842,300 for change in employee compensation. Also included are the following line items: 4.00 FTP and a net increase of \$546,000 for the Idaho Pollutant Discharge Elimination System buildup. \$5,500,000 for the first of three annual payments from the Volkswagen Settlement. A net reduction of \$100,000 in federal funds and an object shift from operating expenditures to personnel costs to maintain a presence in the Kellogg area. \$1,500,000 from the Water Pollution Control Fund to be transferred to the Environmental Remediation Fund. The totals for this motion for FY 2019 are 386.00 FTP, \$20,411,700 from the General Fund, \$17,267,600 from dedicated funds, and \$28,940,800 from federal funds for a grand total of \$66,620,100.

DISCUSSION: **Representative Dixon** stated this motion represents a 2.2% overall decrease in all funds, primarily due to reductions in federal funds. The overall FTP count is increased by 4.00 due to the approval of fifth year of funding for the Idaho Pollutant Discharge Elimination System amounting to \$546,000 from the General Fund. Line item 2 provides appropriation for the department to utilize Idaho's first distribution of the \$17.3 million trust resulting from the settlement with the Volkswagen Auto Group over cheating on diesel emissions. Line item 3 reduces federal appropriation by \$100,000 and moves appropriation from operating expenditures to personnel costs to meet the obligations for cleanup of the Coeur d'Alene basin contaminated by mining. The fourth line item incorporates the transfer of \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation Fund to provide the state's 10% match requirement for Superfund projects in the Coeur d'Alene Basin. These annual transfers are anticipated each year for the next 16 years as we build up the match for cleanup of the Coeur d'Alene Basin.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

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 Bell**.

UNANIMOUS CONSENT: On request by **Representative Dixon**, granted by unanimous consent to approve the standard intent language for Sections 3-6 as follows for the Department of Environmental Quality for fiscal year 2019.

INTENT LANGUAGE:

Standard Intent Language for DEQ budget:

Section 3: CASH TRANSFER FOR WASTE REMEDIATION. There is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund through monthly installments or as practicable for the period July 1, 2018, through June 30, 2019, to be used for Superfund cleanup projects in the Coeur d'Alene Basin.

Section 4: REMEDIATION PROJECT REPORTING REQUIREMENTS. It is the intent of the Legislature that moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection

Agency. The Department of Environmental Quality shall file an annual report with the Governor, Legislature, and Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.
Section 5: USES OF THE WATER POLLUTION CONTROL FUND. It is the intent of the Legislature that the appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

Section 6: AGRICULTURAL BEST MANAGEMENT PRACTICES. It is the intent of the Legislature that \$500,000 of the ongoing General Fund moneys appropriated to the Water Quality Program for trustee and benefit payments in Section 1 of this act be used for a statewide grant program to support implementation of agricultural Best Management Practices (BMPs) in high-priority watersheds throughout Idaho. The department is to administer this funding through existing BMP grant procedures and personnel. Funding is to be used by farmers and ranchers to modify their agricultural practices in order to improve water quality and help meet the objectives of Total Maximum Daily Loads (TMDLs).

UNANIMOUS CONSENT: On request by, **Representative Dixon**, granted by unanimous consent to approve the new intent language as follows for the Department of Environmental Quality for fiscal year 2019.

INTENT LANGUAGE: New Intent Language for DEQ budget:
Section 7: REAPPROPRIATION. There is hereby reappropriated to the Department of Environmental Quality any unexpended and unencumbered balances appropriated to the Department of Environmental Quality for Agricultural Best Management Practices for fiscal year 2018, in an amount not to exceed \$500,000 from the General Fund, to be used for nonrecurring expenditures related to Agricultural Best Management Practices for the period July 1, 2018, through June 30, 2019.

CARRIED: Original Motion
Department of Health and Welfare
Service Integration
Moved by **Wintrow**, seconded by **Souza** for the Department of Health and Welfare, Service Integration Program, beginning with the FY 2019 Base, a reduction of \$48,700 for benefit costs, a decrease of \$1,300 for statewide cost allocation, and an increase of \$55,400 for change in employee compensation. The totals for this motion for FY 2019 are 35.00 FTP, \$736,500 from the General Fund, \$69,500 from dedicated funds, and \$5,261,500 from federal funds for a grand total of \$6,067,500.

Ayes: 20
Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

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 Bell**.

UNANIMOUS CONSENT: On request by, **Representative Wintrow**, granted by unanimous consent to accept the language as follows.

INTENT LANGUAGE: HEAD START APPROPRIATION FROM TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS. At a minimum, the Department of Health and Welfare is directed to maintain Head Start appropriations paid from federal Temporary Assistance for Needy Families funds at the same level as was paid to the Head Start Program in fiscal year 2007.

DISCUSSION: **Senator Lee** stated there is a significant amount of dollars left in the adult mental health budget that will not be used for FY 2018. There is a need to address child welfare in the prevention areas. This would be a transfer from adult mental health to child welfare and those dollars would be used to support and expand the home visiting program.

UNANIMOUS CONSENT: On request by, **Senator Lee**, granted by unanimous consent to reopen the fiscal year 2018 budget for the Department of Health and Welfare.

CARRIED: Original Motion
Mental Health Services and Child Welfare
Adult Mental Health and Child Welfare
Supplemental

Moved by **Lee**, seconded by **King**, for the Department of Health and Welfare for fiscal year 2018, all from the Cooperative Welfare (General) Fund, the transfer of \$1,600,000 from the Adult Mental Health Program in trustee and benefit payments to the Child Welfare Program in operating expenditures, onetime, for a net department impact of zero.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

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 Bell**.

UNANIMOUS CONSENT: On request by, **Senator Lee**, granted by unanimous consent to accept the intent language as follows:

INTENT LANGUAGE: Transfer and Allocation Intent Language, Child Welfare Division
HOME VISITATION PROGRAM. It is the intent of the Legislature that \$1,600,000 of the moneys appropriated in Section _ of this act be used for the home visitation program through contract with each of the Public Health Districts of Idaho. The Health Districts currently provide these services using other fund sources, but those fund sources come with stringent requirements, which leads to a disparity of services not being provided in all of Idaho's counties. This funding would allow each health district to provide home visitation services in all of Idaho's forty-four counties. The families that will receive these services are often involved in the foster care system, the behavioral health system, and judicial system. In fiscal year 2017, there were 2,714 children in foster care statewide, which is a 6% increase over fiscal year 2016, and a 13.6% increase since fiscal year 2013. Further, for three of the last five years, more children have entered foster care than have left the system. In fiscal year 2017, the difference was 184 more children entering than exiting. The department attributes a significant portion of the increase to the nationwide opioid crisis and

parental substance use addictions. The moneys received by the Health Districts are not to be considered as state-aid as determined in Section 39-425, Idaho Code, nor are the moneys to be allocated through a board of trustee formula according to Section 39-411, Idaho Code. The allocation of these funds was based on how much each district is currently providing for comparable services from other fund sources in comparison to the other health districts. Further, it is the intent of the Legislature that the Public Health Districts be allowed to reallocate these moneys between districts, but only upon unanimous concurrence of the Board of Directors for the Public Health Districts. The moneys appropriated in Section _ of this act are to be fully distributed to each Public Health District upon enactment of this legislation, as follows:

Public Health District 1 \$313,300
Public Health District 2 \$254,500
Public Health District 3 \$328,000
Public Health District 4 \$170,400
Public Health District 5 \$211,400
Public Health District 6 \$168,600
Public Health District 7 \$153,800

CARRIED:

Original Motion

Department of Health and Welfare, Child Welfare

Moved by **Lee**, seconded by **King** for the Department of Health and Welfare, Child Welfare Division, beginning with the FY 2019 Base, a reduction of \$528,300 for benefit costs, a decrease of \$23,300 for statewide cost allocation, an increase of \$481,100 for annualizations, an increase of \$744,200 for change in employee compensation, and a shift of \$18,200 from federal funds to the General Fund for nondiscretionary adjustments related to changes in the Medicaid match rate. Also included is \$7,800,000 for year three of the Child Welfare System as explained in line item 3, with the state match coming from the Technology Infrastructure Stabilization Fund. The totals for this motion for FY 2019 are 404.80 FTP, \$23,454,100 from the General Fund, \$4,697,100 from dedicated funds, and \$48,768,300 from federal funds for a grand total of \$76,919,500.

DISCUSSION:

Senator Lee stated this motion includes all JFAC adjusted items and funding for line item 3 for year three of five, to replace the child welfare information system. The state share includes money from the newly created technology fund to be used as the state share.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

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 Bell**.

**UNANIMOUS
CONSENT:**

On request by, **Senator Lee**, granted by unanimous consent to accept the intent language as follows:

INTENT LANGUAGE: Intent Language for Health and Welfare, Child Welfare Division EDUCATIONAL NEEDS. It is the intent of the Legislature that the Department of Health and Welfare is responsible for the educational needs of school-age children placed in its custody by the courts for either child protective or mental health issues. If the Department of Health and Welfare places a child in a licensed residential treatment facility that includes a nonpublic accredited school, and it is determined by the Department of Health and Welfare that it is in the best interest of the child to be educated at the residential treatment facility, then it is the responsibility of the Department of Health and Welfare to pay for such education, per student, per educational day. This intent language does not preclude other Idaho state agencies from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this language is included within existing department base appropriations.

CARRIED: Original Motion
Department of Health and Welfare
Services for the Developmentally Disabled

Moved by **Agenbroad**, seconded by **Wintrow** for the Department of Health and Welfare, Services for the Developmentally Disabled Division, beginning with the FY 2019 Base, a reduction of \$393,400 for benefit costs, an increase of \$94,000 for replacement items that are to be determined by the SWITC administrator, a decrease of \$24,600 for statewide cost allocation, an increase of \$505,800 for change in employee compensation, and a transfer of \$10,100 from federal funds to the General Fund for nondiscretionary adjustments. Also included are the following line items: For line item 27, add \$1,129,800 for the Infant Toddler Early Intervention Services that are being transferred from Medicaid. Then transfer 2.00 FTP and \$147,800 from SWITC to the Community Developmental Disability Services Program as requested in line item 41. The totals for this motion for FY 2019 are 304.71 FTP, \$13,616,700 from the General Fund, \$1,371,300 from dedicated funds, and \$17,795,100 from federal funds for a grand total of \$32,783,100.

DISCUSSION: **Senator Agenbroad** stated this motion includes all JFAC adjusted items, adds \$94,000 for replacement items and alteration and repair projects, which are to be determined by the institution based on need. Also added are both requested line items.

Ayes: 20

Keough, Bair, Mortimer, Martin, Souza, Lee, Agenbroad, Crabtree, Ward-Engelking, Nye, Bell, Youngblood, Miller, Burtenshaw, Horman, Malek, Anderson, Dixon, King, Wintrow

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 Bell**.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned at 8:43 a.m.

Representative Bell
Chair

Donna Warnock
Secretary