

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 14, 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, Reed(Horman), Malek, Anderson, Dixon, King, Wintrow
ABSENT/ EXCUSED: None
CONVENED: Senator Keough convened the meeting at 8:01 A.M.
AGENCY PRESENTATION: **DEPARTMENT OF ADMINISTRATION**
LSO STAFF PRESENTATION: **ROBYN LOCKETT**
CARRIED: ORIGINAL MOTION

Moved by Sen. Martin, for the Department of Administration, beginning with the FY 2019 Base, a reduction of \$198,200 for benefit costs, an increase of \$64,700 for replacement items, an increase of \$33,600 for statewide cost allocation, and an increase of \$271,600 for the change in employee compensation. Also included are the following line items: line item 3 for \$275,000 for a Risk Management Information System; line item 4 for \$81, 600 and 1.00 FTP for a Project Manager in the Division of Public Works; line item 7 for removal of 28.00 FTP and \$3,930,300 to move the Information Technology Division out of the Department of Administration and into the Office of the Governor; line item 8 for \$719,400 for Information Technology Services; and line item 9 for \$100,000 onetime from the General Fund to fund House Concurrent Resolution 51. The totals for this motion for FY 2019 are 113.00 FTP, \$2,252,900 from the General Fund, and \$21,445,300 from dedicated funds for a grand total of \$23,698,200, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

ORIGINAL MOTION

Moved by Sen. Martin, that there is hereby appropriated and the State Controller shall transfer \$1,737,500 from the Permanent Building Fund to the Administrative and Accounting Services Fund on July 1, 2018, or as soon thereafter as practicable, for the Public Officials' Capitol Mall Facilities payment in the Division of Public Works that is due in fiscal year 2019, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

ORIGINAL MOTION

Moved by Sen. Martin, that there is hereby appropriated and the State Controller shall transfer \$13,140,000 from the continuously appropriated Group Insurance Account in the Department of Administration, to the General Fund, on July 1, 2018, or as soon thereafter as practicable, seconded by Rep. Anderson.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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 of Sen. Martin, granted by unanimous consent, to include legislative intent language as shown below, in the Department of Administration's FY 2019 appropriation bill:

SECTION 5. PREMIUM HOLIDAYS. The director of the Department of Administration shall use excess reserves in the continuously appropriated Group Insurance Account in the Department of Administration in fiscal year 2019 for two (2) premium holidays for agencies and two (2) premium holidays for the employees. The Office of Group Insurance shall maintain the current health insurance program structure and benefit package for state employees and shall maintain the employer and employee cost-sharing split recommended by the Governor and the Legislature's Joint Change in Employee Compensation Committee for fiscal year 2019.

SECTION 6. REQUEST FOR PROPOSALS. Notwithstanding any other provision of law to the contrary, it is the intent of the Legislature that, upon passage and approval of this act, and through June 30, 2019, the Department

of Administration develop a request for proposals (RFP) for the selection of one or more administrators, including, but not limited to, carriers, third party administrators (TPAs), and/or vendors, to administer an array of employee healthcare benefit plans that begin on July 1, 2019, with the goal of reducing long-term costs of health care and providing an enhanced insurance program for state employees and their families, as follows:

- (1) The RFP shall be issued in conformance with the recommendations in the Final Report of the 2017 State Employee Group Insurance and Benefits Legislative Interim Committee (Final Report) and shall consider, but not be limited to, the following:
 - (a) Proposals to use the current hybrid fully-insured model or a self-funded model, or both;
 - (b) Proposals to use as many elements of value-based care and other Final Report recommendations as possible;
 - (c) Proposals that provide administrators with any one or any combination of the recommended programs in the Final Report;
 - (d) Proposals shall not be limited to statewide proposals but, instead, may include those that offer regional plan arrangements and/or other plan arrangements;
 - (e) Proposals that are based on the use of a self-funded model should include an analysis of Chapter 40, Title 41, Idaho Code, and a recommendation as to whether the state should exempt itself from the Chapter, as the state exempted all counties in 2001, considering costs, flexibility, potential liability, implementation, and other relevant factors.
- (2) The Legislature, or a committee or working group thereof, may review the results and award of the RFP for compliance, fairness, and thoroughness or in any other manner it deems fit. Based upon that review, the Legislature, or a committee or working group thereof, shall make its recommendations to the Joint Finance-Appropriations Committee and the Idaho Legislature during the First Regular Session of the Sixty-fifth Idaho Legislature.

On request of Sen. Martin, granted by unanimous consent, to reopen the fiscal year 2018 appropriation to the Department of Administration.

On request of Sen. Martin, granted by unanimous consent, to include legislative intent language as shown below, in the Department of Administration's FY 2018 appropriation bill:

SECTION 6. REQUEST FOR PROPOSALS. Notwithstanding any other provision of law to the contrary, it is the intent of the Legislature that, upon passage and approval of this act, and through June 30, 2019, the Department of Administration develop a request for proposals (RFP) for the selection of one or more administrators, including, but not limited to, carriers, third party administrators (TPAs), and/or vendors, to administer an array of employee healthcare benefit plans that begin on July 1, 2019, with the goal of reducing long-term costs of health care and providing an enhanced insurance program for state employees and their families, as follows:

- (1) The RFP shall be issued in conformance with the recommendations in the Final Report of the 2017 State Employee Group Insurance and Benefits Legislative Interim Committee (Final Report) and shall consider, but not be limited to, the following:
 - (a) Proposals to use the current hybrid fully-insured model or a self-funded model, or both;
 - (b) Proposals to use as many elements of value-based care and

other Final Report recommendations as possible;

(c) Proposals that provide administrators with any one or any combination of the recommended programs in the Final Report;

(d) Proposals shall not be limited to statewide proposals but, instead, may include those that offer regional plan arrangements and/or other plan arrangements;

(e) Proposals that are based on the use of a self-funded model should include an analysis of Chapter 40, Title 41, Idaho Code, and a recommendation as to whether the state should exempt itself from the chapter, as the state exempted all counties in 2001, considering costs, flexibility, potential liability, implementation, and other relevant factors.

(2) The Legislature, or a committee or working group thereof, may review the results and award of the RFP for compliance, fairness, and thoroughness or in any other manner it deems fit. Based upon that review, the Legislature, or a committee or working group thereof, shall make its recommendations to the Joint Finance-Appropriations Committee and the Idaho Legislature during the First Regular Session of the Sixty-fifth Idaho Legislature.

**AGENCY
PRESENTATION:
LSO STAFF
PRESENTATION:
CARRIED:**

**OFFICE OF THE GOVERNOR: OFFICE OF INFORMATION
TECHNOLOGY SERVICES**

ROBYN LOCKETT

ORIGINAL MOTION

Moved by Rep. Anderson, to the Office of Information Technology Services for FY 2019. Included are the following line items: line item 1 for 29.00 FTP and \$4,282,800 to create the office; line item 2 for 1.00 FTP and \$86,600 for an Information Technology Systems Analyst, Senior; line item 3 for \$175,300 for Domain Service Hardware; line item 4 for \$628,500 for Server and Storage Replacement; line item 5 for \$506,000 for Video Conference Bridge Replacement; and line item 6 for \$191,000 for Information Technology Functionality. The totals for this motion for FY 2019 are 30.00 FTP, \$1,594,400 from the General Fund, and \$4,275,800 from dedicated funds for a grand total of \$5,870,200, seconded by Sen. Martin.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:
LSO STAFF
PRESENTATION:**

**OFFICE OF THE GOVERNOR: EXECUTIVE OFFICE OF THE
GOVERNOR**

PAUL HEADLEE

CARRIED:

ORIGINAL MOTION

Moved by Rep. Dixon, for the Executive Office of the Governor, beginning with the FY 2019 Base, a reduction of \$30,100 for benefit costs, a reduction of \$500 for statewide costs allocation, an annualization of \$1,100, and an increase of \$49,900 for change in employee compensation. Also included are the following line items: line item 1, \$8,600 from the General Fund for IT/Telecommunication. Line item 2, \$25,000 onetime from dedicated funds for the Governor-Elect Transition. Line item 3, is a reduction of 1.00 FTP and \$180,900 from the General Fund to move the Director of Information Security to the newly created Office of Information Technology. Line item 4 adds \$200,000 onetime from the General Fund to purchase airtime for school safety public service announcements. The totals for this motion for FY 2019 are 21.00 FTP, \$2,396,200 from the General Fund and \$25,000 from dedicated funds for a grand total of \$2,421,200. This motion includes lump sum for the Executive Office of the Governor, seconded by Sen. Bair.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: LEGISLATIVE BRANCH

**TRAILER APPROPRIATIONS TO HCR41, HCR49, SCR134 INTERIM
COMMITTEES**

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE

CARRIED:

ORIGINAL MOTION

Moved by Sen. Bair, for the Legislature (Senate and House), the reappropriation of any unspent and unencumbered balances of the General Fund appropriated or reappropriated in Section 1 of Chapters 305, 330, and 333, Laws of 2017, for fiscal year 2018, to be used for interim committees, for the period of July 1, 2018 through June 30, 2019, seconded by Rep. Youngblood.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: LEGISLATIVE BRANCH

**TRAILER APPROPRIATIONS: H612 TECH. INFRASTRUCTURE
STABILIZATION FUND, LSO**

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE

CARRIED:

ORIGINAL MOTION

Moved by Rep. Anderson, for the Legislature Services Office, the addition of \$150,000 onetime from the Technology Infrastructure Stabilization Fund, seconded by Sen. Crabtree.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

**TRAILER APPROPRIATIONS BILLS: DEPARTMENT OF HEALTH
AND WELFARE**

TRAILER APPROPRIATIONS: H465, MEDICAID DENTAL SERVICES

**LSO STAFF
PRESENTATION:**

JARED TATRO

CARRIED:

ORIGINAL MOTION

Moved by Rep. King, for the Department of Health and Welfare, for the Basic Medicaid Plan Program, an additional \$1,100,000 from the Cooperative Welfare (General) Fund, and an additional \$2,700,000 from the Cooperative Welfare (Federal) Fund, all in ongoing trustee and benefit payments for a total motion of \$3,800,000, seconded by Sen. Ward-Engelking,

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

**TRAILER APPROPRIATIONS BILLS: DEPARTMENT OF HEALTH
AND WELFARE**

TRAILER APPROPRIATIONS: H472: RURAL PHYSICIANS MATCH

**LSO STAFF
PRESENTATION:**

JARED TATRO

CARRIED:

ORIGINAL MOTION

Moved by Rep. King, for the Department of Health and Welfare for the Physical Health Services Program, an additional \$640,000 from the Cooperative Welfare (General) Fund in ongoing trustee and benefit payments for the purpose of providing state matching funds for student contributions for the Rural Physician Incentive Program as outlined in H472. The total for this motion is \$640,000, all ongoing, seconded by Sen. Souza.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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. King, granted by unanimous consent, to accept the following two sections of intent language.

SECTION 2. CASH TRANSFER. Of the amount appropriated in Section 1 of this act from the Cooperative Welfare (General) Fund, there is hereby appropriated and the State Controller shall transfer \$640,000 to the Rural Physician Incentive Fund on July 15, 2018, or as soon thereafter as practicable, for the Department of Health and Welfare for the period July 1, 2018, through June 30, 2019.

SECTION 3. REPORTING. The Department of Health and Welfare shall evaluate and report on the use of moneys appropriated in this act to the Legislative Services Office no later than December 31, 2018.

**AGENCY
PRESENTATION:**

**TRAILER APPROPRIATIONS BILLS: PUBLIC DEFENSE
COMMISSION**

S1257 PUBLIC DEFENSE COMMISSION MEMBERS

**LSO STAFF
PRESENTATION:**

JARED HOSKINS

CARRIED:

ORIGINAL MOTION

Moved by Sen. Agenbroad, for fiscal year 2019, for the Public Defense Commission, an ongoing increase of \$10,000 in operating expenditures from the General Fund, seconded by Rep. Youngblood.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: JUDICIAL BRANCH

**LSO STAFF
PRESENTATION:**

**TRAILER APPROPRIATIONS: H582 JUDICIAL SALARIES
JARED HOSKINS**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Younblood, for the Supreme Court, in the Court Operations Division, the addition of \$38,900 for the Supreme Court; \$24,500 for the Court of Appeals; \$275,800 for District Courts; and \$417,300 for the Magistrate Division. The total motion for the Supreme Court is \$756,500 in ongoing personnel costs from the General Fund. Consistent with the entire FY 2019 appropriation for the Supreme Court, this motion includes lump sum authority, seconded by Rep. Burtenshaw.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

TRAILER APPROPRIATIONS BILLS: JUDICIAL BRANCH

**LSO STAFF
PRESENTATION:**

**TRAILER APPROPRIATIONS: H670 STATE OFFICER SALARIES
MAGGIE SMITH**

CARRIED:

ORIGINAL MOTION

Moved by Rep. Youngblood, for fiscal year 2019, the following amounts ongoing from the General Fund for the elected officers salary increases effective January 1, 2019. For the Executive Office of the Governor, the addition of \$7,300; for the Lieutenant Governor, the addition of \$2,500; for the Secretary of State, the addition of \$6,200; for the State Controller, the addition of \$6,200; for the State Treasurer, the addition of \$6,200; for the Superintendent of Public Instruction, the addition of \$6,200; and for the Attorney General, the addition of \$6,000. The grand total for this motion for fiscal year 2019 is \$40,600 from the General Fund, seconded by Sen. Agenbroad.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

SUPPLEMENTAL: DEPARTMENT OF WATER RESOURCES

**LSO STAFF
PRESENTATION:**

ROB SEPICH

CONSENT:

On request by Sen. Bair, granted by unanimous consent, to reopen the fiscal year 2018 budget for the Department of Water Resources.

CARRIED:

ORIGINAL MOTION

Moved by Sen. Bair, for fiscal year 2018, the appropriation and transfer of \$1,000,000 from the General Fund to the Water Management Fund in the Department of Water Resources, seconded by Rep. Burtenshaw.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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 Sen. Bair, granted by unanimous consent, to accept the intent language as shown below:

SECTION 1. CASH TRANSFER FOR FLOOD MANAGEMENT PROGRAM. There is hereby appropriated and the State Controller shall transfer \$1,000,000 from the General Fund to the Water Management Fund created pursuant to Section 42-1760, Idaho Code, to be used for flood-damaged stream channel repair, stream channel improvement, flood risk reduction, or flood prevention projects.

SECTION 2. USES OF THE WATER MANAGEMENT FUND. The moneys appropriated and transferred in Section 1 of this act are to be administered by the Idaho Water Resource Board through a competitive, matching grant process. Notwithstanding the provisions of Section 42-1760(2)(b), Idaho Code, grants may be larger than \$50,000 at the discretion of the board.

SECTION 3: PROJECT PRIORITIZATION. It is the intent of the Legislature that the selection process for the grants authorized in Section 2 of this bill shall require the availability of fifty percent (50%) matching funds and that projects shall be given priority on a competitive statewide basis throughout Idaho. The Department of Water Resources staff shall support this competitive grant process using existing personnel and resources.

SECTION 4. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.

**AGENCY
PRESENTATION:**

**BUDGET RECONSIDERATION: DEPARTMENT OF
ENVIRONMENTAL QUALITY**

**LSO STAFF
PRESENTATION:**

ROB SEPICH

CARRIED:

ORIGINAL MOTION

Moved by Rep. Dixon, to reopen the fiscal year 2019 budget for the Department of Environmental Quality, seconded by Sen. Bair.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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.

ORIGINAL MOTION

Moved by Rep. Dixon, for the fiscal year 2019, for the Department of Environmental Quality, the addition of \$290,000 from the Economic Recovery Reserve Fund, seconded by Sen. Bair.

AYES: 17

NAYS: 0

ABSENT/EX: 3

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:**

**BUDGET CORRECTIONS: IDAHO TRANSPORTATION
DEPARTMENT**

**LSO STAFF
PRESENTATION:**

CHRISTINE OTTO

CONSENT: On request of Sen. Crabtree, granted by unanimous consent, to reopen the FY 2019 appropriation for the Idaho Transportation Department.

On request of Sen. Crabtree, granted by unanimous consent, that the legislative intent language shown below regarding reappropriation be accepted as part of the FY 2019 appropriation bill for the Idaho Transportation Department.

SECTION. REAPPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Aeronautics Fund as trustee and benefit payments for Airport Development Grants for fiscal year 2018 to be used for nonrecurring expenditures related to Airport Development Grants for the period July 1, 2018, through June 30, 2019.

AGENCY PRESENTATION: **BUDGET CORRECTIONS: CORRECTION EFFECTIVE YEAR:**
IDAHO TAX COMMISSION

LSO STAFF PRESENTATION: **KEITH BYBEE**

CONSENT: On request by Rep. Youngblood, granted by unanimous consent, to reopen the FY 2019 State Tax Commission appropriation to correct the Statute effective date.

On request by Rep. Youngblood, granted by unanimous consent, to included the intent language as shown below:

Section 3. 63-102. Organization – Chairman – Compensation – Quorum – Hearings.

(1) A member of the state tax commission shall be appointed by the governor, to serve at his pleasure, as chairman. Each member of the state tax commission shall devote full time to the performance of duties. Commencing on July 1, 2018, the annual salary for members of the state tax commission shall be ninety-nine seventy-seven dollars (\$99,077).

(2) A majority of the state tax commission shall constitute a quorum for the transaction of business. The state tax commission may delegate to any member of the commission or to its employees, the power to make investigations and hold hearings at any place it may deem proper, and such other matters as will facilitate the operations of the commission.

(3)The chairman of the state tax commission shall delegate to each commissioner the responsibility for policy management and oversight of one (1) or more of the taxes collected and/or activities supervised or administered by the commission. The state tax commission shall perform the duties imposed upon it by law and shall adopt all rules by majority decision. In any case in which the state tax commission sits as an appellate body upon an appeal from a tax decision from one (1) of the various administrative units subject to its supervision, the state tax commissioner charged with responsibility for policy management and oversight of the tax in controversy shall not vote upon the appeal but may advise the remaining members of the commission on the technical aspects of the problems before them.

(4)The chairman shall be the chief executive officer and administrative head

of the state tax commission and shall be responsible for, or may assign responsibility for, all personnel, budgetary and/or fiscal matters of the state tax commission.

**AGENCY
PRESENTATION:**

JFAC RULES

**LSO STAFF
PRESENTATION:**

PAUL HEADLEE: Reviews the proposed amendment to the Rules Governing the Joint Finance-Appropriations Committee, Rules 9 and 11.
([AUDIO](https://go.usa.gov/xQCcE)) (<https://go.usa.gov/xQCcE>) ([PRESENTATION](https://go.usa.gov/xQCcV)) (<https://go.usa.gov/xQCcV>)

ADJOURNED: There being no further business, Senator Keough adjourned at 9:25 A.M.

Senator Keough
Chair

Amberlee Honsaker
Secretary