

MINUTES  
**SENATE STATE AFFAIRS COMMITTEE**

**DATE:** Monday, January 21, 2019

**TIME:** 8:00 A.M.

**PLACE:** Room WW55

**MEMBERS PRESENT:** Chairwoman Lodge, Vice Chairwoman Harris, Senators Hill, Winder, Vick, Anthon, Souza, and Buckner-Webb

**ABSENT/ EXCUSED:** Senator Stennett

**NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENED:** **Chairwoman Lodge** called the Senate State Affairs Committee (Committee) to order at 8:00 a.m.

**VOTE ON GUBERNATORIAL APPOINTMENTS:**

**The Gubernatorial appointment of Richelle Sugiyama to the Treasury's Investment Advisory Board.**

**The Gubernatorial appointment of Todd Gill to the Treasurer's Investment Advisory Board.**

**The Gubernatorial appointment of Jonathon Mark Browning to the Idaho State Racing Commission.**

**MOTION:** **Senator Winder** moved to send the Gubernatorial appointment of Richelle Sugiyama to the floor with the recommendation that she be confirmed by the Senate. **Senator Buckner-Webb** seconded the motion. The motion carried by **voice vote**.

**MOTION:** **Senator Anthon** moved to send the Gubernatorial appointment of Todd Gill to the Senate floor with the recommendation that he be confirmed by the Senate. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

**MOTION:** **Senator Souza** moved to send the Gubernatorial appointment of Jonathon Mark Browning to the floor with the recommendation that he be confirmed by the Senate. **Senator Vick** seconded the motion. The motion carried by **voice vote**.

**GUBERNATORIAL APPOINTMENTS:** **The Gubernatorial appointment of Kyle Wills to the State Athletic Commission (Commission).**

**Kyle Wills**, Boise Police Department (BPD), executive board member at Optimist Youth Football (OYF), said he worked in law enforcement for over 22 years, 17 years being with the City of Boise. **Mr. Wills** said he was raised in a law enforcement family, and that background helped him develop his passion for serving others in his community. He spent 10-12 years volunteering for the OYF.

**Mr. Wills** fielded questions concerning his position, promoter licenses, and finance. He said the biggest challenge for the commission was improving state standards to coincide with those of national and neighboring states.

**The Gubernatorial re-appointment of Paul Jagosh to the Idaho Commission on Human Rights (Commission).**

**Paul Jagosh**, violent crimes detective, Boise Police Department (BPD), informed the Committee he had been with the BPD for over 21 years. He also sat on many charity boards throughout his career. He was asked to serve on the Commission two years ago and the majority of his work was related to labor law.

In response to questions, **Mr. Jagosh** said that the majority of the commission's clients file cases of unlawful termination based on race or religion, or when they felt they were overlooked for rising job opportunities because of race or religion. He explained that the number of cases was the most challenging part but the support staff was indispensable.

**Benjamin Earwicker**, Director, Human Rights Commission, answered further technical questions regarding client confidentiality and the Commission's processes.

**Vice Chairman Harris** asked if cases had increased in the last few years. **Mr. Earwicker** reported they had the highest number of investigations in their organization's history; they experienced an increase of 10-15 percent last year, which he thought was due to population growth and knowledge of their process.

**The Gubernatorial re-appointment of Hyrum Erickson to the Idaho Commission on Human Rights (Commission).**

**Hyrum Erickson**, attorney, said he was excited to serve on the Commission and appreciated the opportunity to serve others.

Chairwoman Lodge passed the gavel to Vice Chairman Harris.

**PASSED THE GAVEL:**

**DOCKET NO. 52-0103-1801 PENDING RULE**

**IDAPA 52 - Idaho State Lottery Commission - 52.01.03 - rules governing operations of the Idaho State Lottery.** **Jeff Anderson**, Executive Director, Idaho State Lottery (ISL), said the pending rule relates to procedures for balancing the central gaming and internal control systems following a draw for games such as Powerball. The goal is to eliminate human error by replacing draw managers responsible for data entry with encrypted data transfers. He said there are four temporary draw managers who work 120 hours per month.

In response to a question from Chairwoman Lodge, **Mr. Anderson** said the tribal impact line item in their budget was the result of an engagement with the Tribal Gaming Council (TGC) requiring ISL to profit share if sales took place in TGC territory.

**MOTION:**

**Senator Souza** moved to approve **Docket No. 52-0103-1801**. **Chairwoman Lodge** seconded the motion. The motion carried by **voice vote**.

**PASSED THE GAVEL:**

Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

**PRESENTATION:**

**Legislative Services Office Briefing.** **Paul Headlee**, Manager, Budget and Policy Division, Legislative Services Office (LSO), introduced the Joint Finance and Appropriations Committee's (JFAC) Decision Unit Budget Model and explained its steps. In manageable increments, JFAC looks at the budget which allows the system to remain flexible. Budget hearings are reviewed in three-year windows, allowing them to interpret the previous year, examine the present, and make assumptions toward the coming year. Primarily, the

charge of JFAC is to analyze individual agency requests and the governor's recommendations and provide those details to the legislature.

**Keith Bybee**, Deputy Division Manager, Budget and Policy Division, LSO, discussed the Division of Financial Management (DFM), maintenance of current operations, and technology initiatives. He said the majority of DFM's budget funds personnel costs and explained that they had a Budget Bureau who's role was to help promote the governor's vision of short and long term policies through effective resource allocation. In a way, he said, they are counterparts for the executive branch.

**Senator Hill** asked where to find a total cost of each initiative in the budget book and what dedicated funds are being used to pay for those. **Mr. Bybee** responded that they don't yet have a centralized section showing full cost of initiatives but they had generated custom reports. In response to the second question, he said a dedicated fund agency allocates costs between their funds.

**Rob Sepich**, Analyst, LSO, said his primary focus was on natural resource agencies. He explained the purpose of the Endowment Fund Investment Board, stating that they invest the endowment fund and the gains on those funds to increase earnings for beneficiaries. They also manage the funds and trusts of other government agencies.

**Maggie Smith**, Analyst, LSO, discussed the scope and general fund allotted to the State Treasurer's budget as well as their role, purpose, and the history of their appropriation. She mentioned line items on their budget to better understand the process and cross referenced the Governor's recommendations.

**Ms. Smith** explained the State Lottery Budget, an entirely dedicated fund agency; the sale of lottery tickets fund their operations. Largely, their budget consists of maintenance. She explained the overall revenue collections and the distribution of revenue to beneficiaries. Lastly, she explained the State Liquor Division, a dedicated fund agency with 240 full time equivalent positions. She explained their maintenance and line item requests.

**Jill Randolph**, Analyst, LSO, explained the Department of Administration's (DOA) role, and program areas within the DOA. She discussed personnel and maintenance line item requests from the DOA and compared those to the Governor's recommendation. Additionally, She informed the Committee that the DOA oversees three other parts of the budget, including bond payments, the Capitol Commission, and the Permanent Building Fund. In response to a question from Senator Souza, she explained varying bond interest rates and the renegotiation process.

Preservation and use of capital is the Capitol Commission's role **Ms. Randolph** explained. Endowment land funds and investments provide the ongoing funding for the program. There are statutory sources of revenue to fund the Permanent Building Fund.

**ADJOURN:**

There being no further business at this time, **Chairwoman Lodge** adjourned the meeting at 9:35 p.m.

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Senator Lodge, Chair

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Twyla Melton. Secretary

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Assisted By Bryce DeLay