

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 28, 2019

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye.

Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy (Maurin), Wintrow, and Toone.

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR
Commission on Aging**

LSO STAFF PRESENTER: **Jill Randolph, Analyst, Legislative Services Office (LSO)**

CARRIED: Moved by **Sen. Johnson** for the Commission on Aging, beginning with the FY 2020 Base, an increase of \$2,300 for benefit costs, an increase of \$5,700 for replacement items, an increase of \$1,900 for statewide cost allocation, and an increase of \$31,700 for change in employee compensation, seconded by **Sen. Lee**.

Also included are the following line items: \$50,000 for the Establishment of a Statewide Family Caregiver Program, \$800 for GOV TECH1 network equipment replacement, \$3,800 for GOV TECH 2 mobile device security, and \$6,800 for GOV TECH 4 Modernization Admin Billing.

The totals for this motion for FY 2020 are 13.00 FTP, \$4,609,500 from the General Fund and \$9,026,500 from federal funds, for a grand total of \$13,636,000.

DISCUSSION: Gov Tech 1 and Gov Tech 2 will be funded at the full amount recommended by the Governor through a direct appropriation from the Technology Infrastructure Stabilization Fund to the Office of Information Technology Services.

AYES: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy (Maurin), Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 2 Sen. Burtenshaw; Rep. Raybould

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 order by **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY STATE BOARD OF EDUCATION
PRESENTATION: Vocational Rehabilitation

LSO STAFF
PRESENTER: Jill Randolph, Analyst, LSO

CARRIED: Moved by **Rep. Horman**, for the Division of Vocational Rehabilitation, beginning with the FY 2020 Base, an increase of \$35,400 for benefit costs, an increase of \$8,400 for inflationary adjustments, and increase of \$94,100 for replacement items, an increase of \$39,400 for statewide cost allocation, and an increase of \$290,100 for change in employee compensation.

Also included are the following line items: \$8,000 for interpreter training for the Council for the Deaf and Hard of Hearing, 1.00 FTP and \$91,200 from the General Fund, of which \$88,600 is ongoing and \$2,600 is onetime, for a full time interpreter for the Council for the Deaf and Hard of Hearing, \$9,000 for GOV TECH 1 Network Equipment Replacement, and a reduction of 5.00 FTP and \$16,000 for GOV TECH 3 consolidation.

The totals for this motion for FY 2020 are 150.00 FTP, \$8,874,000 from the General Fund, \$2,113,600 from dedicated funds, and \$17,767,800 from federal funds, for a grand total of \$28,755,400.

DISCUSSION: **Rep. Horman** explained that Dr. Snow has led the Council for the Deaf and Hard of Hearing for eleven years without a dedicated interpreter. Lack of interpretative services has caused great hardship to the director in performing his duties and establishing necessary relationships. The interpreter for the Council for the Deaf and Heard of Hearing Director would be a dedicated interpreter for the Director. The amount in this motion includes \$88,600 for ongoing personnel costs and associated operating expenditures, such as travel, increased lease costs, communication, and IT and software charges. This motion also includes onetime money in the amount of \$2,600 for the purchase of an office desk, chair, and computer.

AYES: 19

Bair, Johnson, Lee, Agenbroad, Burtenshaw, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy (Maurin), Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**.

CONSENT: Requested by **Rep. Horman**, granted by unanimous consent, the following lanugage was adopted:

SECTION __. PROVIDER RATE INCREASE. By July 1, 2019, or as soon thereafter as practicable, the division administrator of the Division of Vocational Rehabilitation shall provide at least a 4.27% increase in service provision rates to community rehabilitation providers above the state fiscal year 2018 provider rates within the Extended Employment Services Program.

See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION: INDUSTRIAL COMMISSION**

CARRIED: Moved by **Rep. Syme**, for the Industrial Commission, beginning with the FY 2020 Base, an increase of \$32,000 for benefit costs, an increase of \$15,800 for inflationary adjustments, an increase of \$78,600 for replacement items, an increase of \$10,800 for statewide cost allocation, and an increase of \$238,500 for change in employee compensation. Also included are the following line items: \$256,100 for contingency funding to pay rent on its current office space if the Chinden Campus move is delayed; 1.00 FTP and \$57,500 for a Crime Victims Claims Examiner; 1.00 FTP and \$63,300 for an Employer Compliance Investigator; \$270,000 to Convert Paper Archives to Digital; \$20,000 for Cybersecurity Software; \$11,400 for a CEC for the Commissioners; \$12,600 for the Governor's Technology Initiative 1 (Network Equipment Replacement); and a reduction of 8.00 FTP and \$327,300 for the Governor's Technology Initiative 3 (IT Consolidation). The totals for this motion for FY 2020 are 132.25 FTP, \$300,000 from the General Fund, \$16,597,200 from dedicated funds, and \$1,200,000 from federal funds, for a grand total of \$18,097,200, seconded by **Sen. Crabtree**.

DISCUSSION: **Rep. Syme** explained that Inflationary adjustments for the agency are for increased rent and internet costs for its ten statewide field offices in its Rehabilitation Program. Replacement items include office furniture and IT equipment. The differences in the line item amounts between the Governor's recommendation and the motion are attributable to the changes in benefits and the compensation schedule that JFAC adopted statewide. The 3% CEC for the Commissioners requires amending Section 72-503, Idaho Code, in which the Commissioner's salaries are set in statute. There is language to follow to address this.

AYES: 19

Bair, Johnson, Lee, Agenbroad, Burtenshaw, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy (Maurin), Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**.

CONSENT: Requested by **Rep. Syme**, granted by unanimous consent, the following language to amend § 72-503, Idaho Code, be accepted as part of the Industrial Commission's FY 2020 appropriation bill:

SECTION __. That Section 72-503, Idaho Code, be, and the same is hereby amended to read as follows: 72-503. SALARY. Commencing July 1, 2019, the annual salary of each member of the industrial commission shall be one hundred seven thousand one hundred forty-one dollars (\$107,141). 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.

See [Presentation](#) and [Audio](#).

**AGENCY PRESENTATION: SELF-GOVERNING AGENCIES
Medical Boards**

CARRIED: Moved by **Rep. Horman** for the Medical Boards, beginning with the FY 2020 Base, an increase of \$10,500 for benefit costs, an increase of \$7,700 for inflationary adjustments, an increase of \$95,000 for replacement items, an increase of \$6,100 for statewide cost allocation, and an increase of \$93,000 for change in employee compensation. Also included are the following line items. For the Board of Medicine: 1.00 FTP and \$62,400 for a Management Assistant, and \$41,500 for Additional Board Resources. For the Board of Nursing: \$5,500 for Six Cell Phones; 1.00 FTP and \$49,200 for an Administrative Assistant; and \$3,300 for Microsoft Office 365. For the Board of Pharmacy: \$19,600 for Licensing System Maintenance; and \$4,800 for Microsoft Office 365. For the Governor's Technology Initiatives across the five agencies, this motion includes \$4,300 for Network Equipment Replacement; \$25,200 for Mobile Device Security; and \$41,100 for Office of Information Technology Billings. The totals for this motion for FY 2020 are 51.20 FTP and \$6,809,500 from dedicated funds.

DISCUSSION: Rep. Horman explained that the Board of Nursing has had repeated audit findings about its cash balance, which has continued to grow past recommended levels for the past several years. LSO Audits has reported to JFAC multiple times that it recommends the agency reduce its cash balance. In response the agency has expressed its concern about upcoming changes that may reduce its revenue stream and has taken no action to reduce its cash balance. JFAC will be formally requesting that the agency provide a report by October 2019 on the impact that the anticipated changes have had on its revenue, and to include some options it will be willing to implement to reduce its cash balance. JFAC will have the opportunity to review this information at its fall interim meeting.

AYES: 19

Bair, Johnson, Lee, Agenbroad, Burtenshaw, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy (Maurin), Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**. See [Presentation](#) and [Audio](#).

AGENCY PRESENTATION: IDAHO STATE LOTTERY

LSO STAFF PRESENTER: Maggie Smith, Analyst, LSO

CARRIED: Moved by **Rep. Maurin (Troy)** for the State Lottery, beginning with the FY 2020 Base, an increase of \$12,300 for benefit costs, an increase of \$68,100 for replacement items, an increase of \$5,000 for statewide cost allocation, and an increase of \$84,600 for change in employee compensation. Also included is one line item for the Governor's Technology Initiative 1: \$4,300 for Network Equipment Replacement. The totals for this motion for FY 2020 are 45.00 FTP and \$6,159,100 from dedicated funds, seconded by **Sen. Johnson**.

DISCUSSION: **Rep. Maurin (Troy)** explained that the FY 2020 Base includes a Base Reduction of \$32,300 due to savings from cybersecurity software that is no longer recommended and will not be implemented by the agency. Replacement items include \$68,100 for ten computers, one generator, and server hardware. There is standard language to follow.

AYES: 19

Bair, Johnson, Lee, Agenbroad, Burtenshaw, Crabtree, Grow, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy (Maurin), Wintrow, and Toone

NAYS: 0

ABSENT/EXCUSED: 1 Rep. Raybould

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 order by **Chairman Bair**.

CONSENT: Requested by **Rep. Maurin (Troy)**, granted by unanimous consent, the following language providing continuous appropriation authority for certain costs be accepted as part of the State Lottery's FY 2020 appropriation bills.

SECTION __. CONTINUOUS APPROPRIATION. 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. See [Presentation](#) and [Audio](#).

ADJOURNED: Having no further business before the committee, Chairman Bair adjourned the meeting at 8:48 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary