

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 30, 2020

TIME: 8:00 A.M.

PLACE: Room C310

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

Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

**ABSENT/
EXCUSED:** None

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

AGENCY PRESENTATION: **DOMESTIC VIOLENCE COUNCIL (DD) (COUNCIL); Nicole Fitzgerald, Executive Director; Jared Tatro, Principal Budget & Policy Analyst, LSO**

The Domestic Violence Council oversees funds and ensures the availability of programs supporting victims of domestic violence, sexual assault, and child abuse. The Council funds 46 public and nonprofit organizations that provide emergency shelter, legal services, mental health supports, advocacy, and other critical services to Idahoans who have experienced severe trauma. While budgetarily attached to Health and Welfare, this agency has an independent council and is not a part of Health and Welfare. The past year has been challenging for the Council as it has spent a significant amount of time and effort determining weaknesses in administrative processes and enacting training and technical changes. The Council now has clear policies, procedures, and training in place and is on goal to provide high quality services to crime survivors in Idaho.

Performance Measures: **Executive Director Fitzgerald** reviewed specific measures and projects accomplished in 2019. The Office of Inspector General made 17 recommendations. Three of the recommendations centered around unsupported and unaccountable costs, and the Council may need to reimburse the Department of Justice. Formal policies and procedures have been initiated or strengthened, and all 17 recommendations have been addressed.

FY 2019 Actual Expenditures: **Jared Tatro** discussed the report including a reversion and the agency's total appropriation.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$16,612,900.

FY 2020: The Legislature funded one line item that added \$4,000,000 to the **Victims of Crime Act (VOCA)** grant. Addressed by JFAC, **H 323** is now with the governor. The Domestic Violence Council requested \$1,100,000 in ongoing federal funds to increase VOCA awards and \$500,000 in operating expenditures to purchase a grant management system to assist the council in collecting and tracking data. Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: The Domestic Violence Council requests a senior research analyst. The intent of this position is to provide better information to policy makers at the state and federal levels. The Council also requests onetime federal fund trustee and benefit payments to distribute VOCA awards. The Council has about five years to expend the grant. This request will allow for increased distributions to the 45 programs throughout the state for enhanced services for eligible crime victims. **Executive Director Fitzgerald** responded to Committee questions regarding long-term plans should future funding decrease. See [Audio](#) and [Presentation](#).

AGENCY **DEVELOPMENTAL DISABILITIES COUNCIL (DD) (Council); Christine**
PRESENTATION: Pisani, Executive Director; Jared Tatro, Principal Budget & Policy Analyst,
LSO

The Developmental Disabilities Council (DD) is not part of the Health and Welfare organization. The most important role that DD serves in Idaho is identifying and supporting state leaders with developmental disabilities and family members who share their lived experiences to create an improved service delivery system that promotes integration in all life experiences. Idaho's efforts to create person-centered or person-directed planning are being noticed and supported at the national level; individuals envision their best life and the support necessary to achieve that best life. This process assists in planning for the most efficient and effective use of available resources. Also, DD has launched the *My Choice Matters* website where the public may follow the community work. Idaho received a five-year grant, and funding is used to provide statewide education and training, improve the quality of Idaho's direct support workforce, and develop a comprehensive abuse and neglect reporting system.

Performance Measures: There were no audit findings.

FY 2019 Actual Expenditures: The Council is spending their appropriation, which is consistent from year to year. \$1,000 was reverted.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$862,500.

FY 2020: The Developmental Disabilities (DD) Council requests a onetime supplemental appropriation (Living Well Grant) of \$61,600 in federal fund operating expenditures. Addressed by JFAC, **H 323** is now with the governor. Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction and 1 percent onetime General Fund reduction. A noncognizable fund transferred from SWITC to the DD for onetime operating expenditures in federal funds.

FY 2021: Current year statewide adjustments recommended by the governor include benefit costs, CEC, and the 2 percent ongoing General Fund reduction. See [Audio](#) and [Presentation](#).

AGENCY CHILD WELFARE, Health & Welfare, Miren Unsworth, Division
PRESENTATION: Administrator; Jared Tatro, Principal Budget & Policy Analyst, LSO

Child Welfare is responsible for child protection services, foster care, and public adoption services. Last year the child protection central intake unit received 23,108 referrals from concerned citizens. Over the course of the year, 3,111 children were served in foster care, and 297 adoptions were finalized. Also, Child Welfare redesigned and deployed new safety assessment and case management processes. The time to complete a safety assessment decreased from an average of 66 days to 22 days. The number of open and unresolved safety assessments has also decreased.

FY 2019 Actual Expenditures: **Jared Tatro** detailed transfers and expenditures.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an additional appropriation of \$11,018,600, a 13.8 percent increase from FY 2020 appropriation. The large increase will primarily be devoted to replacing the antiquated information system.

FY 2020: The Legislature funded three line items for FY 2020 including the child welfare case management system replacement, social worker pay increases, and a reduction of one FTP to align management with the correct program. Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction. Adjustments also included the removal of onetime expenditures and restoration of ongoing rescissions

FY 2021: Child Welfare requests two line items: \$10,696,000 in onetime operating expenditures for continued contract work to refine business processes for social workers to transition from the current internally managed case management system (iCare) to a new software as a service based-system. Child Welfare requests 5.00 FTP and \$399,400 to hire five additional Social Worker 2 positions. Current year statewide adjustments recommended by the governor include benefit costs, statewide cost allocation, CEC, and the 2 percent ongoing General Fund reduction.

A nondiscretionary adjustment increases the General Fund appropriation by \$29,200 and decreases a like amount in federal funds to reflect a change in the Federal Medical Assistance Percentage (FMAP) rate. The department also requests an increase of \$3,369,600 in nondiscretionary adjustments, with 50% from the General Fund, to account for caseload increases in the foster care program. The department is also requesting \$5,338,000 in Supplemental Appropriation Request 4. The department understands that no appropriation is to leave the program or the nondiscretionary adjustments will be moved to line items for future consideration.

In addition, appropriation language states that once a child is placed in the care of Health & Welfare, it is the department's responsibility to ensure children receive their educational needs and budget is not to be a factor. In answer to Committee questions and comments, **Administrator Unsworth** commented on the breakdown between foster care payments and adoption assistance, the efficiencies and features of the new management system, and the ongoing expenses that support the management system and staffing needs. See [Audio](#) and [Presentation](#).

AGENCY SERVICES FOR THE DEVELOPMENTALLY DISABLED, Health &
PRESENTATION: Welfare, Miren Unsworth, Division Administrator; Jared Tatro, Principal Budget & Policy Analyst, LSO

The agency includes two budgeted programs: Community DD Services and Southwest Idaho Treatment Center (SWITC). Community DD Services takes the leadership role for planning and arranging community services for children and adults with developmental disabilities and persons who are disabled prior to age 22 due to multiple health factors. Regional programs provide monitoring and quality assurance to deliver informed services in a safe, cost-effective, and efficient manner. SWITC is a specialized provider of services to the most severely impaired clients in the state and serves only those clients who have no other placement option due to severe behavior or medical issues.

SWITC is at a point of transition. Last year the Office of Performance Evaluations made recommendations to address both systemwide issues as well as day-to-day operations; the advisory board has recommended a new system of care to attend to the very specific and diverse needs of this vulnerable population. Currently the department is developing a plan and outlining the funding, licensing, and facility needs necessary to implement a new system of care.

FY 2019 Actual Expenditures: **Jared Tatro** detailed transfers, indicating the numbers are consistent with previous years.

One section of language pertaining to the distribution of funds for Headstart was reviewed. In answer to Committee questions and comments, **Administrator Unsworth** discussed client numbers.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$32,615,100, a 0.7 percent decrease from the FY 2020 appropriation.

FY 2020: A noncognizable transfer was made, and the governor recommends removal of onetime funding appropriated for various replacement items. See [Audio](#) and [Presentation](#).

AGENCY **SERVICE INTEGRATION (Division), Health & Welfare, Miren Unsworth,**
PRESENTATION: Division Administrator; Jared Tatro, Principal Budget & Policy Analyst, LSO

Service Integration is a stand-alone budgeted division, and services are performed within the Family and Community Services (FACS) Division. The Division consists of two critical programs, 211 Idaho CareLine, a statewide information and referral service, and the Resource and Service Navigation Program, which provides short-term case management services, emergency assistance, and career enhancement to Idaho families in crisis. The CareLine recently became a stronger partner to the suicide prevention hotline.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$6,149,700, a 0.2 percent increase from the FY 2020 appropriation.

FY 2021: Current year statewide adjustments recommended by the governor include benefit costs, statewide cost allocation, CEC, and the 2 percent ongoing General Fund reduction. See [Audio](#) and [Presentation](#).

AGENCY **SMALL BUSINESS DEVELOPMENT CENTERS, Special Programs, State**
PRESENTATION: Board of Education, Doug Covey, Executive Director; Janet Jessup, Senior Budget & Policy Analyst, LSO

The Idaho Small Business Development Centers (SBDC) provide counseling, training, research, and technical support services to small businesses and entrepreneurs to grow Idaho's economy from within. The SBDC is headquartered at Boise State University with field offices at colleges and universities around the state. Statewide, Idaho's small businesses employ over 315,000 people or 56 percent of Idaho's private workforce. Small businesses created just under 15,000 jobs, and firms employing fewer than 20 employees experienced the largest gain, adding 7,400 net jobs. SBDC serves businesses in all 44 Idaho counties.

Performance Measures: **Executive Director Covey** reviewed specific measures and projects accomplished in 2019. In 2019, the SBDC worked with 1,791 businesses that created over 1,021 new jobs, helping Idaho families and communities. In 2019, SBDC client growth resulted in a 6.87 percent return on investment.

FY 2019 Actual Expenditures: **Janet Jessup** detailed a net object transfer, which was historically consistent for this agency. There was also a reverted appropriation.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$681,400, a 0.8 percent decrease from the FY 2020 appropriation.

FY 2020: Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: Current year statewide adjustments recommended by the governor include benefit costs, CEC, and the 2 percent ongoing General Fund reduction. See [Audio](#) and [Presentation](#).

AGENCY PRESENTATION: TECHHELP, Special Programs, State Board of Education, Steve Hattan, Executive Director; Janet Jessup, Senior Budget & Policy Analyst, LSO

TechHelp is a partnership of Idaho's three state universities and is an affiliate of the National Institute of Standards and Technology Manufacturing Extension Partnership. TechHelp's mission is to empower and assist Idaho manufacturers (small and medium sized businesses) to grow revenues, increase productivity and performance, and to strengthen their global competitiveness. TechHelp has multiple funding revenue sources, including the appropriation. Recently a client received an investment from Shark Tank.

Performance Measures: **Executive Director Hattan** reviewed specific measures and projects accomplished in 2019.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$362,800.

FY 2020: Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: Current year statewide adjustments recommended by the governor include benefit costs, CEC, and the 2 percent ongoing General Fund reduction.

Executive Director Hattan closed by sharing that TechHelp is working to add value and strengthen manufacturing associations in Idaho's manufacturing ecosystem. Positive economic outcomes generated by TechHelp resulted in more federal and state tax revenue each year than the total program investment, resulting in more jobs with Idaho manufacturers and a larger GDP for the state. In many Idaho communities, one or two manufacturing companies may provide some of the best jobs and incomes for local residents. See [Audio](#) and [Presentation](#).

AGENCY CAREER AND TECHNICAL EDUCATION (CTE), State Board of
PRESENTATION: Education, Clay Long, Administrator; Janet Jessup, Senior Budget & Policy Analyst, LSO

The mission of Career and Technical Education (CTE) is to prepare youth and adults for high-wage, in-demand careers. The division provides support for CTE programs at high schools across Idaho as well as CTE programs at the six technical colleges. Last year over 63,000 high school students participated in postsecondary CTE programs, up 3,300 students from the previous year. Also, postsecondary experienced a significant increase in overall headcount. CTE's top priority is to be nimble, responsive, and collaborative to meet the current and future needs of local communities.

Performance Measures: **Administrator Long** reviewed specific measures and projects accomplished in 2019. There is a management report finding from the audit department and two findings from the audit report.

FY 2019 Actual Expenditures: **Janet Jessup** discussed a sizeable net object transfer. Actuals were consistent with reports from previous years.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$77,732,800, a 1.3 percent decrease from the FY 2020 appropriation.

FY 2020: Legislative language included in the appropriation bill required the division to submit a report to JFAC no later than February 1 regarding how the agency intends to sustain its budget for secondary education funding. The Legislature funded seven line items including ongoing for the alignment of programs in secondary and postsecondary courses; workforce readiness incentive grant to award incentive funds for secondary CTE teachers; Program Quality Initiative program to expand grant funding for high school CTE programs; anticipated increase in Perkins Federal Grant funding; funds to offset projected shortfalls in added cost funding for secondary CTE programs; Idaho Quality Program Standards Incentive Grant program to provide an additional start-up grant for a secondary agricultural and natural resource CTE program; and one FTP to expand nuclear energy and advanced reactor manufacturing studies in Eastern Idaho.

The division was authorized to reappropriate or carryover its unencumbered and unspent dedicated and federal appropriation from FY 2019 into FY 2020. Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction and 1 percent onetime General Fund reduction. The division requests an adjustment to reflect reappropriated funds that the agency does not intend to spend. This appropriation was carried over from FY 2019 pursuant to legislative language, but consists of spending authority and no cash. The governor's recommendation removes onetime increases provided in FY 2020, which included unspent dedicated and federal appropriation from FY 2019 into FY 2020.

FY 2021: The governor provided recommendations for operating costs related to enrollment growth for secondary programs, OITS operating costs, and replacement costs for onetime purchases at the College of Eastern Idaho. The governor did not recommend funding for the NIC dental hygiene program. Current year statewide adjustments recommended by the governor include benefit costs, statewide cost allocation, CEC, and the 2 percent ongoing General Fund reduction.

Administrator Long addressed Committee concerns and questions regarding additional credentials that students can take to the workforce, the Perkin's Grant, pathway and cluster programs, data showing program growth and market forces, NIC's dental hygiene program, and CTE's skill stack program. See [Audio](#) and [Presentation](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:22 a.m.

Representative Youngblood
Chair

Jenny Miller
Secretary