

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 03, 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, Marshall(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: **COURT OPERATIONS, Judicial Branch; Sara Thomas, Administrative Director of the Courts; Jared Hoskins, Principal Budget & Policy Analyst, LSO**

Idaho's Judicial Branch is a unified court system in which all state courts are administered and supervised by the Idaho Supreme Court. The Supreme Court establishes statewide rules and policies for the operation of its functions and that of the district courts. It is divided into seven judicial districts, each encompassing four to ten counties. This regional structure is designed to delegate authority to the judicial districts and to ensure their participation in policy decisions while maintaining uniform, statewide rules and procedures. The Judicial Branch is composed of three divisions: Court Operations, Guardian Ad Litem Program, and Judicial Council.

The Court Operations Division is composed of seven budgeted programs: (1) Supreme Court (2) District Courts (3) Magistrate Division (4) Court of Appeals (5) Water Adjudication (6) Community-Based Substance Abuse Treatment and (7) Senior Judges. As of November 1, 2019, the Judicial Branch had 362 FTP including 17 vacancies.

Performance Measures: The Judicial Branch is not required to submit an annual performance report to the Division of Financial Management and is not subject to LSO's audit function.

FY 2019 Actual Expenditures: **Mr. Hoskins** reviewed object transfers and the total appropriation, which was distributed among nine different fund sources. In terms of the excess personnel costs, \$496,000 was attributable to the amounts that would have otherwise gone to the judge's retirement fund and temporary vacancies.

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 \$72,584,600.

FY 2020: The Legislature funded 11 line items: court reporter pay; judicial CEC; Ada County magistrate judges; a senior financial specialist; a research and evaluation analyst; an ADA consultant; a court education specialist; a direct appropriation for problem-solving courts; juror compensation; Medicaid expansion offsets; and a district judge and court reporter. Current year standard statewide adjustments recommended by governor include the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: Current year statewide adjustments recommended by governor include benefit costs, statewide cost allocation, and CEC for the nonjudicial positions in terms of nonstandard adjustments. There are some partial-year annualized options for several judicial positions. Seven line items include (1) District 1 judges and court reporter (2) floating court reporter (3) Judicial CEC (4) ADA consultant ongoing (5) ILJLC occupancy costs (6) juror compensation ongoing and (7) Medicaid Expansion.

Director Thomas answered Committee questions regarding Medicaid, case loads, judge assignments, magistrate location assignments and customer need, the new website system, fine waivers, and the court funding scheme. See [Audio](#) and [Presentation](#).

AGENCY **GUARDIAN AD LITEM PROGRAM, Judicial Branch; Tahna Barton,**
PRESENTATION: Director, 5th District GAL Program; Jared Hoskins, Principal Budget & Policy Analyst, LSO

Guardian Ad Litem Program is one of the three divisions of the Judicial Branch. Guardian Ad Litem grants are awarded to Court Appointed Special Advocate (CASA) programs to recruit, train, and coordinate volunteers to act as court-appointed special advocates for abused, neglected, or abandoned children under the Child Protective Act. This program is a pass-through budget for the Supreme Court, which distributes funding to local CASA programs in order to recruit and train volunteers. In 2019 the program served 2,236 children with a total of 597 volunteers. More children are in need of help, which is a challenge that stems from a lack of volunteers and resources.

Performance Measures: The Judicial Branch is not required to submit an annual performance report to the Division of Financial Management and is not subject to LSO's audit function.

FY 2019 Actual Expenditures: **Mr. Hoskins** highlighted a small object transfer, a reversion, and the 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 \$405,200, a 34.4 percent increase.

FY 2020: The Legislature funded \$70,000 for an advocate coordinator.

FY 2021: Current year statewide adjustments requested, but not recommended, CEC for group positions. One enhancement requested and recommended is staff for the 1st, 3rd, 5th, 6th, and 7th Districts. See [Audio](#) and [Presentation](#).

AGENCY **JUDICIAL COUNCIL, Judicial Branch; Tahna Barton, 5th District GAL**
PRESENTATION: Program; Jared Hoskins, Principal Budget & Policy Analyst, LSO

The Idaho Judicial Council is empowered by statute to nominate persons to the governor for appointment to vacancies on the Supreme Court, Court of Appeals, and District Courts and make recommendations to the Supreme Court for the removal, discipline, and retirement of judicial officers.

FY 2019 Actual Expenditures: **Mr. Hoskins** reviewed a small object transfer, a reversion, and the current year appropriation.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation, which was the same. FY 2021 the governor recommends an appropriation of \$130,800.

There are no adjustments to this budget in the maintenance area or in enhancements. See [Audio](#) and [Presentation](#).

AGENCY

PRESENTATION: MENTAL HEALTH SERVICES, Department of Health & Welfare, Ross Edmunds, Division Administrator; Jared Tatro, Principal Budget & Policy Analyst, LSO

Mental Health Services includes two programs: Children's Mental Health and Adult Mental Health. The Children's Mental Health Program provides assessment and evaluation, clinical case management, hospitalization, residential treatment, and therapeutic foster care for children with serious emotional disturbances. Adult Mental Health Services in Idaho are community-based, consumer-guided, and organized through a system of care for adult citizens who experience serious and persistent mental illness. The governor is recommending a 9.3 percent reduction, which would reduce the budget to \$46.4 million. The reduction is primarily due to Medicaid expansion and the 2 percent governor's recommendation.

The children's health budget is largely staff that works in case management, and then the agency contracts services through private providers across the state. The adult mental health program delivers the services directly with state staff.

FY 2019 Actual Expenditures: **Mr. Tatro** discussed appropriations, variances, and transfers.

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 \$46,420,500, a 9.3 percent decrease from the FY 2020 appropriation.

FY 2020: The legislature funded one line item that reduced \$4,200,000 for cost offsets related to Medicaid expansion. 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 department requests a reduction of \$4,200,000 for the annualized cost offsets for Medicaid expansion. The cost offset includes \$1,000,000 for crisis centers, \$1,000,000 for contracted physicians, and \$2,200,000 for costs related to mental health services for Idaho Department of Correction (IDOC) offenders serving their sentence in the community. These offsets match the same offsets that were approved for FY 2020. About 90 percent of population traditionally served are now receiving Medicaid, and crisis centers can bill Medicaid for services.

Mr. Tatro reviewed appropriation language found within the appropriation bill. The first section pertains to educational needs. The second section limits the transfer of legislative appropriations. The third section pertains to an inner agency payment, and the last section pertains to behavior health crisis centers.

Administrator Edmunds answered Committee questions regarding sustainability plans for crisis centers and community needs. See [Audio](#) and [Presentation](#).

AGENCY

PRESENTATION:

PSYCHIATRIC HOSPITALIZATION, Department of Health & Welfare, Ross Edmunds, Division Administrator; Jared Tatro, Principal Budget & Policy Analyst, LSO

Psychiatric Hospitalization is organized into three budgeted programs: Community Hospitalization, State Hospital South, and State Hospital North. Funds are used to pay for patient care once an individual has been committed to state custody and before a bed is available in one of the two state institutions. Both State Hospital South in Blackfoot, and State Hospital North in Orofino, provide short- and long-term 24-hour residential care and treatment for persons who are not able to remain safely in the community setting. State Hospital South has 106 psychiatric treatment beds on four separate units and a 29-bed nursing home facility in a separate multi-story building on the campus. State Hospital North has a capacity of 55 beds.

The agency is requesting funds primarily related to State Hospital West's move of the adolescent unit from Blackfoot to Nampa. The primary purpose of building an adolescent hospital is that 75 percent of the children served at state hospitals come from the Treasure Valley.

FY 2019 Actual Expenditures: **Mr. Tatro** reviewed total appropriation numbers. Expenditures exceeded appropriation, which is consistent. When someone is committed to the state and there is not a bed, they are placed in a community hospital bed, which is typically twice the amount as one of the state hospitals.

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 \$44,838,500, a 15.1 percent increase.

FY 2020: Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction. The Legislature funded three line items including 1.00 FTP and \$48,600 for additional State Hospital South staffing; \$144,200 for psychiatry and nursing services at State Hospital North; and a reduction of \$1,000,000 for cost offsets for Medicaid expansion. **Mr. Tatro** discussed the supplemental for State Hospital South (JFAC approved Supplemental on 1/23/20).

FY 2021: Current year statewide adjustments recommended by the governor include benefit costs, statewide cost allocation, and CEC. State Hospital North requests \$63,400 with \$28,100 from the General Fund and \$35,300 from the State Hospital North Endowment Income Fund to account for increases in medical inflation. State Hospital South requests \$155,800 from the Mental Hospital Endowment Income Fund to account for increases in medical inflation.

The department requests a reduction of \$1,000,000 for the annualized cost offsets for Medicaid Expansion. In addition, nondiscretionary adjustments for State Hospital South increases the General Fund appropriation by \$5,500 and increases a like amount in federal funds to reflect a change in the Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. An endowment adjustment for State Hospital South requests a reduction from the General Fund of \$286,200 and an increase to the hospital's Mental Hospital Endowment Income Fund by a like amount in operating expenditures.

Two line items include the State Hospital West adolescent unit, which is expected to open in March 2021, and funding to cover the cost of the State Hospital South nursing home bond payment.

Administrator Edmunds answered Committee questions regarding hospital certification for Medicaid funding. See [Audio](#) and [Presentation](#).

AGENCY PRESENTATION: **SUBSTANCE ABUSE SERVICES, Department of Health & Welfare, Ross Edmunds, Division Administrator; Jared Tatro, Principal Budget & Policy Analyst, LSO**

The Substance Abuse Treatment and Prevention Program provides treatment services for children and adults.

FY 2019 Actual Expenditures: **Mr. Tatro** reviewed expenditures, appropriations, and budget variance. The program does spend all or most of its appropriation from the General Fund each year. The federal funds fluctuate due to the timing of grants.

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 \$13,059,900, a 25.2 percent decrease from the FY 2020 appropriation.

FY 2020: The Legislature funded three line items which included \$4,110,000 for the Opioid Response Grant; reduced \$735,000 for a problem solving court funding transfer; and reduced \$1,200,000 for cost offsets related to Medicaid Expansion. Current year standard statewide adjustments recommended by the governor include the sick leave rate reduction. There is one line item recommendation for community recovery centers.

FY 2021: The department requests a 100% reduction from the General Fund for the annualized cost offsets for Medicaid expansion. Current year statewide adjustments recommended by the governor include benefit costs, CEC, and the 2 percent ongoing General Fund reduction.

Administrator Edmunds answered Committee questions regarding the opioid crisis, treatment programs, and recovery centers. See [Audio](#) and [Presentation](#).

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 10:17 a.m.

Representative Youngblood
Chair

Jenny Miller
Secretary