

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 04, 2020

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow,

PRESENT: Burtenshaw, Woodward, Ward-Engelking, Nye

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

ABSENT/ None

EXCUSED:

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

MEDICAL BOARDS; Maggie Smith, Senior Budget & Policy Analyst, LSO
Idaho Medical Boards are comprised of five separate board that all operate independently, but they are budgeted as a single division. Each board regulates the medical professionals in its respective field, and each board is entirely funded by their own dedicated funds that come primarily from licensure fees.

AGENCY **BOARD OF MEDICINE (BOM), Anne Lawler, Executive Director**

PRESENTATION: **Maggie Smith, Senior Budget & Policy Analyst, LSO**

The Board of Medicine assures the public's health, safety, and welfare by providing licensure and regulation of physicians, surgeons, physician assistants, athletic trainers, dieticians, respiratory therapists, polysomnographers, and naturopathic physicians. BOM generates revenue from licensing and registration fees, fines, printed materials, and rosters.

BOM is comprised of 11 volunteer board members who are appointed by the governor. It has over 12,000 active licenses. In FY 2019, nearly 2,000 new licenses were issued, providing more Idahoans with health care services.

Performance Measures: **Director Lawler** reviewed specific measures and projects accomplished in 2019. Two audit findings were reported. **Director Lawler** stated that corrective action has been taken and expects the items to be cleared later this year.

FY 2020: The Legislature funded BOM one line item for a management assistant and for additional board resources. Current year standard statewide adjustments recommended by the governor included the sick leave rate reduction.

FY 2021: BOM requested inflationary adjustments of \$8,400 for increased IT support costs and \$3,800 for a 3% contractual increase for its office lease, for a total of \$12,200.

BOM also requested five line items which were recommended by the governor:

- (1) ongoing personnel costs, and onetime capital outlay from the State Regulatory Fund to hire a business analyst and provide the new employee with a computer and workstation;
- (2) ongoing operating expenditures from the State Regulatory Fund to add behavioral health support to its peer assistance program for medical professionals, which currently provides services primarily for substance abuse and addiction;
- (3) ongoing operating expenditures from the State Regulatory Fund to contract with attorneys to prosecute disciplinary cases; represent the board in administrative, state, and federal lawsuits; and serve the board on other legal and legislative matters;
- (4) ongoing personnel costs from the State Regulatory Fund to reclassify four of its licensing specialist positions from pay grade H to pay grade I; and
- (5) ongoing personnel costs and \$3,000 in ongoing operating expenditures from the State Regulatory Fund for board compensation and meeting expenses of the newly created Naturopathic Medical Board. See [Audio](#) and [Presentation](#).

AGENCY

PRESENTATION:

BOARD OF NURSING, Russell Barron, Executive Director

Maggie Smith, Senior Budget & Policy Analyst, LSO

The Board of Nursing regulates nursing practice and education to safeguard public health, safety, and welfare. Revenues are generated from licensing, exam fees, endorsements, and renewal and reinstatement fees. BON consists of nine board members who are appointed by the governor.

Performance Measures: **Director Barron** reviewed specific measures and projects accomplished in 2019. No audit findings were reported.

FY 2020: The legislature funded three line items for cell phones, an administrative assistant, and for Microsoft Office 365. **Director Barron** reported that all equipment has been purchased, and the administrative assistant position has been filled. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction. .

FY 2021: The Board of Nursing requested \$40,700 for general inflation of various operating expenditures including certified mailings, conferences, travel, and printing.

The Board of Nursing also requested six line items, all of which were recommended by the governor with some adjustments:

- (1) ongoing personnel costs for a salary increase for an Associate Director;
- (2) operating expenditures from the State Regulatory Fund to relocate its offices;
- (3) ongoing personnel costs from the State Regulatory Fund to pay honoraria costs for its board members;
- (4) ongoing operating expenditures from the State Regulatory Fund for enhancements to its Program for Recovering Nurses (PRN);
- (5) ongoing operating expenditures from the State Regulatory Fund for staff development courses provided by the Division of Human Resources and other local trainings;
- (6) ongoing operating expenditures from the State Regulatory Fund to lease a second copier for its office; and .

Director Barron answered questions from the Committee. See [Audio](#) and [Presentation](#).

AGENCY **BOARD OF PHARMACY, Nicki Chopski, Executive Director**

PRESENTATION: **Maggie Smith, Senior Budget & Policy Analyst, LSO**

The Board of Pharmacy promotes, preserves, and protects public health, safety, and welfare through the effective control and regulation of the practice of pharmacy. Revenues are generated from licensing, registrations, exam fees, and fines. With 15 FTPs and no vacancies, the agency oversees 18,667 licensees and registrants as well as the prescription drug monitoring program. The board is comprised of four pharmacists and one public member, all appointed by the governor.

Performance Measures: The agency reviewed specific measures and projects accomplished in 2019. No audit findings were reported.

FY 2020: The legislature funded one line item for licensing system maintenance and for Microsoft Office 365. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction/

FY 2021: The Board of Pharmacy requested one line item, recommended by the governor, for a federal grant for the prescription drug monitoring program. Half of the grant already has been received. **Director Chopski** and **Ms. Smith** answered from the Committee. See [Audio](#) and [Presentation](#).

AGENCY **IDAHO STATE LIQUOR DIVISION (Division)); Jeff Anderson, Director**

PRESENTATION: **Maggie Smith, Senior Budget & Policy Analyst, LSO**

The Liquor Division regulates beverage alcohol under a model of enhanced oversight. It has no authority over beer, wine, or licensing of on-premise liquor by the drink establishments. The Division offers distilled spirits in 170 locations throughout Idaho in 66 state operated stores and 103 private sector contract retailers. State store sales account for 85 percent of total sales. The Division's funding comes from dedicated funds. It receives no general funds.

Performance Measures: **Director Anderson** reviewed specific measures and projects accomplished in 2019. No audit findings were reported.

FY 2019 Actual Expenditures: **Ms. Smith** detailed net object transfers and reversions. **Director Anderson** and **Tony Faraca**, CFO of the Liquor Division, answered questions from the Committee.

FY 2020: The Legislature funded five line items for FY 2020:

- (1) relocate or remodel nine stores;
- (2) convert temporary positions to full-time positions;
- (3) hire four new warehouse employees;
- (4) warehouse pallet jacks; and
- (5) technology consolidation and modernization.

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

Director Anderson reported that some of the stores have been relocated; other requests have been completed.

FY 2021: Statewide adjustments recommended by governor included benefit costs, statewide cost allocation, and CEC. The Liquor Division requested replacement items and three line items, all of which were recommended by the governor:

- (1) onetime capital outlay from the Liquor Control Fund to remodel and/or relocate two stores in Caldwell and Eagle;
- (2) maintenance of the automated storage and retrieval system (ASRS) used in its warehouse; and
- (3) ongoing personnel costs to increase staffing levels at its largest stores and provide increases for designated supervising clerks at 13 of its stores.

FY 2021 Total Appropriation: The Liquor Division requested a total appropriation of \$23,227,800, a 3.8 percent increase. The governor recommended \$22,725,700, a 1.6 percent increase. See [Audio](#) and [Presentation](#).

**AGENCY PRESENTATION: IDAHO STATE LOTTERY (Lottery); Jeff Anderson, Director
Maggie Smith, Senior Budget & Policy Analyst, LSO**

Idaho Lottery was established in 1989 to maximize net income and the resulting annual dividend payment for Idaho public buildings and schools. The Idaho Lottery's net income historically has been split equally between the Permanent Building Fund and the School District Building Fund. One hundred percent of its funding is from dedicated funds and is overseen by a five-member commission appointed by the governor.

Performance Measures: **Director Anderson** reviewed specific measures and projects accomplished in 2019 and answered questions from the Committee. No audit findings were reported.

FY 2019: **Ms. Smith** reviewed the Agency Profile page of revenues and distributions. **Director Anderson** answered questions from the Committee.

FY 2021: In addition to statewide adjustments recommended by the Governor, the Lottery Division requested replacement items and two line items that were recommended by the governor: (1) ongoing personnel costs from the State Lottery Fund to implement two salary increases; and (2) ongoing operating expenditures from the State Lottery Fund for an increased volume of shipping and for secure scratch ticket dispensers for retailers.

FY 2021 Total Appropriation: The Lottery requested a total appropriation of \$6,380,400, a 3.6 percent increase. The governor recommended \$6,297,900, a 2.3 percent increase. See [Audio](#) and [Presentation](#).

**AGENCY PRESENTATION: PUBLIC UTILITIES COMMISSION (PUC); Paul Kjellander, Commission
President
Maggie Smith, Senior Budget & Policy Analyst, LSO**

The PUC oversees the intrastate operation of investor-owned electric, gas, water, telecommunications utilities, pipelines, and railroads. It does not regulate publicly-owned municipal or cooperative utilities. The Administration Division has management, fiscal, personnel, public affairs, pipeline safety, and railroad safety responsibilities; and provides support services for the agency. The Utilities Division has audit, engineering, telecommunications, technical analysis, and consumer assistance responsibilities. The PUC is funded entirely from dedicated

and federal funds. The PUC employs 49 authorized FTPs. **President Kjellander** discussed progress toward filling 7 open positions.

Performance Measures: **President Kjellander** reviewed specific measures and projects accomplished in 2019 and answered questions from the Committee. One open audit finding was reported, and **President Kjellander** described the finding and measures to correct it.

FY 2019 Actual Expenditures: The PUC is funded entirely from dedicated and federal funds. **Ms. Smith** detailed net object transfers, reversions and supplemental funding for the PUC to move to the Chinden Campus.

FY 2020: The legislature funded two line items: (1) a CEC for the Commissioners; and (2) technology consolidation and modernization.

FY 2021: In addition to statewide adjustments recommended by governor for benefit costs, statewide cost allocation, CEC,. The PUC requested replacement items, the governor recommended a 2 percent salary increase for commissioners.

FY 2021 Total Appropriation: The PUC requested a total appropriation of \$6,615,200, a 0.3 percent decrease. The governor recommended \$6,551,200, a 1.3 percent decrease. See [Audio](#) and [Presentation](#).

AGENCY
PRESENTATION:

STATE INDEPENDENT LIVING COUNCIL, Mel Leviton, Executive Director

Jill Randolph, Senior Budget & Policy Analyst, LSO

The Idaho State Independent Living Council (SILC) is actively engaged in activities that assist in providing Idahoans across disabilities and age a greater voice in obtaining services that are consumer-responsive, cost-effective, and community-based. SILC has three funding sources: General Funds provide 32 percent, dedicated funds provide 51 percent and the federal grant fund provides 16 percent. SILC is made up of 17 to 23 volunteers and works closely with other state agencies. SILC does not provide any direct services, but promotes independent living for Idahoans with disabilities.

Performance Measures: **Director Leviton** reviewed specific measures and projects accomplished in 2019. The Legislative Services Offices, Audit division does not conduct audits of this agency; rather it is audited by the city audit system.

FY 2019 Actual Expenditures: **Ms. Randolph** noted SILC's 36 percent reversion of its total budget, in large part due to a 100 percent reversion in the federal grant fund.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. SILC requested a 2.1 percent increase on the General Fund, and the governor recommended a 1.1 percent decrease.

FY 2020: The legislature funded one item for the governor's technology initiatives. No unique line items were requested. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: Statewide adjustments recommended by governor included benefit costs, statewide cost allocation, CEC, and 2 percent ongoing General Fund reduction.

FY 2021 Total Appropriation: SILC requested a total appropriation of \$725,400, a 1.7 percent increase. The governor recommended \$714,100, a 0.1 percent increase.

AGENCY
PRESENTATION:

**IDAHO STATE HISTORICAL SOCIETY (ISHS), Janet Gallimore,
Executive Director**

Jill Randolph, Senior Budget & Policy Analyst, LSO

The ISHS includes the State Museum, State Archives, State Records Center, State Historic Preservation Office, Old Idaho Penitentiary, and statewide historic sites in Franklin, Pierce, and Hansen. Its mission is to preserve and promote Idaho's history. ISHS has one budgeted program and three funding sources: General Funds provide 50 percent, dedicated funds provide 25 percent and the federal funds provide 15 percent. They employ 57 FTP with 3 current vacancies.

Performance Measures: **Director Gallimore** reviewed specific measures and projects accomplished in 2019. ISHS received four open audit findings, and **Director Gallimore** reported on each.

FY 2019 Actual Expenditures: **Ms. Randolph** detailed net object transfers and reversions.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. For FY 2021 the governor recommended an appropriation of \$8,413,700, a 5.4 percent decrease on the General Fund.

FY 2020: The Legislature funded four line items for FY 2020. These included (1) a state museum craftsman; (2) a state museum educator; (3) a security and fire vulnerability assessment; and (4) technology consolidation and modernization. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction, 1 percent onetime General Fund reduction, and removal of one-time expenditures. **Director Gallimore** reported that the line items are 90 percent complete.

FY 2021: ISHS requested three line items:

(1) a cash transfer of \$181,500 from the Federal Grant Fund to the Miscellaneous Revenue Fund, for a net zero change, to rectify an audit finding from February 2019 which found a positive cash balance in the Federal Grant Fund;
(2) \$600,000 onetime operating expenditures and \$100,000 in ongoing operating expenditures from dedicated funds for a development project to purchase and install an Idaho Cultural Resource Information System (ICRIS); and
(3) ongoing expenditures from the Miscellaneous Revenue Fund to manage program and project funds raised through fundraising, grants, and scholarships. **Director Gallimore** elaborated on these requests and answered questions from the Committee.

ISHS also requested inflationary adjustments and replacement items. Statewide adjustments recommended by governor included benefit costs, statewide cost allocation, CEC, and 2 percent ongoing General Fund reduction.

FY 2021 Total Appropriation: ISHS requested a total appropriation of \$8,598,500, a 12.9 percent increase. The governor recommended \$8,413,700, a 10.5 percent increase. See [Audio](#) and [Presentation](#).

PRESENTATION: **Director Gallimore** introduced historical documents from the Idaho State Archives related to the 1920 passage of the 19th Amendment to the United States Constitution granting women the right to vote. Idaho granted that right to women in 1896.

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:47 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary