

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 06, 2020

TIME: 8:00 A.M.

PLACE: Room C310

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

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

ABSENT/ EXCUSED: Senator Woodward

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

AGENCY PRESENTATION: **LEGISLATIVE SERVICES OFFICE (LSO); Eric Milstead, Director Paul Headlee, Division Manager, Budget and Policy Analysis**

The Legislative Services Office provides efficient, non-partisan support services to Idaho's citizen legislators, carries out legislative policies so as to strengthen the Legislature's management as a separate branch of government, and assists the Legislature in its constitutional responsibilities. It contains four principal divisions: Legislative Audits, the largest division; Budget and Policy Analysis; Research and Legislation and Information Technology. LSO is funded by both General and dedicated funds.

Performance Measures: The legislative branch is not required to submit annual performance reports, however, LSO surveys the legislature every other year and uses that information to adjust as necessary.

FY 2019 Actual Expenditures: **Division Manager Headlee** 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. It shows LSO's request for a supplemental appropriation for closed captioning proceedings, and one line item, mentioned below.

FY 2020: The Legislature funded one line item that provided for audit workpaper software maintenance. Director Milstead reported that audit workpaper software has become the nationwide approach to auditing, and it is working very well. LSO is requesting an FY 2020 supplemental appropriation for closed captioning technology to the Senate and House floor proceedings. Current year standard statewide adjustments recommended by governor included the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: LSO requested replacement items for laptop computers in the Audits Division. It also requested one line item to hire a revenue analyst. Statewide adjustments recommended by the governor include only OITS operating costs.

FY 2021 Total Appropriation: LSO recommends a total appropriation of \$8,469,500, a 4.3 percent increase. The governor recommended \$8,354,000, a 2.8 percent increase. See [Audio](#) and [Presentation](#).

AGENCY PRESENTATION: REDISTRICTING COMMISSION, (Commission), Eric Milstead, Director, Legislative Services Office (LSO)

Paul Headlee, Division Manager, Budget & Policy Analysis, LSO

The Redistricting Commission acts once every 10 years, after each census, to redraw new legislative and congressional boundaries. The Commission is comprised of six bipartisan commissioners. The Commission is funded solely from General Funds. It has no organizational chart and no required performance measures.

FY 2019: The legislature funded a supplemental appropriation to kick-start operations and distribute information to the General Services Administration. No appropriation was made in FY 2020.

FY 2021: The Commission requested \$444,900 for personnel costs, operating expenses and capital outlay. Director Milstead elaborated on this request and reported that LSO augments the redistricting effort by providing staffing service in addition to this request. Director Milstead and Division Manager Headlee answered questions from the Committee. See Link above.

AGENCY PRESENTATION: OFFICE OF PERFORMANCE EVALUATIONS, Rakesh Mohan, Director, Paul Headlee, Division Manager, Budget and Policy Analysis

The Office of Performance Evaluations (OPE) is a nonpartisan legislative office that promotes accountability and confidence in state government. OPE Staff works under the general direction of the Joint Legislative Oversight Committee (JLOC), which consists of an equal number of legislators from both political parties and both houses. OPE prides itself for independence, objectivity, nonpartisanship and thoroughness.

Performance Measures: The Legislative Branch is exempt from performance review measures; however, OPE chose to participate in the process. **Director Mohan** reviewed specific measures and projects accomplished in 2019.

FY 2019 Actual Expenditures: **Division Manager Headlee** detailed net object transfers and reversions.

FY 2020: The Legislature funded three line items: (1) \$17,800 for ongoing personnel costs for employee retention; (2) \$5,600 ongoing for a subscription to LexisNexis for research resources; and (3) \$2,600 for software maintenance costs. **Director Mohan** reported that all projects were completed. The 1 percent general fund rescission was taken from personnel costs.

FY 2021: Statewide adjustments recommended by governor included benefit costs, statewide cost allocation, CEC, and OITS operating costs..

FY 2021 Total Appropriation: OPE requested a total appropriation of \$973,700, a 2.3 percent increase. The governor recommended 959,700 a 0.8 percent increase. See [Audio](#) and [Presentation](#).

JFAC PRESENTATION: STATEWIDE BUDGET DECISIONS, Paul Headlee, Division Manager, Budget and Policy Analysis

Division Manager Headlee introduced the Statewide Budget Decision Packet for review. These statewide decisions must be in place before the budget-setting process begins for FY 2021. The decisions are:

- (1) Salary structure adjustments;
- (2) Specific occupational inequities;
- (3) FY 2020 General Fund Revenue projections for FY 2020 budget-setting;
- (4) FY 2021 General Fund Revenue projections for FY 2021 budget-setting;
- (5) Sick Leave Rate Reduction for FY 2020 (11 pay periods);
- (6) FY 2020 onetime one percent rescission;
- (7) Employee benefits;
- (8) Statewide Cost Allocation (SWCAP);
- (9) Change in Employee Compensation (CEC);
- (10) Two percent salary increase for classified staff and administrators in public schools; and
- (11) Nondiscretionary adjustments.

Division Manager Headlee answered questions from the Committee. See [Audio](#) and [Presentation](#).

RS 27631 RELATING TO THE BUDGET SUBMISSION DEADLINE Paul Headlee, Division Manager, Budget and Policy Analysis

Division Manager Headlee explained the need to move the budget submission deadline from November 1 to November 15 each year, which would accommodate the time needs of governing councils to obtain budget approvals.

UNANIMOUS CONSENT: Requested by **Representative Youngblood**, granted by unanimous consent, RS 27631 was sent to print and then to the House of Representatives Second Reading Calendar with a **DO PASS** recommendation. See, [Presentation](#), and [Ballot](#).

RS 27632 RAISE CAP ON BUDGET STABILIZATION FUND AND TRANSFER FUNDS;

Keith Bybee, Deputy Division Manager, Budget & Policy Analysis, LSO **RS 27632** corrects inadvertent errors in **H 374** which were discovered in the House of Representatives. **RS 27632** would ensure that if a majority of the members of each House of Legislature adopted a concurrent resolution requesting the amount of the transfer to be reduced, then the State Comptroller shall reduce the amount of the transfer. Section 57–814(2) Idaho Code.

MOTION: Moved by **Senator Grow** that **RS 27632** be sent to print and to the House of Representative's second reading calendar with a **DO PASS** recommendation; seconded by **Representative Horman**.

CARRIED:

AYES: 18

Senators Bair, Johnson, Agenbroad, Crabtree, Burtenshaw, Grow, Ward-Engelking, Nye;
Representatives Youngblood, Horman, Anderson, Kauffman, Troy, Syme, Amador, Raybould, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 2

Senators Lee and Woodward

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), [Presentation](#), and [Ballot](#).

JFAC ACTION ON SUPPLEMENTAL APPROPRIATIONS

LSO

RELOCATION TO CHINDEN CAMPUS

PRESENTATION: **Keith Bybee, Deputy Division Manager, Budget & Policy Analysis, LSO**
Christine Otto, Senior Budget & Policy Analyst, LSO

Maggie Smith, Senior Budget & Policy Analyst, LSO

The Governor recommended that the Department of Finance, the Bureau of Occupational Licenses, and the Board of Nursing agencies receive dedicated funds to relocate to the Chinden Campus beginning FY 2021. The Department of Administration has informed the Governor and the Legislature that the relocations could begin now if funded as FY 2020 supplemental appropriations.

**UNANIMOUS
CONSENT:**

Moved by **Representative Anderson**, granted by unanimous consent, the 2020 Budgets for the Department of Finance, Regulatory Board, and Medical Boards were reopened.

MOTION:

Moved by **Representative Anderson** for the fiscal year 2020 from the dedicated State Regulatory Fund for the Department of Finance an additional \$1,800,000, all onetime; for the Idaho Bureau of Occupational Licenses an additional \$1,352,000 onetime; and for the Board of Nursing, an additional \$601,200 onetime. The total for all three budgets is \$3,753,200, onetime, from dedicated funds; seconded by **Senator Johnson**.

DISCUSSION:

Mr. Bybee; Ms. Otto; Ms. Smith; Keith Reynolds, Deputy Director, Department of Administration; and **Misty Lawrence**, Sr. Financial Analyst, Division of Financial Management, Office of the Governor, answered questions from the Committee.

CARRIED:

AYES: 15

Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Ward-Engelking, Nye;
Representatives Youngblood, Anderson, Kauffman, Amador, Raybould, Wintrow, Toone

NAYS: 1

Representative Syme

ABSENT/EXCUSED: 4

Senators Grow and Woodward, Representatives Horman and Troy

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), [Supplemental Motion](#) and .

LSO PRESENTATION: **OFFICE OF THE GOVERNOR, Office of Information Technology Services (OITS)**

Robyn Lockett, Principal Budget & Policy Analyst, LSO

The agency requested, and the Governor recommended, \$688,400, onetime, from the General Fund for construction, furniture, computer hardware, and lease costs to house IT staff at the Chinden Campus, as well as in new regional support offices in northern and eastern Idaho.

UNANIMOUS CONSENT: Moved by **Representative Raybould**, granted by unanimous consent, the 2020 Budget for the Office of Information Technology Services was reopened.

MOTION: Moved by **Representative Raybould** for the 2020 budget for the Office of Information Technology Services, \$118,600 in ongoing personnel costs, \$100,000 in onetime operating expenditures, and \$40,000 in onetime capital outlay, all from the General Fund, for a total of \$258,600; seconded by **Senator Agenbroad**.

DISCUSSION: This supplemental will fund a chief data officer, a chief technology office, a network manager, and a financial officer, with the goal of helping address concerns that arose during Phase I and to prepare OITS for Phase II.

CARRIED: **AYES: 17**
Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Ward-Engelking, Nye;

Representatives Youngblood, Anderson, Kauffman, Troy, Syme, Amador, Raybould, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 3

Senators Grow and Woodward, Representative Horman

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), [Supplemental Motion](#) and .

LSO PRESENTATION: **DEPARTMENT OF CORRECTIONS, County And Out-Of-State Placement, Correctional Alternative Placement, Medical Services; Population Driven Costs.**

Jared Hoskins, Principal Budget & Policy Analyst, LSO

The agency requested three adjustments total \$19,662,900 in ongoing operating expenditures from the General Fund in FY 2020 in order to align the department's budgets for County and Out-of-State Placement (COSP), Correctional Alternative Placement (CAP), and Medical Services (MS) with updated offender forecasts, bed utilization counts, and per diem amounts.

UNANIMOUS CONSENT: Requested by **Senator Agenbroad**, granted by unanimous consent, the 2020 budget for the Department of Correction was reopened.

MOTION: Moved by **Senator Agenbroad** for fiscal year 2020, for the Department of Correction, an ongoing increase of \$15,251,500 in operating expenditures from the General Fund in the County and Out-of-State Placement Program; an ongoing increase of \$246,700 in operating expenditures from the General Fund in the Correctional Alternative Placement Program; and an ongoing increase of \$4,164,700 in operating expenditures from the General Fund in the Medical Services Program, for a total net increase of \$19,662,900, for the purpose of population-driven costs.

CARRIED: **AYES: 17**
Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Ward-Engelking, Nye;
Representatives Youngblood, Anderson, Kauffman, Troy, Syme, Amador, Raybould, Wintrow, Toone
NAYS: 0
ABSENT/EXCUSED: 3
Senators Grow and Woodward, Representative Horman
The majority, having voted in the affirmative, the motion passed, and without objection, will carry a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), .

LSO PRESENTATION: **DEPARTMENT OF CORRECTIONS, Medical Services**
Balla Compliance Plan
Jared Hoskins, Principal Budget & Policy Analyst, LSO
This request is for \$3,171,500 in operating expenditures from the General Fund for the department to pay its private, for-profit medical services provider to comply with the National Commission on Correctional Health Care's (NCCHC's) audit recommendations, pursuant to court order in the Walter D. Balla et al. v. Idaho State Board of Correction (Balla) court case.

MOTION: **Senator Burtenshaw** made a motion for fiscal year 2020, for the Department of Correction, an ongoing increase of \$1,292,700 in operating expenditures from the General Fund in the Medical Services Program and a onetime increase of \$1,878,800 in operating expenditures from the General Fund in the Medical Services Program, for a total of \$3,171,500 , for the purpose of Balla compliance; seconded by **Representative Syme**.

CARRIED: **AYES: 18**
Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Grow, Ward-Engelking, Nye
Representatives Youngblood, Anderson, Kauffman, Troy, Syme, Amador, Raybould, Wintrow, Toone
NAYS: 0
ABSENT/EXCUSED: 2
Senator Woodward and Representative Horman
The majority, having voted in the affirmative, the motion passed, and without objection, will carry a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), [Supplemental Motion](#) and .

LSO PRESENTATION: **DEPARTMENT OF CORRECTION, Correctional Alternative Placement,**
No-Touch Kosher Meals
Jared Hoskins, Principal Budget & Policy Analyst, LSO
The department requests \$55,700 in onetime operating expenditures from the General Fund to pay for a common fare no-touch menu, as ordered by the court in the Bill Bartlett et al. v. Henry Atencio et al. (Bartlett) court case, at the Correctional Alternative Placement (CAP) facility.

MOTION: Moved by **Senator Burtenshaw** for fiscal year 2020, for the Department of Correction, a onetime increase of \$55,700 in operating expenditures from the General Fund in the Correctional Alternative Placement Program , for the purpose of no-touch Kosher meals; seconded by **Representative Syme**.

CARRIED: **AYES: 18**
Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Grow, Ward-Engelking, Nye
Representatives Youngblood, Anderson, Kauffman, Troy, Syme, Amador, Raybould, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 2

Senator Woodward and Representative Horman

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), [Supplemental Motion](#) and .

LSO PRESENTATION: **DEPARTMENT OF CORRECTIONS, Prisons Administration SCAAP Grant**

Jared Hoskins, Principal Budget & Policy Analyst, LSO

Though not included in the original request, the Governor recommended \$245,100 in ongoing operating expenditures from the Federal Grant Fund for the State Criminal Alien Assistance Program (SCAAP) grant.

MOTION: Moved by **Representative Wintrow** for fiscal year 2020, for the Department of Correction, an ongoing increase of \$245,100 in operating expenditures from the Federal Grant Fund in the Prisons Administration Program , for the purpose of the State Criminal Alien Assistance Program (SCAAP) grant; seconded by **Senator Johnson**.

CARRIED: **AYES: 18**
Senators Bair, Johnson, Lee, Agenbroad, Crabtree, Burtenshaw, Grow, Ward-Engelking, Nye
Representatives Youngblood, Anderson, Kauffman, Troy, Syme, Amador, Raybould, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 2

Senator Woodward and Representative Horman

The majority, having voted in the affirmative, the motion passed, and without objection, will carry a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), and [Supplemental Motion](#), and .

ADJOURNED: Having no further business to come before the Committee, Chairman Bair adjourned the meeting at 10:18 a.m..

Senator Bair
Chair

Elaine Leedy
Secretary