

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 14, 2021
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, Nash
ABSENT/ EXCUSED: None
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriation Committee to order at 8:01 a.m.
AGENCY PRESENTATION: **STATE TREASURER, Julie Ellsworth**
Maggie Smith, LSO Analyst

The State Treasurer is one of seven constitutional officers of Idaho. The State Treasurer serves as the banker for all Idaho agencies, deals with all the policies that impact the State's credit rating, chairman of the Idaho College Savings Account, the 529 programs, and the Treasury's Investment Advisory Committee.

Historical Summary: The State Treasurer's Office receives approximately one-third of its budget from General Funds and the remainder from four additional dedicated funds.

Organizational Chart: Under the Treasurer are the deputy treasurer, four divisions: Banking operations, investments, IT and unclaimed property. The Treasurer's office is authorized 26 full time positions (FTP) and as of January 2021 has 3 vacant positions.

Performance Report: As a constitutional officer, the State Treasurer is not required to submit a performance report. The Treasurer's Office has no open audit findings.

Variance Report: The FY 2020 Actual Expenditures by Division detail the total original appropriation and any adjustments made throughout the year. The FY 2020 expenditures totaled \$4.138 million or 94.8% of the total of appropriated funds. This included a one-time supplemental appropriation for \$50,000 for commemorative silver medallions, rescissions related to the sick leave fund which were removed from all agency budgets that had personnel costs in them, and a statewide omnibus decision for the two percent general fund reduction that was put in place last year.

2021 Comparative Summary: The Treasurer's office received a total FY 2021 appropriation of \$4.336 million. There is a five percent executive holdback put in place by the governor. As a constitutional officer, the State Treasurer's Office was not required to be subject to the hold back. However, she complied on a voluntary basis.

The Governor's Recommendation includes a one-time supplemental for Payment Card Industry Compliance in FY 2021.

Legal Note: Current litigation costs are being paid with salary savings from a vacant position. There is no estimate of what legal fee will be and has not requested a FY 2022 line item for legal fees. The Treasurer would like to fill the position

FY 2022 Total Appropriation: The State Treasurer requests a total appropriation of \$4.375 million. The Governor recommends \$4.357 million.

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

**AGENCY
PRESENTATION:**

**SECRETARY OF STATE, Lawrence Denney
Maggie Smith, LSO Analyst**

The Secretary of State is one of seven constitutional officers in Idaho. The officeholder's constitutional and statutory responsibilities include membership on the State Board of Land Commissioners and the Board of Examiners.

Mr. Denney gave a brief overview and said that Idaho's Business Solutions Project is in the final stages. The agency is setting record revenue numbers. Revenue for 2020 was \$4.8 million, and through December of this year, \$2.7 million. The elections project went live after the May primary and fully functional in August and November. The GIS component is next, which will put every elector on the map.

Historical Summary: There are two budgeted programs and one continuously appropriated program in the Office of the Secretary of State (Secretary). The majority of the Secretary's budget is in the Administration Program funded entirely from General Funds.

Organizational Chart: Under the Secretary is the Chief Deputy Secretary, and two Deputy Secretaries. There are 30 authorized FTP, 2 are vacant.

Performance Report: Not required for the Secretary of State. There are no open audits.

Variance Report: The FY 2020 Actual Expenditures by Division details the total original appropriation and any adjustments made throughout the year. Most of the appropriated general fund monies of \$ 5.68 million were spent. Only .9 percent were reverted.

FY 2021 Line Items - this included \$300,000 for the printing and mailing of voter pamphlets and \$12,800 for the Commission on Uniform State Laws to attend their annual conference.

FY 2022 Line Items - \$30,000 for the publication of the Idaho Blue Book which set in statute that every other year the Secretary of State publishes this comprehensive reference book of Idaho facts.

FY 2022 Total Appropriation: The Secretary of State requests a total appropriation of \$3.639 million. The Governor recommends \$3.615 million.

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

**AGENCY
PRESENTATION:**

**INDUSTRIAL COMMISSION, Thomas Limbaugh, Commissioner
Maggie Smith, LSO Analyst**

The Industrial Commission ensures that the Idaho Workers' Compensation Law is impartially and efficiently administered. The commission encourages safe working environments, prompt and accurate benefit payments, timely dispute resolutions and vocational rehabilitation services.

Historical Summary: The legislature authorized the consolidation of the Adjudication program into the Compensation Program in FY 2021. Moving forward, there will be three programs. Compensation, Rehabilitation, and Crime Victim Compensation. The Industrial Commission (IC) budget consists of General, dedicated and federal funds, the largest of which is dedicated funds. The Crime Victims Compensation Program is primarily funded by dedicated funds but does receive a General fund appropriation as well.

Performance Measures: **Commissioner Limbaugh** detailed specific measures and project accomplished in FY 2020. There were no open audit finding.

Variance Report FY 2020 Actual Expenditures details the dedicated funds source for the Industrial Commission comes from a premium tax that is paid by all insurance companies that provide workers compensation insurance, includes a peace officers disabled fund to pay for these officers that are injured on the job, a Crime Victims Compensation Dedicated Fund and federal program fund.

The agency received a supplemental appropriation last year, and this was with regard to the industrial logging and safety program that is administered by the Division of Building Safety.

FY 2021 Approved Lines Items: Five items were funded. Year-one of the technology modernization project that included \$3.29 million to select a vendor and begin implementation of the project. There were two new positions added and was a consolidation of two budgeted programs.

FY 2022 line item requested for the IT modernization - year two. The legislature funded year one last year, and now a contract has been entered into.

FY 2022 Total Appropriation Requested: \$22.5 million, Total Governor recommendation: \$22.4 million.

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

**AGENCY
PRESENTATION:**

**DIVISION OF VETERANS SERVICES, Pete Koehler, Interim Chief
Administrator
Christine Otto, LSO Analyst**

The Idaho Division of Veterans Services (Division) assists veterans and their families by operating the veteran's homes in Boise, Lewiston and Pocatello; managing the state veterans cemetery and other services.

Historical Summary: FY 2020 total appropriation of \$44.9 million was made up of three percent from the General Fund, fifty-one percent from dedicated funds and forty-six percent was federal funds. In FY 2020, the Division used 52 percent of its appropriated funds.

Organization Chart: FY 2021 appropriation for FTP was 367.20 and the Division has requested no changes for FY 2022. There are 40.80 vacant positions.

Performance Measures: **Mr. Koehler** detailed specific measures and projects accomplished in FY 2020. He touched on the affect COVID had on the homes, however, in spite of it, all three have been nationally recognized as the Army's top nursing care facilities in the country, and the home in Pocatello was selected as outstanding. The division had no open audit findings.

In the interest of time, the analyst moved on FY 2022.

FY 2022 line item requests. There were 6 Division line item requests, and the Governor recommended an additional line item for CARES funds that was received just prior to the session starting.

New Leases and Capital Outlay \$66,400 - \$37,800 Dedicated / \$28,600 Federal Medicaid Reimbursement Change \$1.0 million - Miscellaneous Revenue Fund Construction Grant \$1.844 Million - Federal Grant
Veteran's Cemetery Expansion \$790,200 — Federal Grant
COVID-19 Construction Grant \$1.916 Million
Veterans' Recognition Fund \$195,000
COVID Relief Act - CARES \$3.732 Million

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

**AGENCY
PRESENTATION:**

**GOVERNOR LITTLE'S INITIATIVE - BUILDING IDAHO'S FUTURE
Alex Adams, Administrator, Office of the Governor, Division of Financial Management**

Mr. Adams presented an overview of Building Idaho's Future key parts as part of Governor Little's State of the State Address. First key part was tax relief and second was strategic investments. The FY 2021 supplemental appropriation is over \$300 million from general funds and \$35 million in federal funds, and the dedicated fund is the spending authority for those that are transferred to the dedicated funds.

Ten departments were prepared to present before the Committee, however, due to time constraints, the committee only heard from:

Mr. Scott Stokes – Transportation Department

Mr. Jeff Raybould - Department of Water Resources

Mr. Tom Keely – Department of Commerce

Superintendent Ybarra - Public School Support – Children's Programs

Matt Freeman - State Board of Education – Community Colleges and Division of Career Technical Education, Jess Byrne - Department of Environmental Quality

General Michael Gacek – Permanent Building Fund

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

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Bair** adjourned the meeting at 10:55 a.m.

Senator Bair
Chair

Denise B. McNeil
Secretary