

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 18, 2021
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking and Nye.
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green and Nash.
ABSENT/ EXCUSED: Representative(s) Amador
CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.
AGENCY PRESENTATION: **IDAHO COMMISSION ON AGING, Judy Taylor, Administrator**
Jill Randolph, LSO Analyst

The Idaho Commission on Aging (ICOA) was designated by the Governor in 1968 and implements the federal Older American Act and the Idaho Senior Services Act. ICOA plans, coordinates, and promotes a statewide network designed to support aging Idahoans live healthy and dignified lives in the communities of their choice. ICOA is advised by a seven-member commission on aging that is appointed by the Governor.

Historical Summary: The commission is organized within the office of the governor and has one budgeted program and two funding sources. The General Fund makes up 33 percent of the total funds available and federal funds account for 67 percent of the total appropriation. A majority of the agency's appropriation is within the Trustee and Benefits column which accounts for about 86 percent of the total FY 2020 appropriation.

Organizational Chart: ICOA has a staff of 13 FTP and currently there are no vacant positions. There are 7 statewide commissioners that are appointed by the Governor.

Performance and Audit Reports: **Administrator Taylor** gave a brief overview of specific measures and projects accomplished in FY 2020. All of these reports are found on the Division of Financial Management's website. ICOA's strategic goal is to support older Idahoans to live independent and healthy lives in the communities of their choice and allow caregivers to choose who will care for their loved ones. There were no open audit findings.

FY 2020 Actual Expenditures: Two expenditures were highlighted: Line 1.12 Noncognizable Increases in the amount of \$3.797 million was the amount of the Cares Act funding that was awarded to the agency. Total Reverted Appropriation was \$3.566 million. \$2.41 million was the unspent portion of that Cares Act funding This money was added as noncognizable for the current FY 2021. Those funds from the Cares Act increased the Commission's total appropriation, with a 15% increase over appropriation in trustee benefits.

Included in the packet was the FY 2021 information pages for the Commission that detailed the funds each county received from the CARES ACT and the federal Family's First Coronavirus Response Act funding.

Comparative Summary: The agency requested a .3 percent increase on the General Fund and the Governor recommended a .2 percent increase.

FY 2021 Original Appropriation: There was one line item which included \$207,000 to align federal appropriation with available funds due to new grants. Also included was a 2 percent General Fund reduction and the agency's share of the statewide adjustments for funding at the Office of Information Technology Services. All funds were used to advance the strategic plan and vision of ICOA and the state plan that is submitted every four years.

FY 2021 Supplemental Requests: The Governor recommends onetime federal funds in trustee and benefit payments. A supplemental request for COVID Relief Act funds for \$851,000 will come before the committee later in the appropriation process. The Governor also recommended any unspent funds be reappropriated into FY 2022.

FY 2021 Noncognizable Funds and Transfers adjustment of \$2.933 million accounts for the CARES Act funds received and was distributed to the six Area Agencies on Aging. This was used for expanded meal service delivery and curbside pickup as well as PPE.

FY 2022 Inflationary Adjustments: There was a significant difference between Agency request and the Governor's recommendation. This was due to an error in preparing the budget. The actual amount was exactly that of the Governor's recommendation.

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

There was a change to the Agenda, and due to computer issues, the presentation from the Division of Vocational Rehabilitation will be heard later.

AGENCY PRESENTATION: GOVERNOR'S REVISED BUDGET RECOMMENDATION, Alex Adams, Office of the Governor, Division of Financial Management

Mr. Adams presented the Governor's final budget, which is revised under Idaho Code §6735-06 . This year's revision was due to the influx of federal funds and grants that had been awarded in late in December after the time for submitting the budget revisions had passed. He provided the updated numbers based on the COVID Relief Act:

1. The Board of Education received \$7.7 million for a childhood learning grant.
2. Community colleges received \$23.3 million.
3. Colleges received \$49.4 million.
4. Idaho public TV received \$450,000

These funds have been built into the budget as supplemental appropriations pending legislative action.

DISCUSSION: **Mr. Adams** explained how payouts of these funds are awaiting legislative action via supplemental appropriations. One noncognizable item from the COVID Relief Act was for funds for vaccine and testing. Health and Welfare will receive \$102 million of which \$35 million was used prior to legislative action.

Mr. Headlee presented the Decision Table to explain the supplemental process versus the noncognizable process using COVID Relief Act funding. **Co-Chairman Bair** requested a refinement of the table so that it would be easier to read.

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

**AGENCY
PRESENTATION:**

**DIVISION OF VOCATIONAL REHABILITATION, Jane Donnellan,
Administrator
Jill Randolph, LSO Analyst**

Administrator Donnellan introduced Kean Miller, Fiscal Operations Manager and Nanna Hanchett, Deputy Administrator.

The Idaho Division of Vocational Rehabilitation has three distinct programs, the Vocational Rehabilitation Program, (VR) the Extended Employment Services Program, (EES) and the counsel for the Deaf and Hard of Hearing (CDHH). The Vocational Rehabilitation Program is one of the oldest state and federal programs in the nation and the largest program under the Idaho Division of Vocational Rehabilitation.

2020 marks the 100th anniversary of the state federal VR program. VR is a state and federally funded program with the \$21.3 million non-federal match. The VR program does not receive enough general funds for the non-federal match portion and relies on partners to capture the match requirement and is an inherent risk to the VR program

Historical Summary: The division is organized under the State Board of Education and there are three different budgeted programs. The vocational rehabilitation program accounts for about 86 percent of the total appropriation. The Extended Employment Services program accounts for about 13 percent and the Council for the Deaf and Hard of Hearing accounts for about 1 percent of the total appropriation. There are three different funding sources for this division. The general fund is about 29 percent of the total appropriation. Dedicated funds make up about 8 percent, and federal funds are about 63 percent of their total appropriation.

Organizational chart: There is a continued challenge for the Division and has been experiencing ongoing difficulties with applicant recruitment and retention. The Division has 150 FTP and 11 vacant positions. The majority of these vacancies are rehabilitation counselors. During FY 2020 there was a 23 percent turnover rate for the rehabilitation counselor positions.

Administrator Donnellan highlighted areas of success specific to the VR program. Their earnings are estimated to result in \$5.8 million in state sales taxes and \$13.5 million in state income taxes paid over the remaining working life. The total return on Idaho's \$4.0 million General Fund investment is estimated to be \$19.4 million or \$4.75 return to the state and taxes for every \$1.00 of General Fund.

FY 2020 Actual Expenditures were broken out by division as a whole first, then into the each of the programs. The division reverted \$5.6 million dollars from their total appropriation, which is about 19 percent of their total appropriation. The Extended Employment Services Program which is 100 percent funded from the General Fund reverted \$1.2 million or 28 percent of the total appropriation. The Counsel for the Deaf and Hard of Hearing is also funded from the General Fund and received dedicated funds through donations. They reverted .8 percent of their total appropriation. The Vocational Rehabilitation program was also impacted by COVID which resulted in an 18.6 percent revision of their total appropriation.

Comparative Summary: The Agency requested a 1.3 percent increase on the General Fund and the governor recommended a .9 percent increase.

FY 2021 two main items were appropriated. First was a transfer of \$600,000 from the EES program to allow for matching funds to raise the provider rate for Medicaid for comparable services. The second was for the Council for the Deaf and Hard of Hearing. This was a statewide outreach increase of \$400 and was based upon the recommendation from the Government Accountability Office Fact Committee.

Under the statewide cost allocation in FY 2021, the Agency has requested that the CDHH have OITS billing added to its program budget for increased transparency.

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

**AGENCY
PRESENTATION:**

**COMMISSION FOR LIBRARIES, Stephanie Bailey-White, State Librarian
Janet Jessup, LSO Analyst**

The Idaho Commission for Libraries (ICfL) assists in statewide library development, and provides continuing education and consultant services to the library community. The library community consists of 147 library buildings that are open year-round, evenings and weekends, as well as school and academic libraries. ICfL coordinate various statewide programs, administers grants, advocates for library services and facilitates planning for library development.

Historical Summary: The Operating Budget includes FY 2020 actuals, and the difference between the Agency request and Governor's recommendation for FY 2022.

Organizational Chart: The organization chart was revamped in 2020 to allow staff to better focus on the priority areas. They are in the process of permanently reducing their full time employee count from 37.5 to 36.5, due in part to advances in technology. There are 10.0 FTP funded with Federal Institute System funds and Library Services funds and 26.5 FTP funded with State funds. There are two vacant positions.

Performance Report: **Ms. Bailey White** detailed the three goals and six performance measures in their annual performance report.

Comparative Summary: There are a few differences between the agency's request and Governor's recommendation, including noncognizable funds, changes for benefit costs, and a changes in employee compensation.

FY 2021 Original Appropriation: There were no line items for the Commission for Libraries.

FY 2022: There is a change for the noncognizable amounts previously noted in the comparative summary. The agency's request was for \$880,300 and the governor's recommendation was for significantly more. This was due to funding that became available after the agency revision deadline. There were changes to benefit costs and changes in employee compensation, as well as the statewide cost allocation. There was also an inflationary adjustment of \$54,,000 for computer services and contract inflation. This was requested by the agency and recommended by the Governor.

FY 2022 Line Item: The Agency requested \$307,000 ongoing General Funds to ensure Idaho's students have access to eBooks and audio titles prior to the pandemic.

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

**AGENCY
PRESENTATION:**

**OFFICE OF DRUG POLICY, Marianne King, Interim Director
Janet Jessup, LSO Analyst**

Ms. King introduced Jesse Dexter, Program Specialist for the Office of Drug Policy (ODP). She has been serving as the current interim administrator and has been with ODP since 2013.

ODP has established a dedicated focus on primary prevention efforts keeping Idaho youth, families and communities safe while reducing the overwhelming costs and negative impacts of substance abuse. ODP helps to develop, implement and fund substance use primary prevention programs statewide. The activities and services ODP supports are evidence based built upon prevention, science with demonstrated outcomes and based on the idea that local conditions deserve local solutions. ODP's prevention programs are delivered in collaboration with community coalitions, counties, tribes, statewide agencies and organizations, and with the behavioral health impacts of COVID just beginning to be documented.

Historical Summary: Detailed information can be found on page 65 of the Legislative Budget Book.

Organizational Chart: There are 6.0 FTP and they have one unfilled FTP as the result of interim Director King stepping from one position into the other.

Performance Measures: **Ms. King** explained that ODP has successfully met or exceeded all assigned performance measures as reported and demonstrated and documented on the performance report.

FY 2020 Actual Expenditures: Last year there were some partially corrected audit findings for ODP. Currently, those audit findings still stand as being partially corrected. and there is no status update. A follow up on the status is scheduled to for March of 2021.

Variance Report: The object code transfer relates to the distribution of Naloxone, an opioid overdose reversal drug. Funding was received for the distribution of this drug and was budgeted as trustee and benefit, as the funds are intended for distribution to third parties. However, these funds were distributed via contract, which requires it be coded as operating expenditures.

Comparative Summary: The Governor's recommendation mirrors the agency's request with some minor changes in the area of maintenance. There were no line items for FY 2021.

FY 2022 Base Adjustments : The office transferred \$600,000 in ongoing federal funds from trustee and benefit payments to operating expenditures to align the appropriation with current grant awards. The office would like to make this ongoing, and would no longer need to transfer the funds as they would be in the budget code where they were being spent from.

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

**AGENCY
PRESENTATION:**

**COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED, Beth
Cunningham, Administrator
Janet Jessup, LSO Analyst**

The Idaho Commission for the Blind and Visually Impaired was established in 1967 and is dedicated to providing direct services to Idahoans who are blind and visually impaired. These services include vocational rehabilitation, independent living services, teaching blindness skills such as mobility and computers, providing assessment in the Low Vision Clinic and managing the business enterprise programs. All of the services provided support the commission's mission to empower persons who are blind or visually impaired by providing vocational rehabilitation skills and skills training and educational opportunities to achieve self-fulfillment through quality employment and independent living.

Historical Summary: This summary provides the Governor's recommendation and the request from the Commission side by side.

Organizational Chart: There are currently 40.77 FTE and no vacant positions.

Performance Measures: **Ms. Cunningham** highlighted a couple of performance measures. The Commission anticipated fewer vocational rehabilitation clients this year due to focusing spending on transition age students with disabilities; however, they actually increased the total number of clients served in this program. Client decrease was due to the cancellation of March session and fewer students in summer due to COVID.

Ms. Jessup next discussed the management report, which is a 90 day follow up from the Legislative Audits Division. There are two outstanding, partially corrected findings. The 12 month follow-up for this latest report is scheduled for March of 2021. Both audits and the commission are working together to resolve the outstanding issues. Details of the actual initial audit are available on the Legislative Audits website.

Variance Report: Net object transfers are allowable according to Idaho Code §6735-11. Compared to the past years, the transfer of \$9,100 is a very small amount. There was a reverted appropriation of \$473,800, with federal funds larger than in previous years due to the direct the impact that COVID had on direct services and client interactions which are often reimbursable with federal funds.

Comparative Summary: The Governor's recommendation mirrors the agency's request very closely with only some changes that we see down in this maintenance support. There was a line item for of \$10,000 for sight restoration services.

FY 2021 Original Appropriation: There was one line item \$10,000 for site restoration services and included adjustments for the Office of Technology Services.

There will be a supplemental appropriation for vehicle replacement in the amount of \$27,900 that will come before the Committee at a later date.

FY 2022 Budget: There is one replacement item request for \$550,800 from dedicated funds for two vehicles due to high mileage. There are four vehicles that have in excess of 100,000 miles. They are requesting to use dedicated funds as here has not been approval to use federal funds.

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

ADJOURNED: There being no further business before the Committee, **Co-Chairman Bair** adjourned the meeting at 10:29 a.m.

Senator Bair
Chair

Denise B. McNeil
Secretary