

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 21, 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, Nate, Giddings, Bundy, Green, Nash
ABSENT/ EXCUSED: Rep. Amador, Rep. Syme
CONVENED: **Chairman Rep. Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.
LSO STAFF PRESENTATION: **Mr. Headley** introduced new tables that summarize the Supplemental Appropriations based on the Governor's recommendations.
AGENCY PRESENTATION: **DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSES, Russ Barron, Administrator. Christine Otto, LSO Analyst.**

The Division of Occupational and Professional Licenses (DOPL) was created during 2020 Legislative Session with House Bill 318, which also dissolved the Bureau of Occupational Licenses (IBOL). The Bill also provided the Governor the authority to reorganize the Department of Self-Governing Agencies as needed.

Ms. Otto explained the FY 2022 budget request for DOPL would zero out the 11 program budgets and consolidate 271.20 FTP and \$31.3 million into a single division. This is requested as a net-zero adjustment across all funds.

Mr. Barron described the new organization and stated it will take a couple of years to have it complete because of the work involved in determining the best organizational structure, moving all staff in the Treasure Valley to the new campus and making necessary changes and update responsibilities and structure for the success of the new division.

Four of the 11 agencies are in the campus in a temporary space, waiting for the completion of the permanent space. Another agency will join in a couple of months. The Administrator also explained the focus of the Agency is on customer service and public safety by considering timeliness and quality of licensing, investigations and inspections. As the Agency continues to transition into one division, it will develop performance measures to ensure they are meaningful and more consistent where possible.

Ms. Otto yielded to **Mr. Barron** to report two audit findings. First finding was in the Division of Building Safety and is about federal expenditures under-reported on the Schedule of Expenditures of Federal Awards (SEFA). The schedule of expenditure did not include one grant in the total amount reported. Corrective actions have been taken to ensure timely and

accurate information on this report will provided.

The second finding was in the Idaho Board of Nursing and is about a supporting documentation for travel expenditures that was not maintained in accordance with the State Travel Policy.

The board has already updated the travel request and reimbursement procedures to mirror the State travel policy, the board has also updated the approval and the reimbursement processes to prevent this type of issue from happening again. Comparative Summary for Division of Building Safety.

Ms. Otto pointed out that the Legislative Budget Book for the Division of Building Safety has a total for FY 2020 of zero. She yielded to the Administrator **Barron** for details about the FY 2021 Original Appropriations. **Mr. Barron** stated the Damaging Prevention Management Position and Inspector Position, have been filled or in the process to be filled. The development of the anonymous tip line for school threats was completed and is operational. The School Safety Analyst position is in the process of being filled now. The purchase of the office building in Blackfoot has been completed.

Ms. Otto will have another hearing for the supplemental request for the division to move to the Chinden Campus and also mentioned the division had an executive holdback, a Non-cognizable Fund, and a Federal Grant Fund. Two requests from the Division, include moving the Office of School Safety and Security from the Division of Building Safety to the Office of the State Board of Education. The second item is about DPOL consolidation, requesting to move the FTP and the federal and dedicated spending authority from the Division of Building Safety into the Division of Occupational and Professional Licenses.

Ms. Otto pointed out that the Legislative Budget Book for the Medical Boards has a total for FY 2020 of zero as the budget is moved into the Division of Occupational and Professional Licenses.

The Administrator **Mr. Barron** stated that the Business Analyst Position for the Board of Medicine has been filled. The position reclassification for the Board of Medicine and the salary increase for the Board of Nursing and the Executive Director have been implemented. There are also \$5,500 for replacement of laptop computers. Comparative Summary for the Regulatory Boards.

The Regulatory Boards has total recommendation of 271.2 FTP and \$31.3 million for FY 2022.

The reappropriation for the FY 2021 include the move to the Chinden Campus and it over a million dollars for a database upgrade. Replacements item include \$19,000 for laptop computers, a line item for the Statewide Gateway system, and a line item for the Damage Prevention Federal Grant Other line items were related to the DPOL consolidation.

**AGENCY
PRESENTATION:**

**DEPARTMENT OF JUVENILE CORRECTIONS, Monty Prow, Director.
Jared Hoskins, LSO Analyst**

The Department of Juvenile Corrections is responsible for all juvenile offenders committed to it by the Idaho courts and for the establishment of minimum standards for detention, care, and certification of approved detention facilities. The Agency's staff does a variety of research-based efforts that impact the life of juveniles who receive cognitive behavioral therapy and counseling.

Dir. Prow highlighted the recidivism rate is at 22% and the recommitment rate is at a historic low of 7%. A total of 98% of eligible youth received a high school diploma or GED while in custody. Youths dedicated 55,000 hours of community service and service learning in the past year. The Agency has a total of 414 dedicated staff divided in four units, and 19 vacancies.

Mr. Hoskins introduced the budget for the Agency. The FY 2022 request for the department amounts to \$54.01 million, and a recommendation of \$53.7 million coming from General, dedicated and Federal Fund sources. The organizational chart shows one budgeted division and four budgeted programs. The total FTP authorization for the Department of Juvenile Corrections is 414. Performance Report shows 10 measures, but the Agency uses additional 25 internal measures, for a total of 35 quarterly based measures. The community pass-through funding served 2,800 youth in 2020, the agency obtained between 94 and 98% success rates with these funding streams.

Mr. Hoskins pointed out the agency had one audit finding and the **Dir. Prow** explained it was for the period 2009 and 2018 where six purchases were made against State purchasing rules and internal policies. The items purchased were not the cause of the finding, but the purchases were made using the wrong contract vehicle. The correction plan included daily review of transactions and warnings for violation of the policy.

Actual Expenditures for FY 2020 included appropriations of \$52.8 million from six different fund sources, including the General Fund and four different dedicated sources and Federal Funds. There were \$557,000 transfers from the General Fund. These funds were used for various items, such as interstate compact dues, various and sundry repairs and replacements, and such as roof repairs and replacement of a freezer and water heater, as well as some medical expenses at three facilities. A total of \$2.4 million were reverted, leaving \$3,053,400 in excess trustee and benefit payments for this year. This is caused by a reduction in the juvenile population.

The comparative analysis shows a FY 2022 request for \$54.01 million against a recommendation of \$53.7 million.

The FY 2021 shows an original appropriation of \$52.6 million for the department included funding for one line item. The Department of Juvenile Corrections is requesting a total of \$450,000 in one-time funds with re-appropriation authority in FY 2023 as they anticipate a two-year build time to develop a new case management system that will allow system partners to access information on justice involved youth and allow officials to effectively work together and coordinate youth services.

**AGENCY
PRESENTATION:**

COMMISSION ON THE ARTS, Michael Faison, Executive Director. Jared Hoskins, LSO Analyst

The Commission on the Arts seeks to stimulate and encourage the study and presentation of the arts, and public interest and participation therein, and to encourage and assist freedom of artistic expression.

The Commission helps Idaho's arts community to leverage the local dollars and in-kind commitments, thereby, broadening the statewide impact of the arts and providing access to public programs in the arts for residents and visitors in every region of the State.

The agency also delivers non-granting services, in the form of professional development and training to Idaho's arts managers, professional artists and arts educators. The agency performance has been negatively impacted by the pandemic. Idahoans want greater arts for the children and rural constituents also need greater access to grants. The agency staff have been working with constituents for changes in schedules and scopes of grants so the activities can pivot and adapt to the challenges. Changes in rules over the previous year gave the agency permission to work in creative arts therapies.

The commission had an FY 2020 total appropriation of \$2,067,200 from the General Fund, dedicated funds, and Federal Funds. There were no adjustments nor object transfers. There was a small General Fund reversion of \$29,200. The comparative summary shows a 1.1% of increase for the original request and a 0.8% increase for the Governor's recommendation. The agency had an FY-2021 original appropriation of \$2,071,700.

For FY 2022 requests include an adjustment of \$43,700 from the General Fund, pursuant to the executive holdback. The agency did receive additional spending authority through the non-cognizable process, for 430,700 in trustee and benefit payments for arts organizations to support salaries, fees for artists, and other contracted personnel, as well as some facility costs.

**AGENCY
PRESENTATION:**

COMMISSION ON HISPANIC AFFAIR, Margie Gonzales, Executive Director. Jared Hoskins, LSO Analyst

The Idaho Commission on Hispanic Affairs (ICHA) was established by the Legislature in 1987.

The commission provides various services to the Hispanic community and serves as a liaison between the community and government entities. Working toward economic, educational, and social equality, the commission addresses issues facing Idaho's Hispanic community.

The commission also provides recommendations to the Governor, Legislature, state agencies, and other organizations on issues of interest or concern to the Hispanic community. **Dir. Gonzales** described Hispanics remain the largest minority group in the State of Idaho and the fastest growing segment of population. Hispanics are the largest minority group representing 13% of the total population and are represented at all income and educational levels.

The Hispanic students make up a growing share of enrollment in Idaho's schools

and universities. Hispanic students make up 18% of Idaho's K-12 enrollment, and Hispanic administrators, teachers and staff made up of only 3% of all employees, dramatically less than the 18% share of Hispanic student enrollment. The Commission applied to receive \$21,200 from the department of commerce Cares Funds. The funds covered a statewide COVID-19 media campaign to encourage the use of masks to prevent the spread statewide in the Hispanic community.

For FY 2022 Agency is requesting \$420,800, with a recommendation slightly less at \$418,400. Sourced by the General Fund as well as the Miscellaneous Revenue Fund. The performance report shows a reduced academic achievement gap between the Hispanic and non-Hispanic students, and improved access and use of health care by Hispanics.

In FY 2020 the agency focused to support and provide guidance to the Hispanic community on the facts and the consequences of COVID-19; as of January 12, 2021 the Hispanic population makes up 20.13% of the positive COVID-19 cases in Idaho and 9.88% of the deaths related to the virus. The agency successfully organized successful virtual conferences and summits on issues ranging from education and civic engagement to listening sessions on the State's health climate. The Commission has also taken the lead on expanding the collaboration efforts to rural parts of Idaho that seldom receive outreach and have high numbers of Hispanic residents.

FY 2020 actual expenditures shows total appropriation of \$367,700, from the General Fund dedicated funds, and Federal Funds. There were no adjustments, including object transfers. There was a small General Fund reversion of the \$6,500. Comparative summary shows a 6.5% increase in the request compare to the Governor's recommendation of 5.9% increase.

The FY 2021 original appropriation of \$395,100 included three-line items: equity pay for the Executive Director, a net zero fund shift from Federal Funds to the dedicated funds, and a statewide outreach. The current year shows an executive holdback of \$12,400, the restoration of the Governor's holdback, and FY 2022 base of \$393,700. There is a single FY 2022 enhancement for a Smoking Cessation Federal Grant.

ADJOURN: There beings no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 10:21 a.m.

Representative Youngblood
Chair

Anna Maria Mancini
Secretary