

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Tuesday, February 09, 2021

**TIME:** 8:00 A.M.

**PLACE:** Room C310

**MEMBERS PRESENT:** Co-Chairman Bair, Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking and Nye.  
Co-Chairman Youngblood, Representatives Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green and Nash.

**ABSENT/ EXCUSED:** None

**CONVENED:** **Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) meeting to order at 8:01 a.m.

**AGENCY PRESENTATION:** **IDAHO STATE LIQUOR DIVISION, Jeff Anderson, Director; Keith Bybee, LSO Analyst**

The mission of the Idaho State Liquor Division is to provide control over the importation, distribution, sale, and consumption of distilled spirits; curtail intemperate use of beverage alcohol; and responsibly optimize the net revenues to the citizens of Idaho.

Historical Summary: In FY 2020, the division spent 5.5 percent less than appropriated. FY 2022 budget request was an 8.1 percent increase over FY 2021 original appropriation of \$22,732,900. The Governor recommended a 6.9 percent increase for a total of \$24,302,900.

The Distribution Model was discussed, In FY 2020, the liquor division distributed over \$95 million to state and local governments. The General Fund received approximately \$40 million dollars. Cities and counties get 26.4 percent and 18.2 percent respectively. \$800,000 went to community colleges. Two percent of a surcharge goes to court services, \$2.0 million for substance abuse treatment, \$2.7 million for magistrates courts. \$1.2 million to public schools, \$680,000 for core services, the Cooperative Welfare Fund gets \$660,000, Supervision Fund gets \$440,000. There is new legislation concerning the current liquor distribution formula which was presented in House Bill 30.

Organizational Chart: As of January 29, 2021, there were 8.00 vacant positions.

FY 2020 Actual Expenditures Variance Report: original appropriation was for \$22,377,400. \$1,234,100 or 5.5 percent of this original appropriation was reverted.

Comparative Summary: The agency requested 8.1 percent, increase due to the health insurance increases and 1 percent in the CEC. The Governor's recommendation includes a reduction of benefit costs and an increase in CEC.

FY 2021 Budget: There were three line items. The first was for \$124,400 for store relocations, the second was for \$56,000 for warehouse software maintenance contract, \$239,900 to increase store staffing levels. There was an object transfer of \$3,500,000 from operating expenditures to capital outlay to comply with the GASB 87 rule regarding capitalized leases. The replacement items included security systems, warehouse equipment, additional supplies, and fixtures for stores.

FY 2022 Budget Request: There were six line items requested:

- \$582,500 in wage increases for retail and distribution center employees is necessary for us to remain competitive in recruiting and retaining staff.
- \$51,700 for a material handler at the distribution center, due to volume increases.
- \$84,400 to convert group positions to classified positions. This covers the benefits in the PERSI costs to the agency.
- \$198,000 for a normal cycle of relocation and or remodeling of two stores here in Idaho.
- \$720,000 from vacated funds for enterprise resource planning software. for upgrades to the ERP. It was also discovered that LUMA could not meet the needs, more complex than first thought and out of scope of what LUMA is authorized to do.
- \$85,400 recommendation from the Division of Human Resources to add human resources associate.

Questions from the Committee was answered by **Director Anderson** and **Mr. Bybee**.

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

**AGENCY  
PRESENTATION:**

**IDAHO STATE LOTTERY, Jeff Anderson, Director; Keith Bybee, LSO  
Analyst**

The Idaho State Lottery was established in 1989. The mission of the state lottery is to maximize net income and the resulting annual dividend payment for Idaho public buildings and schools.

Historical Summary: The FY 2021 appropriation was \$6,299,800. The Governor's recommendation is for \$6,450,500 which is a 2.4 percent increase. The Lottery Revenue Distribution page provided details on what was collected and how it was distributed over a three-year period. The Dividend Payment table detailed distributions ranging from FY 2007 up to the forecasted amount for FY 2022.

Organizational Chart: There are two vacant FTP as of January 29, 2021 and are attempting to recruit and fill.

Performance Report: **Director Anderson** stated that FY 2020 participation was less than FY 2019. He expects participation to return to what it was in prior years, once things return to normal, post COVID.

FY 2020 Actual Expenditures Variance Report: The original appropriation was \$6,159,100. \$983,600 or 16 percent of the appropriation was reverted. Actual expenditures were \$5,168,900.

Comparative Summary: The agency requested \$6,483,700, and the Governor recommended \$6,450,500. The difference is in the benefit cost line.

FY 2021 Budget: There were two line items. the first was for \$17,400 for staff salary increase and the second was for \$75,700 for increased shipping and equipment costs.

FY 2022 Budget Request: There were replacement costs for \$44,600 for computer and network equipment. There were two line items for additional shipping costs of \$99,000 and for \$22,500 for IT Infrastructure and software subscriptions.

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

**AGENCY  
PRESENTATION:**

**STATE INDEPENDENT LIVING COUNCIL; Mel Leviton, Executive Director; Jill Randolph, LSO Analyst**

The Idaho State Independent Living Council (SILC) engages 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.

Historical Summary: This agency is not organized within one of the 20 constitutional departments, but Idaho code. There is one budgeted program and three funding sources. The largest fund is the dedicated fund at 51 percent of the total appropriation, General Fund at 32 percent, and the Federal Grant Fund which accounts for 16 percent.

Organizational Chart: There are four FTP governed by a council.

Performance Report: **Director Leviton** talked briefly about the Council's goals and outcomes.

FY 2020 Actual Expenditures Variance Report: There were no midyear adjustments. There was a reverted appropriation of \$268,900, 37 percent of their total appropriation. 100 percent of the federal fund appropriation \$117,600 was reverted.

Comparative Summary: The agency requested an increase of 1.2 percent and the Governor recommended a 1.0 percent increase.

FY 2021 Budget: There was one line item funded for the Office of Information Technology Services Billings for \$800.

FY 2022 Budget Request: All of the adjustments are the standard adjustments and is a maintenance budget.

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

**AGENCY  
PRESENTATION:**

**HISTORICAL SOCIETY, Janet Gallimore, Executive Director; Jill Randolph, LSO Analyst**

The Idaho Historical Society is a system of cultural and historic resources composed of the Idaho State Museum, Idaho State Archives, State Historic Preservation Office, and Historic Sites Program, and was established in 1907 and is organized within the Department of Self-Governing Agencies.

Historical Summary: There is one budgeted program to cover all of the functional areas. Their appropriation is 53 percent General Funds, 26 percent dedicated funds and 21 percent federal funds.

Organizational Chart: There are 57.00 FTP and are 2 vacant positions.

Performance Report: **Director Gallimore** gave a brief overview and focused in three areas of this report discussing their goals and outcomes.

There were four audit findings with two currently open. The agency has taken action to meet all of the recommendations that LSO has submitted.

FY 2020 Actual Expenditures Variance Report: There were two adjustments. One was a transfer from operating expenditures into capital outlay and trustee/benefit payments. There was a receipt to the appropriation for \$5,200 for the sale of three vehicles. The agency reverted \$1,476,400, a total of 19.5 percent of their total appropriation; the largest portions from Miscellaneous Revenue Fund and federal funds.

Comparative Summary: The agency requested a total increase of 2.5 percent and the Governor recommended an increase of 6.3 percent.

FY 2021 Budget: There were three line items funded. The first was a fund transfer of \$181,500 from the federal funds to dedicated funds to correct an audit finding. The second was \$700,000 for new tech system, and the last was for \$250,000 for fund-raising.

FY 2022 Budget Request: The agency received CARES Act funding which was a direct appropriation from their federal partners used to maintain some positions at the Old Idaho Penitentiary, due to COVID closure in the spring. There is one adjustment for replacement items for \$26,600 in dedicated funds to replace computer equipment.

**Director Gallimore** gave a brief presentation on a “metaphorical artifact” of the state capital. This is the 100th anniversary of the Capitol this year. She provided a fact sheet in with detailed information about that. The exhibit, 16 rare original drawings and one painting of the Idaho Capitol are displayed in the garden level.

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

**AGENCY  
PRESENTATION:**

**OFFICE OF THE GOVERNOR, EXECUTIVE OFFICE, Alex Adams,  
Administrator, Division of Financial Management; Paul Headlee, LSO  
Analyst**

There are four divisions within this office; the Administration Division, Division for Acting Governor Pay, Division for Expense Allowance, Division for Governor's Emergency.

Historical Summary: This is funded with a mix of General Fund, dedicated funds, and federal funds. In FY 2020, the agency spent \$2,150,300 in the administration program, \$8,400 in Acting Governor Pay, \$1,200 in Expense Allowance and \$6,838,700, which was not appropriated, and was noncognizable funding made up of CARES Act funds. These funds were payments to sub grantees, with \$5.1 million used for the rental assistance program that was recommended by CFAC, and approved by the Governor.

Organizational Chart: There is 21.0 FTP with 1.00 FTP vacant. There were two changes FY 2021, the Governor has named a deputy chief of staff, and hired a new general counsel.

FY 2020 Actual Expenditures Variance Report: The original appropriation was \$2,283,000. There was a supplemental appropriation that transferred \$2 million from the General Fund into the Governor's Emergency Fund. This fund is different than the disaster emergency fund. Those funds have not been expended and are still in that fund. There was \$1,250,000,000 brought into the budget through the noncognizable process of which \$950,000,000 was transferred from operating into trustee/benefits. There were reverted appropriations for \$96,000 in General Funds, \$2,000,000 in the Governor's Emergency Fund was reverted unspent, and \$1,243,161,300 reverted due to a deadline that was not met. There was a positive reversion of 111.4 percent.

Comparative Summary: This is a maintenance budget; there are no line items, the 5 percent executive hold back of \$113,400 that was restored. FY 2022 there was maintenance costs and no line items, with a decrease in benefits and increase in CEC recommended by the Governor.

FY 2021 Budget: There was a COVID Relief Act supplemental for rental assistance for \$110,000,000, and there was a noncognizable request for \$943,161,300 of CARES Act funds.

FY 2022 Budget Request: There is \$2,000,000 that remains in the Governor's Emergency Fund, but the CARES Act funds have moved out of the base. There are the maintenance item adjustments for benefit costs, statewide cost allocations, and CEC. There were no line items.

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

**AGENCY  
PRESENTATION:**

**OFFICE OF THE GOVERNOR, DIVISION OF FINANCIAL  
MANAGEMENT; Alex Adams, Administrator, Division of Financial  
Management; Paul Headlee, LSO Analyst**

The mission of the Division of Financial Management (DFM) is to support the Governor's vision of short and long-term policies through effective resource allocation.

Historical Summary: There are four main units within the division: the Budget Unit, the Economic Analysis, Management Services, and Regulatory and Legislative Affairs which includes the Office of Administrative Rules. It is funded with a mix of general funds and dedicated funds. There are no federal funds in this division.

Organizational Chart: There are 19.00 FTP and 1 vacant FTP appropriated for this division.

FY 2020 Actual Expenditures Variance Report: Of the total appropriation, there was \$260,700 of 10.5 percent reverted.

Comparative Summary: This is a maintenance budget and you can see the overall increase 1.0 percent and a .6 percent recommendation from the Governor.

Performance Report: **Mr. Adams** gave a brief overview.

FY 2021 Budget: There were two line items funded. The first was the FTP for a rule's compliance coordinator position. The other line item was for programing updates. The 5 percent executive hold back was restored. There was the removal of onetime expenditures; and the restoration of the rescission.

FY 2022 Budget Request: There were no line items requested. There were other maintenance item adjustments in benefits, statewide cost allocation and the change in (CEC). The total request of \$2,639,940, is a 1 percent increase from the previous year.

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

**LSO STAFF PRESENTATION:** **TECHNICAL CORRECTION, Transfer from Public Health Trust Fund, Paul Headlee, LSO Division Manager**

**UNANIMOUS CONSENT:** Requested by **Senator Agenbroad**, granted by unanimous consent, to reopen the FY 2021 budget for Public Health Districts.

**MOTION:** Moved by **Senator Agenbroad** for fiscal year 2021 the appropriation and transfer of up to \$491,100 from the General Fund to the Public Health Trust (General) Fund, seconded by **Representative Troy**.

**CARRIED:** **AYES: 18**  
Senators Bair, Agenbroad, Crabtree, Grow, Woodward, Riggs, Cook and Nye. Representatives Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, and Nash.

**NAYS: 0**

**ABSENT/EXCUSED: 2**

Senators Lent and Ward-Engelking.

The majority having voted in the affirmative, the motion passed, and without objection, carried a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

**UNANIMOUS CONSENT:** Requested by **Senator Agenbroad**, granted by unanimous consent, to accept the language shown on the screen.

**INTENT LANGUAGE:** SECTION 2. CASH TRANSFER. Of the amounts reduced in Subsection (4) of Section 1 of this act from the Public Health Trust (General) Fund, there is hereby appropriated and the Office of the State Controller shall transfer up to \$491,100 from the Public Health Trust Fund to the General Fund as soon as practicable for the period July 1, 2020, through June 30, 2021.

See [Audio](#), [Motion](#), and [Ballot](#) here.

## **SUPPLEMENTAL APPROPRIATIONS**

**LSO STAFF PRESENTATION:** **DEPARTMENT OF AGRICULTURE, Building Idaho's Future-Laboratory Equipment, Rob Sepich, Senior Analyst, LSO**

**UNANIMOUS CONSENT:** Requested by **Representative Troy**, granted by unanimous consent, to reopen the fiscal year 2021 budget for the Department of Agriculture.

**MOTION:** Moved by **Representative Troy** for the fiscal year 2021 budget for the Department of Agriculture an increase of \$427,500 from the General Fund. seconded by **Crabtree**.

**CARRIED:** **AYES: 19**  
Senators Bair, Agenbroad, Crabtree, Grow, Woodward, Riggs, Cook and Nye. Representatives Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, and Nash.

**NAYS: 0**

**ABSENT/EXCUSED: 1**

Senator Lent

The majority having voted in the affirmative, the motion passed, and without objection, carried a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

See [Audio](#), [Motion](#), and [Ballot](#).

**LSO STAFF  
PRESENTATION:**

**OFFICE OF THE GOVERNOR, Commission on Aging-Federal COVID-19 Relief Funding; Jill Randolph, Senior Analyst, LSO**

**UNANIMOUS  
CONSENT:**

Requested by **Representative Green**, granted by unanimous consent, to reopen the fiscal year 2021 budget for the Commission on Aging.

**MOTION:**

Moved by **Representative Green** for fiscal year 2021, for the Commission on Aging, an additional \$862,400 in federal funds, seconded by **Senator Ward-Engleking**.

**CARRIED:**

**AYES: 19**

Senators Bair, Agenbroad, Crabtree, Grow, Woodward, Riggs, Cook, Ward-Engelking and Nye.

Representatives Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, and Nash.

**NAYS: 0**

**ABSENT/EXCUSED: 1**

Senator Lent

The majority having voted in the affirmative, the motion passed, and without objection, carried a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

See [Audio](#), [Motion](#), and [Ballot](#).

**LSO STAFF  
PRESENTATION:**

**OFFICE OF THE STATE BOARD OF EDUCATION (OSBE), Administration-Idaho Cattle Foundation Disbursement; Janet Jessup, Senior Analyst, LSO**

**UNANIMOUS  
CONSENT:**

Requested by **Senator Crabtree**, granted by unanimous consent, to reopen the fiscal year 2021 budget for the Office of the State Board of Education.

**MOTION:**

Moved by **Senator Crabtree** for the fiscal year 2021, for the Office of the State Board of Education an additional \$50,000 onetime from the Miscellaneous Revenue Fund to distribute moneys for agricultural research and education programs, seconded by **Representative Bundy**.

**CARRIED:**

**AYES: 19**

Senators Bair, Agenbroad, Crabtree, Grow, Woodward, Riggs, Cook, Ward-Engelking and Nye.

Representatives Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, and Nash.

**NAYS: 0**

**ABSENT/EXCUSED: 1**

Senator Lent

The majority having voted in the affirmative, the motion passed, and without objection, carried a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

See [Audio](#), [Motion](#), and [Ballot](#).

**ADJOURNED:** There being no further business before the Committee, **Chairman Bair** adjourned the meeting at 10:30 a.m.

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Senator Bair  
Chair

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Denise B. McNeil  
Secretary