

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 12, 2021
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Van Orden(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: Representative(s) P. Amador, B. Green
CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF PARKS AND RECREATION, Susan Buxton, Interim Director. Rob Sepich, LSO Analyst.**

Ms. Buxton introduced the Department of Parks and Recreation explaining that the department's mission is to improve the quality of life in Idaho through outdoor recreation and resources. To accomplish that mission, the department operates 30 state parks, manages programs for snowmobiles, boats, off-highway vehicles, and administers a collection of outdoor recreation grant programs. Board members are appointed to six-year terms, and the agency has two primary divisions, the Operations, and Administration Division. While the Administration division manages supports functions, reservations, and registrations; the Operations division manages the state parks and recreation program.

The agency employs seasonal workers and uses volunteers during peak visitation periods. The parks had a record-shattering 7.7 million visitors, which is about 1.2 million visitors over the previous year. The agency has been able to secure \$1.2 million in CARES Act funding. Approximately 92% of the funds are dedicated funds, and the agency supports the Governor's Budget recommendation.

Mr. Sepich reviewed the budget for the agency explaining the budget has two main divisions, plus a third one that is entirely dedicated to capital development, with no appropriation. The agency is primarily funded on dedicated funds, only 7.5% of its budget is from the General Fund. The organizational chart shows 14.5 vacancies, some of this is due to retirements that have happened at the agency.

Mr. Sepich spoke about the variance report, which shows \$15.2 million in trustee and benefits payments appropriated for the agency. Of these, \$237,500 has been transferred from the trustee and benefit to capital outlay. Receipt to Appropriation shows \$157,100 relative to insurance claims and the sale of some goods. Reverted appropriation has an actual dollar amount of \$4.1 million, this amount is unexpended.

The comparative summary report shows a Governor's recommendation of a 4% increase or about \$1.8 million above the FY 2021 budget.

FY 2021 appropriation shows a Governor's recommendation of a cash transfer of \$3 million from the General Fund into the dedicated Parks and Recreation Fund, which is removed as a revenue adjustment.

Ms. Buxton explained the \$3 million will be used for Sheridan Property Acquisition at Castle Rocks State Park; for the Idaho Centennial Trail Improvements; for the Land of Yankee Fork - Bayhorse rehabilitation; for replacement of the Bruneau Dunes Observatory; and for septic repairs at Massacre Rocks State Park.

Mr. Sepich continued on the FY 2021 budget, by showing the Governor's 5% General Fund holdback of about \$170,000. The Non-cognizable Funds and Transfer category has an adjustment that realigns 0.60 FTP between fund sources for a net of zero to meet staffing needs. This adjustment recognizes \$1,292,300 of CARES Act funding that the department received for cancellation of camper reservations (\$192,300), and maintenance costs due to significant increases in daily use at the parks (\$1,100,000). The department experienced significant parking shortages that led to illegal and unsafe parking. The department proposed using the CARES Act funding to expand parking at Thousand Springs Park for \$300,000, Priest Lake Park for \$300,000, and Lake Cascade Park for \$500,000.

For FY 2022, the agency has replacement items and alteration and repair project requests for a total of \$4,039,900. This include: \$1,715,000 for campsite updates; \$1,032,800 for building improvements; \$21,700 for personal computer hardware; \$775,000 for trail maintenance equipment; \$5,000 to replace the Dworshak boat patrol boat interior; \$4,200 to replace rental stand-up paddle boards; \$58,600 for landscape equipment; \$17,000 for trailers; \$237,500 for autos and light trucks; \$80,000 for a dump truck; and \$93,100 for UTVs, snowmobiles, and motorcycles.

For FY 2022, the Governor is recommending a \$1.8 million overall increase, a 4% from the FY 2021 budget.

**AGENCY
PRESENTATION:**

**DEPARTMENT OF PARKS AND RECREATION - Lava Hot Springs
Foundation, Devanee Morrison, Executive Director.
Rob Sepich, LSO Analyst**

Dir. Morrison introduced the Lava Hot Springs Foundation, by explaining the land administered by the foundation consists of 178 acres along the Portneuf River in Bannock County, including world-famous hot springs, Olympic swimming complex, sunken gardens, parks, and other grounds. Foundation's personnel operating and capital expenditures are funded with revenues from ticket sales, rentals, and land leases and merchandise.

Between the calendar year 2017 and 2019, the foundation saw a continued up trend of attendance. 2019 experienced a record attendance of over 444,000 attendees. The calendar year 2020 saw a decline in attendance and revenues due to COVID-19.

Mr. Sepich presented the budget for the Lava Hot Springs Foundation. The majority of the expenses are in personnel costs.

The organizational chart has no vacancies, currently 15.8 FTP, and request a total at 17.8.

Dir. Morrison spoke about some of the performance measures. The goal of replacing decks and/or sidewalks has an actual value of 500 compared to a target of 1,000 Sq. Ft. /Yr. for FY 2020. The goal of increasing attendance by constructing new features at the Swimming pool has a value of 105,944 compared to a goal of 135,000 for FY 2020.

Mr. Sepich introduced the variance report, by explaining the agency uses two funds: Capital Improvement Fund and General Operating Fund. The overall reversion is for \$161,600 from those dedicated funds. FY 2021 shows three line-items approved by JFAC. These included \$500,000 to demolish the Tumbling Waters Motel to make room for surface parking near the hot springs; \$100,000 to purchase additional merchandise for the gift shop; and \$10,000 for a tractor-mounted bucket attachment.

FY 2022 has three line-items. The first one is for 1.00 FTP and \$63,900 in personnel costs to hire a supervisor for the hot pools and to manage the gift shop. The Governor's recommendation is for \$62,600. The second one is for 1.00 FTP and \$56,700 in personnel costs to hire a senior maintenance craftsman to maintain the pools and pumps. The Governor's recommendation is for \$55,400. The third request is for \$80,000 in capital outlay to purchase a skid steer loader.

Governor recommended putting the Lava Hot Springs Foundation budget on a continuous appropriation.

**LSO STAFF
PRESENTATION:**

**DEPARTMENT OF PARKS AND RECREATION - Building Idaho's
Future.**

Rob Sepich, LSO Analyst.

Mr. Sepich introduced the supplemental request. The Governor recommends a cash transfer of \$3,000,000 from the General Fund into the dedicated Parks and Recreation Fund and an appropriation from this fund of \$3,000,000. The dedicated fund appropriation would provide the authority to expend the cash that is transferred from the General Fund. The Governor also recommends carryover for any of these projects that are not completed in one fiscal year, which has traditionally been included for the Capital Development Program in previous appropriation bills.

**UNANIMOUS
CONSENT:**

Requested by **Rep. Troy**, granted by unanimous consent, the FY 2021 budget for the Department of Parks and Recreation was reopened.

MOTION:

Original Motion: Moved by **Rep. Troy**, seconded by **Sen. Lent**, for FY 2021 for the Department of Parks and Recreation in the Capital Development Program, an appropriation in transfer of \$3,000,000 from the General Fund to the Parks and Recreation Fund.

CARRIED: **AYES: 17.**
Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook,
Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Nate, Bundy, Nash.
NAYS: 0
ABSENT/EXCUSED: 3
Amador, Giddings, Green.

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 Youngblood**.

MOTION: Original Motion: Moved by **Rep. Troy**, seconded by **Sen. Lent**, for a onetime appropriation of \$3,000,000 from the Parks and Recreation Fund for Fiscal Year 2021.

CARRIED: **AYES: 17.**
Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook,
Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Nate, Bundy, Nash.
NAYS: 0
ABSENT/EXCUSED: 3
Amador, Giddings, Green.

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 Youngblood**.

LSO STAFF PRESENTATION: **DEPARTMENT OF WATER RESOURCES - Planning and Technical Services.**
Rob Sepich, LSO Analyst.

Mr. Sepich introduced the supplemental request. The Governor recommended a onetime FY 2021 supplemental transfer of \$50,000,000 from the General Fund to the continuously appropriated Water Management Fund. The Water Management Fund had a cash balance of \$22,173,000 as of December 31st, of that amount \$21,941,900 is obligated by the Water Resources Board for water projects and flood management grants.

UNANIMOUS CONSENT: Requested by **Rep. Bundy**, granted by unanimous consent, the FY 2021 budget for the Department of Water Resources.

MOTION: Original Motion: Moved by **Rep. Bundy**, seconded by **Sen. Bair**, for the Department of Water Resources in the Planning and Technical Services Program a onetime appropriation and transfer of \$50,000,000 from the General Fund to the continuously appropriated Water Management Fund for Fiscal Year 2021.

CARRIED: **AYES: 17.**
Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook,
Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Nate, Bundy, Nash.
NAYS: 0
ABSENT/EXCUSED: 3
Amador, Giddings, Green.

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 Youngblood**.

LSO STAFF PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE – Medicaid — Expansion Medicaid Plan — Medicaid Expansion Funding.**
Jill Randolph, LSO Analyst.

Ms. Randolph reviewed a summary of the five actions for Medicaid. The tables describe the impact to the traditional Medicaid, Medicaid Expansion, and their combined impact. The objectives are: 1) exempts the traditional Medicaid from the 10% transfer limitation between programs, and 2) restricts the transfers into or out of the Medicaid expansion.

The supplemental request is for \$8,500,000 ongoing from the General Fund in trustee and benefit payments to complete the original estimate of full-year of payments for the expansion population established in Section 56-267, Idaho Code. Last legislative session, the agency requested this amount of money; the Governor did not recommend it, and Legislature did not appropriate it because associated legislation that would have required counties to pay a portion of the state's share for Medicaid Expansion was not approved.

UNANIMOUS CONSENT: Requested by **Sen. Riggs**, granted by unanimous consent, the FY 2021 budget for the Department of Health and Welfare was reopened.

MOTION: Original Motion: Moved by **Sen. Riggs**, seconded by **Rep. Troy**, for the Department of Health and Welfare, in the Expansion Medicaid Plan Program, an additional \$8,500,000 from the Cooperative Welfare (General) Fund.

CARRIED: **AYES: 16.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Nash
NAYS: 1.
Nate.
ABSENT/EXCUSED: 3.
Amador, Giddings, Green.

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 Youngblood**.

LSO STAFF PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE – Medicaid - Enhanced Medicaid Plan – COVID – related MOE – Traditional.**
Jill Randolph, LSO Analyst.

Ms. Randolph introduced the supplemental request for a onetime reduction of \$56,000,000 from the General Fund and an increase of \$148,700,000 in federal funds to account for the increased federal matching rate and maintenance of effort (MOE) of the federal Families First Coronavirus Response Act (FFCRA). This federal bill increased the federal match by 6.2%, and requires states to maintain Medicaid eligibility for those in Medicaid, allowing dis-enrollment only in the cases of death, change of residency, or participant's request to dis-enroll. As of February 11, 2021, both of the above requirements will remain in place until the end of the Public Health Emergency (PHE), which is currently in place until April 21, 2021.

MOTION: Original Motion: Moved by **Sen. Riggs**, seconded by **Rep. Troy**, for fiscal year 2021, for the Department of Health and Welfare, in the Enhanced Medicaid Plan Program a onetime reduction of \$56,000,000 from the Cooperative Welfare (General) Fund, and a onetime addition of \$148,700,000 from the Cooperative Welfare (Federal) Fund, for a net increase of \$92,700,000 for the Medicaid Division.

CARRIED: **AYES: 16.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Nash.
NAYS: 2.
Nate, Giddings
ABSENT/EXCUSED: 2.
Amador, Green.

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 Youngblood**.

LSO STAFF PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE – Medicaid - Expansion Medicaid Plan, Traditional Medicaid MOE and Expansion**
Jill Randolph, LSO Analyst.

LSO STAFF PRESENTATION: **Ms. Randolph** introduced supplemental request for \$25,710,600 onetime from federal funds in the Expansion Medicaid Plan, and a net-zero onetime transfer of \$2,856,700 from the General Fund from Traditional Medicaid to the Expansion Medicaid Plan. The agency requests the transfer to offset the costs incurred by the estimated 13,000 people who would otherwise be ineligible for Medicaid Expansion but must remain enrolled due to the requirement of maintenance of effort (MOE) in the federal Families First Coronavirus Relief Act (FFCRA) which requires individuals to remain on the Medicaid roles until the Public Health Emergency (PHE) due to COVID-19 has ended. Traditional Medicaid is able to transfer this money on a onetime basis due to the other aspect of FFCRA, which increases the match rate for traditional Medicaid by 6.2%. The agency has calculated this request's total amount by multiplying the amount of estimated individuals who would otherwise be dis enrolled (7,100) by a per member per month rate (\$575), and then multiplied by the estimated seven months of FY 2021 of the PHE (July through January).

MOTION: Original Motion: Moved by **Sen. Riggs**, seconded by **Rep. Troy**, for fiscal year 2021, for the Department of Health and Welfare, in the Enhanced Medicaid Plan Program the reduction of \$2,856,700 from the Cooperative Welfare (General) Fund; and in the Expansion Medicaid Plan the addition of \$2,856,700 from the Cooperative Welfare (General) Fund and the addition of \$25,710,600 from the Cooperative Welfare (Federal) Fund. The totals for this motion are a net increase of \$25,710,600 for the Medicaid Division.”

CARRIED: **AYES: 16.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Nash.
NAYS: 2.
Nate, Giddings
ABSENT/EXCUSED: 2.
Amador, Green.

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 Youngblood**.

LSO STAFF PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE – Medicaid - Expansion Medicaid Plan —Program Grow.**
Jill Randolph, LSO Analyst.

Ms. Randolph introduced supplemental request for \$227,853,500 all funds for unanticipated growth related to Medicaid Expansion. The department based the FY 2021 original request on a 2018 actuarial report compiled by Milliman. An updated actuarial report was completed in fall 2020, which showed an increase of 65.7% in total dollars from the original forecast produced in 2018. The per member per month (PMPM) forecast has changed from an original \$370 to \$548, which represents a 57.8% increase. As per the Milliman report from December 2020, the primary drivers related to this increase are medical and pharmacy benefit costs, as well as COVID-19 impacts and associated economic conditions.

MOTION: Original Motion: Moved by **Sen. Riggs**, seconded by **Rep. Troy**, for FY 2021, for the Department of Health and Welfare, in the Expansion Medicaid Plan Program, an additional \$22,785,400 from the Cooperative Welfare (General) Fund, and an additional \$205,068,100 from the Cooperative Welfare (Federal) Fund, for a net ongoing increase of \$227,853,500.

CARRIED: **AYES: 16.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Nash.
NAYS: 2.
Nate, Giddings
ABSENT/EXCUSED: 2.
Amador, Green.

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 Youngblood**.

LSO STAFF PRESENTATION: DEPARTMENT OF HEALTH AND WELFARE – Medicaid - Enhanced Medicaid Plan — Expansion Funding.
Jill Randolph, LSO Analyst.

Ms. Randolph introduced supplemental request for a reduction of \$11,097,400 from the General Fund, a decrease of \$74,679,800 from federal funds, and an increase of \$100,777,2000 from the Cooperative Welfare (dedicated) Fund to account for increases in receipts. Receipts are funds outside of state and federal funds, and are realized through drug rebates, cost settlements, and third-party collections.

MOTION: Original Motion: Moved by **Sen. Riggs**, seconded by **Rep. Troy**, for fiscal year 2021, for the Department of Health and Welfare, in the Enhanced Medicaid Plan Program, an additional \$12,657,500 from the Cooperative Welfare (Dedicated) Fund, a reduction of \$3,785,400 from the Cooperative Welfare (General) Fund, and a reduction of \$8,872,100 from the Cooperative Welfare (Federal) Fund; and for the Expansion Medicaid Plan Program, an additional \$88,119,700 from the Cooperative Welfare (Dedicated) Fund, a reduction of \$7,312,000 from the Cooperative Welfare (General) Fund, and a reduction of \$65,807,700 from the Cooperative Welfare (Federal) Fund. The totals for this motion are a net increase of \$15,000,000 for the Medicaid Division.

CARRIED: **AYES: 16.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Nash.
NAYS: 2.
Nate, Giddings
ABSENT/EXCUSED: 2.
Amador, Green.

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 Youngblood**.

LSO STAFF PRESENTATION: DEPARTMENT OF HEALTH AND WELFARE – Welfare - COVID Relief Act.
Jill Randolph, LSO Analyst.

Ms. Randolph introduced supplemental request, pointing out the Governor recommended onetime federal funds in trustee and benefit payments as a result of the COVID Relief Act, signed into law on December 27, 2020. In total, the state will receive \$57,763,900 to spend by October 2023; this supplemental is for \$24,000,000 that the agency anticipates spending in the current FY 2021. The funds are intended to support new initiatives to improve both the access and quality of childcare in Idaho; to provide childcare opportunities for essential personnel; and to ensure the availability of childcare during the pandemic.

MOTION: Original Motion: Moved by **Sen. Riggs**, seconded by **Rep. Troy**, for fiscal year 2021, for the Division of Welfare, an additional \$24,000,000 onetime from the Cooperative Welfare (Federal) Fund.

CARRIED: **AYES: 16.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Nash.
NAYS: 2.
Nate, Giddings
ABSENT/EXCUSED: 2.
Amador, Green.

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 Youngblood**.

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 9:56 a.m.

Representative Youngblood
Chair

Anna Maria Mancini
Secretary