

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 02, 2022
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Agenbroad, Crabtree, VanOrden (Bair), Grow, Woodward, Lent, Riggs, Cook, Nye
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Carlson (Giddings), Nate, Green, Nash
**ABSENT/
EXCUSED:** Senator Ward-Engelking, Representative Troy

Co-Chairman Youngblood called the meeting to order at 8:00 a.m.

Mr. Rob Sepich, Senior Analyst, LSO Budget & Policy Analysis, presented an overview of the Department of Fish and Game (IDFG). IDFG is charged with the preservation, management, and protection of all wildlife and fish in the state of Idaho. Mr. Sepich explained the proposed FY 2023 appropriation methodology, which combines the Fish and Game Fund with the F&G (Other) Fund and the Set-Aside Fund with the Set-Aside (Other) Fund. The department has one open audit finding related to improper documentation for travel expenses.

Mr. Ed Schriever, Director, Idaho Department of Fish and Game, explained the department addressed the open audit finding by changing its processes and reminds employees to attach all necessary documentation outlined in the statewide travel policy. He expressed confidence the new Luma process will facilitate compliance and resolve the audit finding.

Mr. Schriever explained Idaho Code does not pay wolf depredation expenses through IDFG, although the agency does transfer some funds to the Wolf Depredation Control Board; lost livestock reimbursement is paid through the Office of Species Conservation (OSC).

Mr. Schriever explained the FY 2023 line-item request for \$590K in ongoing funding for wolf depredation costs and the wolf census. Previously, the agency funded the wolf census program with a FY 2021 one-time appropriation; the agency now believes the wolf census to be an ongoing concern. IDFG also requests spending authority to transfer \$190K in dedicated license fees to the Wolf Depredation Control Board. This request will enable compliance with **S 1211**, enacted in 2021.

Mr. Schriever explained the FY 2023 one-time request for \$1.5M in dedicated funds for Eagle Valley Ranch habitat restoration. This funding is administered through the OSC and will improve and expand habitat for spring and summer Chinook salmon and steelhead.

Mr. Schriever explained the FY 2023 one-time request for \$2.1M in federal funds to remediate habitat in Gray's Meadow. This funding comes through the Coeur d'Alene Basin Mitigation Fund, which holds settlement monies resulting from the Hecla Mining Settlement.

Mr. Schriever explained the FY 2023 line-item ongoing request for \$225K in dedicated and federal funds for the boating access maintenance program. He cited the surge in pandemic-related outdoor recreation for the increase in maintenance demand.

Mr. Schriever explained the FY 2023 line-item ongoing request for \$100K in dedicated and federal funds to contract for half the cost to hire a wildlife diseases ecologist; the University of Idaho would fund the remainder. This ecologist would conduct research on emerging wildlife diseases and help inform wildlife management decisions.

Mr. Schriever explained the FY 2023 line-item ongoing request for \$75K in federal funds sourced through the Bonneville Power Administration (BPA). This request is necessary because of increased costs associated with operating the BPA-funded Springfield Sockeye Hatchery.

Mr. Schriever explained the FY 2023 line-item ongoing request for \$4.9M in dedicated and federal funds, which will allow the agency to address significant deferred maintenance projects throughout the state.

Mr. Schriever explained the FY 2023 budget authority request to consolidate the Wildlife Mitigation Habitat Conservation Program into the Administration and Wildlife Programs, which is a demonstrated benefit of transitioning to the Luma system. This zero-dollar shift better aligns budget functions in the agency's organizational chart.

Mr. Schriever explained the FY 2023 budget authority request to consolidate the Fish and Game (Other) Fund into the Fish and Game Fund and the Fish and Game Set-Aside (Other) Fund into the Fish and Game Set-Aside Fund. Mr. Schriever assured the committee although the funds will be combined, spending practices will not change, and the funds will continue to be audited.

Mr. Schriever stated the wolf population census shows the wolf population is stable and fairly constant at 1500; he pointed out this population is considerably higher than the estimated target population set by the federal government when the wolf was removed from the Endangered Species list. He stated the Commission is working to gradually meet the target of policymakers.

Mr. Sepich presented an overview of the Office of Species Conservation (OSC). OSC coordinates policies and programs for the conservation of threatened, endangered, and candidate species of Idaho. This agency awards grants funded with federal monies.

Mr. Michael Edmondson, Administrator, Office of Species Conservation, presented the Governor's recommendations for the FY 2023 budget and explained the FY 2023 one-time request for \$75K from the General Fund for operating expenditures to continue the University of Idaho's sage grouse study. This is year eight in the ten-year study contemplating the interaction between grazing and sage grouse habitat.

Mr. Edmonson explained the FY 2023 line-item ongoing request for \$25K from the General Fund for additional travel expenses to allow staff to collaborate, design, and oversee implementations of ESA habitat restoration projects.

Mr. Edmonson explained the FY 2023 request for \$5M in trustee and benefit payments from federal funds for salmon recovery efforts. These funds were made available to Idaho as a result of the Infrastructure Investment and Jobs Act (IIJA).

Mr. Nate Osborne, Analyst, LSO Budget & Analysis, presented an overview of the Commission of the Arts. He explained the source of additional trustee and benefits funding was federal Covid funding; no extra monies came from the General Fund.

Mr. Michael Faison, Executive Director, Idaho Commission on the Arts, explained the Commission is the state's principal cultural agency. The Commission issues grants and fellowships; facilitates apprenticeships, clinics, and other programs; provides technical assistance to arts organizations; and engages in other activities associated with its mission.

Mr. Faison explained the agency's FY 2022 supplemental appropriation request for \$766K in ARPA funds. If approved, the entire amount will be issued as grants to arts organizations across the state. Distributing these grants will take time to plan and implement, therefore the agency requests a FY 2023 budget law exemption to carryover its unencumbered and unspent appropriations of ARPA monies from FY 2022 to FY 2023.

Mr. Osborne presented an overview of the Commission on Hispanic Affairs, which provides various services to the Hispanic community and serves as a liaison between the community and government entities.

Ms. Margie Gonzalez, Executive Director, Commission on Hispanic Affairs, explained the Commission's FY 2023 line-item ongoing request for \$75K from the Miscellaneous Revenue Fund for outreach efforts and events.

Mr. Osborne presented an overview of the Idaho State Liquor Division, which controls the importation, distribution, sale, and consumption of distilled spirits.

Mr. Jeff Anderson, Director, Idaho Liquor Division, stated the division is a dedicated fund agency and receives no General Fund monies for operations. He explained the FY 2023 budget requests comprise personnel, normal increases, and deferred maintenance issues.

The division requests FY 2023 ongoing appropriation funding from dedicated funds for the following purposes: \$975K for staffing pay adjustments; eight FTPs and \$45K to convert 58 part-time, classified employees to full-time employees; five FTP and \$86K to convert temporary employees to full-time employees; and \$182K to increase staffing levels at the busiest stores.

Mr. Anderson explained the FY 2023 budget request for two additional retail stores. The division requests six FTP and \$560K in ongoing appropriations and \$195K in one-time funding. The division also requests \$117K in ongoing appropriations and \$102K in one-time funding to relocate or remodel existing liquor stores.

Mr. Anderson explained the division requests two FTP and \$114K in ongoing appropriations and \$34K in one-time funding to hire two additional warehouse associates.

Finally, **Mr. Anderson** stated the division requests adjustments as part of Phase 3 of the Governor's recommendation to consolidate technology services in specific agencies to the Office of Information Technology Services (OITS). The State Liquor Division will reduce six information technology staff and shift \$487K from personnel costs to operating expenditures to pay OITS.

Mr. Osborne presented an overview of the Idaho Lottery Commission, which adopts rules for the agency, approves contracts, and monitors Idaho Lottery operations. Since its inception in 1989 it has distributed \$1.06B in dividends to the state.

Mr. Jeff Anderson, Director, Idaho Lottery Commission, explained the state lottery is a dedicated funding agency that receives no General Fund monies for operations. He explained the FY 2023 budget requests comprise personnel.

Mr. Anderson explained the FY 2023 line-item ongoing requests from dedicated funds include the following: \$31.4K for staffing pay adjustments; one FTP and \$70K for a new sales development specialist position; one FTP and \$57K for a new regional sales representative position; and one FTP and \$88K for a second detective position.

Mr. Anderson explained the FY 2023 line-item ongoing requests from dedicated funds for one FTP and \$75.5K for a new IT Software Engineer I position and one FTP and \$100.4K for a new IT Software Engineer II position. The IT service has traditionally been provided by a contract employee from Interlot, the gaming system vendor used by the state of Idaho. Through these budget requests, the agency would hire two IT software engineers and Interlot would fully reimburse all pay, benefits, and employment costs.

In response to a committee question, **Mr. Anderson** confirmed the new detective position will work directly for the Lottery Commission and not be contracted through the Idaho State Police or the Office of the Attorney General.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 10:01 a.m.

Representative Youngblood
Chair

Alyson Jackson
Secretary