

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 05, 2024
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, VanOrden, Adams, Herndon, Ward-Engelking, Just
Representatives Co-Chair Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Ruckh (Green)
ABSENT/ EXCUSED: Senator Cook

Co-Chair Horman called the meeting to order at 8:00 a.m.

Ms. Brooke Dupree, Analyst, LSO Budget & Policy, gave an overview of the Department of Labor. The department is organized into three budgeted programs: Determinations, Workforce and Commissions, and Administrative Services. She pointed out the Department has an FTP cap of 702.58 but has 287.58 current vacancies; the Department will fill 83 of those vacancies. She explained it has been the practice of the Legislature to appropriate more FTP than the agency uses, so the Department can respond rapidly to an economic crisis.

Ms. Dupree explained the sources of the Unemployment Penalty and Interest Fund and the Employment Security Special Administration Fund.

Ms. Dupree gave a high-level review of the last five years of the Department's budget. She described the FY 2023 and FY 2024 budget enhancements. She explained the agency's FY 2025 ongoing and onetime enhancements, including requests for an employment and training program, adjudication for dealing with a Social Security Administration backlog, and base budget realignments for Luma and IT consolidation. She pointed out the Governor recommends the base realignment and the SSA backlog adjudication enhancements and has provided an updated number for IT consolidation.

Ms. Jani Revier, Director of the Department of Labor, answered committee questions. She explained the employment and training program is part of the Supplemental Nutrition Assistance Program (SNAP), which is overseen by the Department of Health and Welfare (DHW). The Governor does not recommend this funding and the Department has withdrawn this budget request.

In response to additional committee questions, **Dir. Revier** explained the Social Security Administration (SSA) adjudication backlog. The Disability Determination Service (DDS) is part of the Department of Labor and is responsible for adjudicating the SSA disability claims. DDS used its existing spending authority to access the federal funds. The additional adjudicators helped the agency to manage the caseload and prevent another backlog.

In response to a committee question, **Mr. Alberto Gonzalez**, Administrator of the Office of Information Technology Services (OITS), explained the request for the OITS consolidation, which will increase efficiency while reducing the number of necessary personnel.

In response to a committee question, **Dir. Revier** explained the Department of Labor receives very few funds from the General Fund. The Department uses all its appropriated General Fund monies before it utilizes its dedicated fund.

In response to another committee question, **Dir. Revier** explained the Department of Labor is a countercyclical agency. It receives more federal funding from the US Department of Labor during economic downturns.

In response to further committee questions, **Dir. Revier** explained the Department used its existing spending authority to hire 24 FTPs for the disability determinations; those positions are now in the base budget. The bulk of the trustee and benefit payments are federal funds. She explained the Department's request would restore excess spending authority so it can continue to respond rapidly to the economic environment.

Ms. Dupree gave an overview of the Workforce Development Council (WDC). In FY 2022, WDC began managing American Rescue Plan Act (ARPA) funds from the State Fiscal Recovery Fund for childcare infrastructure grants and workforce training grants.

Ms. Dupree reviewed the last five years of appropriations and expenditures for the agency. She explained reasons for the discrepancy between estimated and actual expenditures; some of trustee and benefit payments are obligated for future payments. She described the FY 2023 and FY 2024 budget enhancements, including funding for the Idaho LAUNCH program and designating ARPA funds as onetime, thus excluding these dollars from the base budget.

Ms. Dupree explained the FY 2025 ongoing enhancement requests, including \$70M for LAUNCH grants and LAUNCH grants personnel, energy contractor training, and personnel costs for ARPA grants.

Ms. Wendi Secrist, WDC Executive Director, answered committee questions. She explained Idaho LAUNCH was appropriated approximately \$5M in startup costs to begin awarding grants to FY 2024 high school graduates on July 1, 2024. For FY 2025, WDC needs the remaining available \$70M and the spending authority for those funds.

In response to committee questions, **Dir. Secrist** explained statute specifies "in-demand careers" as those with a high level of job openings in Idaho or expected to have a high rate of growth in Idaho. She assured the committee WDC considers potential careers, not specific companies, when determining its annual list.

In response to committee questions, **Dir. Secrist** described the application process and contingency requirements for the Idaho LAUNCH grants and stated eligible institutions for LAUNCH grants must meet the definitions of the State Board of Education.

Ms. Dupree gave an overview of the Division of Vocational Rehabilitation (DVR). The Division is divided into two budgeted programs: Vocational Rehabilitation and the Council for the Deaf and Hard of Hearing, to whom DVR provides administrative support.

Ms. Dupree reviewed the organizational structure and consolidated funds associated with DVR. She reviewed the FY 2023 and FY 2024 budget enhancements for the agency. Ms. Dupree explained the FY 2025 budget enhancements, including requests for four FTPs for senior counselors to be located throughout Idaho and realigning the base budget from trustee and benefit payments to operating expenditures.

In response to committee questions, **Ms. Jane Donnellan**, Director of the Division of Vocational Rehabilitation, explained the request for additional senior counselors. These FTPs would help DVR meet the requirements of the Workforce Innovations and Opportunities Act. The additional counselors would be placed where the greatest demand for services is located: three in the Boise area and one in Idaho Falls.

In response to questions about the base realignment, **Dir. Donnellan** explained trustee and benefit payments are services provided to customers; operating expenses are the costs associated with providing those services.

In response to a committee question about the budget reversion, **Dir. Donnellan** explained the reversion is federal dollars. DVR is about \$1M short of matching funds to capture the available federal grant; the agency is now seeing increasing expenditures in meeting clients' needs, thus making this budget request necessary.

Ms. Dupree gave an overview of the Commission for the Blind and Visually Impaired and reviewed the dedicated funds included in the agency's budget.

Ms. Dupree pointed out the agency had no FY 2023 enhancements and reviewed the FY 2024 budget enhancements. She explained the FY 2025 ongoing and onetime enhancement request for case management software.

Ms. Beth Cunningham, Administrator of the Commission for the Blind and Visually Impaired, answered committee questions. She explained trustee and benefit costs are the services the agency provides to its clients.

In response to questions about the budget request for Aware Case Management software, **Ms. Cunningham** explained DVR uses the Aware Case Management software and the Commission is asking for a state match to access federal funding. Ms. Cunningham explained the agency's planned safeguards for the data during the transition to the new software system.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:33 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary