

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 27, 2024
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just
Representatives Co-Chair Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Green
ABSENT/EXCUSED: Senator VanOrden

Co-Chair Horman called the meeting to order at 8:02 a.m.

Co-Chair Horman put the committee at ease at 8:05 a.m.

Co-Chair Horman resumed the meeting at 8:08 a.m.

Ms. Alex Williamson, Analyst, LSO Budget & Policy, presented the trailer appropriation for **S 1380**, which establishes the Office of Health and Social Services Ombudsman in the Department of Health and Welfare. The fiscal note for this legislation suggests the transfer of 3.00 FTP from the Department of Health and Welfare to create an Ombudsman position, a client service analyst, and an executive assistant.

MOTION: **Rep. Raybould** made a motion, seconded by **Sen. Bjerke**, for FY 2025, for the Indirect Support Services Program, a reduction of \$470,000 from the General Fund and to reduce 3.00 full-time equivalent positions.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 15 AYES, 3 NAYS, 2 ABSENT/EXCUSED.** Senators voting in favor of the motion: **Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Patterson (Ward-Engelking), Just.** Senators voting in opposition to the motion: **Herndon.** Senators absent/excused: **VanOrden.** Representatives voting in favor of the motion: **Horman, Miller, Bundy, Raybould, Furniss, Petzke, Green.** Representatives voting in opposition to the motion: **Lambert, Tanner.** Representatives absent/excused: **Handy.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

MOTION: **Rep. Raybould** made a motion, seconded by **Sen. Bjerke**, for FY 2025, for the Office of Health and Social Services Ombudsman, \$470,000 from the General Fund and 3.00 full-time equivalent positions.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 15 AYES, 3 NAYS, 2 ABSENT/EXCUSED.** Senators voting in favor of the motion: **Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Patterson (Ward-Engelking), Just.** Senators voting in opposition to the motion: **Herndon.** Senators absent/excused: **VanOrden.** Representatives voting in favor of the motion: **Horman, Miller, Bundy, Raybould, Furniss, Petzke, Green.** Representatives voting in opposition to the motion: **Lambert, Tanner.** Representatives absent/excused: **Handy.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Ms. Williamson presented a piece of intent language associated with the previous motions. This intent language requires the new Office of the Health and Social Services Ombudsman to deliver an interim report to the Legislature by December 15, 2024, outlining the initial work of the Office and current operations of Child Welfare within the state.

Co-Chairman Grow asked to change the date to December 1, 2024, to be consistent with other pieces of intent language in other budgets.

Co-Chair Horman asked if there were any objections; there were none.

Rep. Raybould explained **S 1380** required the Office produce an annual report. This motion is in response to feedback received during the hearing in the House Health and Welfare Committee.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Raybould requested and it was granted by unanimous consent, to accept the following intent language:

**INTENT
LANGUAGE:**

SECTION __. OMBUDSMAN OFFICE REPORT. The Office of the Health and Social Services Ombudsman shall deliver an interim report to the Legislature, including the Chairmen of the House and Senate Health and Welfare Committees, as well as the Joint Finance-Appropriations Committee, by December 1, 2024, on the initial work of the Office and the current operation of Child Welfare in the state. The report shall include related recommendations to the Governor, the Legislature, the Director of the Department of Health and Welfare or other relevant state departments or agencies, the State Public Defender, and the Courts. The format of the report shall be determined by the Legislative Services Office Budget and Policy Analysis Division.

Ms. Christine Otto, Principal Analyst, LSO Budget & Policy, presented the trailer appropriation for **H 646**, which revises the North-South boundary lines of Benewah, Bonner, Clearwater, Kootenai, Latah, and Shoshone Counties. This funding to the six affected counties will cover any associated costs due to this legislation.

MOTION:

Sen. Herndon made a motion, seconded by **Rep. Miller**, for FY 2024, for the State Controller, in the Administration Program, \$60,000 onetime from the General Fund.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. **Senators voting in favor** of the motion: **Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just.** **Senators voting in opposition** to the motion: **None.** **Senators absent/excused:** **VanOrden.** **Representatives voting in favor** of the motion: **Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Green.** **Representatives voting in opposition** to the motion: **None.** **Representatives absent/excused:** **Handy.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Mr. Jared Tatro, Deputy Division Manager, LSO Budget & Policy Analysis, presented corrections for the Department of Education budget. He explained an error in the original budget setting. The motion in the original budget setting to add \$212,700 for the additional 2% Change in Employee Compensation (CEC) was correct, but the fund details were incorrect.

MOTION: **Rep. Petzke** made a motion, seconded by **Sen. Lent**, for FY 2025, for the State Department of Education, an additional \$44,900 from federal funds and a reduction of \$44,900 from the General Fund, all in personnel costs.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just. Senators voting in opposition to the motion: None. Senators absent/excused: VanOrden. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Handy.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Mr. Tatro explained reappropriation language associated with the State Department of Education budget for the Career-Ready Students Program.

Sen. Cook explained he is a member of the committee overseeing the disbursement of the funds associated with the Career-Ready Students Program. He described the committee's work to ensure fiscal responsibility and measurable outcomes for these dollars. **Sen. Cook** expressed his support for the program.

UNANIMOUS CONSENT REQUEST: **Rep. Petzke** requested and it was granted by unanimous consent, to accept the following intent language:

INTENT LANGUAGE: REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Department of Education any unexpended balances appropriated to the State Department of Education from the Career Ready Students Fund for fiscal year 2024, in an amount not to exceed \$39,000,000 from the Career Ready Students Fund, to be used for nonrecurring expenditures related to the Career Ready Students Program for the period July 1, 2024, through June 30, 2025. The Office of the State Controller shall confirm the reappropriation amount by fund, expense class, and program, with the Legislative Services Office Budget and Policy Analysis Division prior to processing the reappropriation authorized herein.

Ms. Brooke Dupree, Analyst, LSO Budget & Policy, presented the trailer appropriation for **H 596aaS**. This bill requires Pharmacy Benefit Managers (PBMs) to report to the Department of Insurance. The fiscal note for **H 596aaS** stated a fiscal impact of \$132,400 and one FTP.

MOTION: **Sen. Cook** made a motion, seconded by **Rep. Furniss**, for FY 2025, for the Department of Insurance, an additional \$132,400 and 1.00 full-time equivalent position from the Insurance Administrative Fund.

In response to a committee question, **Ms. Dupree** confirmed this money is coming out of the Insurance Administrative Fund, not the General Fund.

In response to an additional committee question, **Sen. Cook** explained PBMs are third party administrators under contract by health/prescription plans, employers, and government entities to manage prescription drug programs for health plan recipients. This appropriation will be used for a full-time position to analyze the required reports from PBMs and insurance plans to ensure transparency. This appropriation mirrors similar reform efforts at the federal level to rein in Medicaid costs.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 17 AYES, 0 NAYS, 3 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just. Senators voting in opposition to the motion: None. Senators absent/excused: VanOrden. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Tanner, Petzke, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Lambert, Handy.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Ms. Janet Jessup, Principal Analyst, LSO Budget & Policy, presented the trailer appropriation for **S 1292**, which removes the responsibility of the Office of the Attorney General to provide legal representation to the Idaho Department of Lands and allows the Department to hire or contract its own legal counsel. This action relocates funding for the legal support from the Attorney General's Office to the Department of Lands to allow them to contract directly with legal counsel.

MOTION:

Rep. Raybould made a motion, seconded by **Sen. Burtenshaw**, for FY 2025, for the Department of Lands, \$159,200 from the General Fund and \$477,800 from dedicated funds, for a total of \$637,000 for legal counsel, and an additional 4.00 full-time equivalent positions.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 16 AYES, 1 NAY, 3 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just. Senators voting in opposition to the motion: None. Senators absent/excused: VanOrden. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Green. Representatives voting in opposition to the motion: Tanner. Representatives absent/excused: Lambert, Handy.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

MOTION:

Rep. Raybould made a motion, seconded by **Sen. Burtenshaw**, for FY 2025, for the Office of the Attorney General, a reduction of \$379,400 from the General Fund and a reduction of 3.00 full-time equivalent positions.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 16 AYES, 1 NAY, 3 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just. Senators voting in opposition to the motion: None. Senators absent/excused: VanOrden. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Green. Representatives voting in opposition to the motion: Tanner. Representatives absent/excused: Lambert, Handy.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Mr. Tim Hibbard, Senior Analyst, LSO Budget & Policy, presented the revised FY 2025 enhancements budget for Court Operations in the Judicial Branch. He explained the difference between this budget and the original budget in **H 716**, which failed in the Senate. He explained this proposed action adjusts salaries for several positions, based on new information from the Division of Human Resources.

In response to committee questions, **Mr. Hibbard** stated the Judicial Branch has spent roughly \$1M on court technology. He confirmed there is roughly \$18M remaining from the appropriation for court technology in **H 770** from the 2023 legislative session. He explained the \$19M appropriated for court technology was for a build-out and project to modernize court technology across the state. This line item for court technology support transfers funding for personnel costs from dedicated funds to the General Fund. **Mr. Hibbard** explained the Courts report declining revenues in the dedicated fund, which means the Courts can no longer support these full-time equivalent positions.

Ms. Sara Omundson, Administrative Director of Courts, explained the \$19M in ARPA funding is being used to build an entirely new technology architecture. This motion involves the ongoing costs of court technology. The dedicated fund used to support ongoing costs has declining revenues and is no longer adequate.

MOTION:

Sen. Cook made a motion, seconded by **Rep. Raybould**, for FY 2025, for the Judicial Branch Court Operations Division, beginning with the FY 2025 JFAC Maintenance Budget, to add \$6,247,200 for court technology support and 6.00 FTP; \$510,900 for statewide administrative support and 5.00 FTP; to add \$1,460,900 for replacement items; and \$458,000 for the 2% CEC. For the Judicial Branch Court Operations Division for FY 2025, this motion includes an additional \$10,656,000 from the General Fund, a reduction of \$1,987,000 from dedicated funds, and an additional \$8,000 from federal funds, for a total of \$8,677,000, and an additional 11.00 full-time equivalent positions.

In response to additional committee questions, **Dir. Omundson** explained the ARPA funding is being used to build a statewide network. The funding in this motion will begin after the statewide network project is complete. She pointed out the agency currently uses 80% of its dedicated fund on personnel costs, which leaves an inadequate amount for ongoing operating costs. This motion would allow the Judicial Branch to use the dedicated fund as its operating fund. She pointed out even if approved, these dollars will not fully fund the operating costs for court technology.

Rep. Raybould made additional comments. She noted under state law, agencies were directed not to use onetime monies for personnel costs. This motion recognizes the dedicated funding source previously used for personnel costs will soon be spent down. She noted this motion includes a reduction in spending authority related to the dedicated fund because of its decreasing available balance. She stated Covid-19 dollars are being used for one-time expenditures; General Fund dollars are being used for ongoing costs.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Patterson (Ward-Engelking), Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: VanOrden. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Green. Representatives voting in opposition to the motion: Tanner. Representatives absent/excused: Lambert.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Mr. Hibbard presented the FY 2025 enhancement budget for the Guardian Ad Litem Division in the Judicial Branch. He explained this budget is the same as in **H 716**.

MOTION: **Rep. Handy** made a motion, seconded by **Sen. Cook**, for the Guardian Ad Litem Program, beginning with the FY 2025 JFAC Maintenance Budget, to add \$217,000 for Guardian Ad Litem support. This motion includes an additional \$217,000 from the General Fund.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just. Senators voting in opposition to the motion: None. Senators absent/excused: VanOrden. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Lambert.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

Mr. Hibbard presented the FY 2025 budget for the Judicial Council in the Judicial Branch. This budget is also identical to the original budget in **H 716**.

MOTION: **Sen. Cook** made a motion, seconded by **Rep. Raybould**, for the Judicial Council, beginning with the FY 2025 JFAC Maintenance Budget, to add \$32,400 for Judicial Council Support. This motion includes an additional \$32,400 from the General Fund.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, Adams, Herndon, Patterson (Ward-Engelking), Just. Senators voting in opposition to the motion: None. Senators absent/excused: VanOrden. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Tanner, Petzke, Handy, Green. Representatives voting in opposition to the motion: None. Representatives absent/excused: Lambert.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chair Horman**.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 8:55 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary