

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 24, 2023

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Nash

ABSENT/ EXCUSED: Senator Herndon

CONVENED: **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee or JFAC) to order at 8:01 a.m.

LSO STAFF PRESENTATION: **GENERAL FUND DAILY UPDATE; Keith Bybee, Division Manager, Legislative Services Office (LSO) Budget and Policy Analysis**
Mr. Bybee presented the February 23, 2023 update, noting the numbers with asterisks beside them have pending legislation, currently in germane committees, which require action to be taken (see attachment 1). He reviewed the breakdown of the General Fund comparison of the original appropriations to the Governor’s Recommendations and JFAC action, and how the fiscal year (FY) 2024 actions have and will impact the totals. **Mr. Bybee** briefly referenced specific House and Senate bills with fiscal impact that were moving through the various legislative committees and/or one of the floor sessions, several which will be replaced before impacting the General Fund.

LSO STAFF PRESENTATION: **OFFICE OF THE GOVERNOR - MILITARY DIVISION FY 2024 ORIGINAL; Matt Farina, Analyst, LSO Budget and Policy Analysis**
Mr. Farina outlined the agency’s request, Governor’s Recommendation and JFAC adjusted budget. He pointed out the change in the enhanced fire audit supplemental which was moved to line item four.

MOTION: Moved by **Senator Burtenshaw**, beginning with the FY 2024 base include JFAC adjusted budget items: \$594,400 for benefit costs, \$85,000 for statewide cost allocation, \$1,321,600 for change in employee compensation, and \$197,700 for Human Resources consolidation. Include \$523,900 for military compensation and \$630,300 for replacement items. Also included are the following line items: line item 1, which provides \$41,000 for additional operating expenditures; line item 2, which provides a net-zero fund shift of 0.25 full-time equivalent position (FTP) and \$20,000 for federal match requirements; line item 3, which provides \$3,750,000 for cybersecurity; and line item 4, which provides \$500,000 for an enhanced fire spending audit. The totals for this motion for the Military Division for FY 2024 are 435.80 FTP, \$9,247,100 from the General Fund, \$7,943,700 from dedicated funds, and \$74,771,500 from federal funds for a grand total of \$91,962,300; seconded by **Representative Bundy**.

CARRIED:

AYES: 19

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**UNANIMOUS
CONSENT:**

Requested by **Senator Burtenshaw**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION . CONTINUOUS APPROPRIATION. The Military Division is hereby granted continuous appropriation authority for the Idaho Office of Emergency Management's Miscellaneous Revenue Fund for the period July 1, 2023, through June 30, 2024 for the purpose of covering incurred costs arising out of hazardous substance incidents.

SECTION X. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

**LSO STAFF
PRESENTATION:**

SELF-GOVERNING AGENCIES - DIVISION OF VETERANS SERVICES FY 2024 ORIGINAL; Matt Farina, Analyst, LSO Budget and Policy Analysis

Mr. Farina discussed the agency’s request, Governor’s Recommendation, and JFAC adjusted budget, noting the one change in the Governor’s Recommendation being the prior Medicaid reimbursement FY 2023 supplemental now becoming line item four of this budget.

MOTION:

Moved by **Representative Bundy**, beginning with the FY 2024 base include JFAC adjusted budget items: \$428,500 for benefit costs, \$251,500 for statewide cost allocation, \$3,988,400 for annualizations, \$1,357,100 for change in employee compensation, and a reduction of 8.00 FTP and \$515,000 for Human Resources consolidation. Include \$1,937,900 for inflationary adjustments and \$418,500 for replacement items. Also included are the following line items: line item 1, which provides \$68,404,200 for replacing the Boise Veterans Home; line item 2, which provides \$15,000 for health benefits for temporary employees; line item 3, which provides \$83,600 for bariatric beds and interment equipment; and line item 4, which provides \$750,000 for increased federal match funding for Medicaid reimbursement. The totals for this motion for the Division of Veterans Services for FY 2024 are 439.50 FTP, \$1,646,200 from the General Fund, \$30,462,600 from dedicated funds, and \$98,240,500 from federal funds for a grand total of \$130,349,300; seconded by **Senator Burtenshaw**.

CARRIED:

AYES: 19

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**UNANIMOUS
CONSENT:**

Requested by **Representative Bundy**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Veterans Services any unexpended and unencumbered balances appropriated from the Federal Grant Fund for 2023, in an amount not to exceed \$8,274,200, to be used for nonrecurring expenditures for the Post Falls Veterans Home and Boise Cemetery for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Veterans Services any unexpended and unencumbered balances appropriated from the Veterans Recognition Income Fund for 2023, in an amount not to exceed \$3,157,100, to be used for nonrecurring expenditures for the Post Falls Veterans Home for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Veterans Services any unexpended and unencumbered balances appropriated from the Federal COVID-19 Relief Fund for 2023, in an amount not to exceed \$1,764,600, to be used for nonrecurring expenditures for the Post Falls Veterans Home for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

**UNANIMOUS
CONSENT:**

Requested by **Representative Bundy**, granted by unanimous consent, the following intent language was adopted:

INTENT LANGUAGE: SECTION X. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

LSO STAFF PRESENTATION: **BOARD OF EDUCATION - DIVISION OF VOCATIONAL REHABILITATION FY 2024 ORIGINAL; Matt Farina, Analyst, LSO Budget and Policy Analysis**

UNANIMOUS CONSENT: Requested by **Co-Chairman Horman**, granted by unanimous consent, to hold this budget in Committee subject to call or the chair.

LSO STAFF PRESENTATION: **OFFICE OF THE GOVERNOR - OFFICE OF INFORMATION TECHNOLOGY SERVICES (OITS) BUSINESS OPERATIONS SERVICES - FY 2023 SUPPLEMENTAL; Matt Farina, Analyst, LSO Budget and Policy Analysis**

UNANIMOUS CONSENT: Requested by **Representative Raybould**, granted by unanimous consent, the FY 2023 budget for the OITS was reopened.

MOTION: Moved by **Representative Raybould**, for FY 2023, for the OITS, the addition of 7.35 FTP and \$374,800 from the General Fund, with \$310,000 in personnel costs and \$64,800 in operating expenditures; seconded by **Senator Cook**.

CARRIED: **AYES: 19**
Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1
Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

MOTION: Moved by **Representative Raybould**, for FY 2023, for the OITS, the reduction of 3.35 FTP and \$172,400 from the Administration and Accounting Services Fund in personnel costs; seconded by **Senator Cook**.

CARRIED:

AYES: 19

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION:**

OFFICE OF THE GOVERNOR - OITS FY 2024 CONSOLIDATION PREPARATION - FY 2023 SUPPLEMENTAL; Matt Farina, Analyst, LSO Budget and Policy Analysis

Mr. Farina discussed this supplemental request was different than the Governor's Recommendation and included 60 FTP for the new consolidation in FY 2024. He noted there is a reduction of expenses for office equipment, computers, monitors, phones, headsets and other supplies which explains why the two numbers are different.

MOTION:

Moved by **Senator Cook**, for FY 2023, for the OITS, the addition of 6.00 FTP and \$318,900 from the from the General Fund; seconded by **Representative Raybould**.

CARRIED:

AYES: 19

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION:**

DEPARTMENT OF COMMERCE - BROADBAND INFRASTRUCTURE AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) - FY 2023 SUPPLEMENTAL; Matt Farina, Analyst, LSO Budget and Policy Analysis

Mr. Farina stated this supplemental requests \$124,100,000 from the Capital Projects Fund for broadband infrastructure, with \$125 million total available to the state, and a portion of this is requested for two FTP and \$300,000 for personnel to manage these grants. He discussed this request was a supplemental so the Idaho Broadband Advisory Board can begin the request for proposal process for these funds in FY 2023.

**UNANIMOUS
CONSENT:**

Requested by **Representative Bundy**, granted by unanimous consent, the FY 2023 budget for the Department of Commerce was reopened.

MOTION:

Moved by **Representative Bundy**, for FY 2023, for the Department of Commerce, the addition of \$124,100,000 from the ARPA Capital Projects Fund; seconded by **Senator Bjerke**.

CARRIED:

AYES: 19

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION:**

**DEPARTMENT OF JUVENILE CORRECTIONS - COMMUNITY,
OPERATIONS, AND PROGRAM SERVICES - FY 2023
SUPPLEMENTAL; Christine Otto, Principal Budget and Policy
Analyst, LSO Budget and Policy Analysis**

Ms. Otto explained the supplemental request is the Governor's Recommendation for \$4.1 million in one time trustee and benefit payments from the General Fund for youth assessment centers. These funds will be grants awarded between the department and city and county providers, law enforcement, courts, or other community partners.

**UNANIMOUS
CONSENT:**

Requested by **Representative Miller**, granted by unanimous consent, the FY 2023 budget for the Department of Juvenile Corrections was reopened.

MOTION:

Moved by **Representative Miller**, for FY 2023, for the Department of Juvenile Corrections, in the Community, Operations, and Program Services Program, \$4,100,000 from the General Fund for the purpose of Youth Assessment Centers; seconded by **Senator Burtenshaw**.

CARRIED:

AYES: 18

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Tanner, Petzke, Handy, and Nash

NAYS: 1

Representative Lambert

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION:**

**DEPARTMENT OF JUVENILE CORRECTIONS FY 2024
ORIGINAL; Christine Otto, Principal Budget and Policy Analyst, LSO
Budget and Policy Analysis**

Ms. Otto reviewed the agency's request, the Governor's Recommendation, and JFAC adjusted items which include personnel benefit costs, statewide cost allocation, change in employee compensation, and the human resource consolidation.

MOTION:

Moved by **Representative Raybould**, beginning with the FY 2024 base, include the following items as part of the JFAC adjusted budget: benefit costs, statewide cost allocation, change in employee compensation, and Human Resources consolidation. Include \$650,200 for an additional 6% CEC for public safety positions, \$6,000 for inflationary adjustments and \$588,300 for replacement items. Also included are the following line items: line item 1, which provides \$75,000 for an electronic monitoring system; line item 2, which transfers all positions and funding from the Substance Abuse Treatment Program to the Community Operations Programs Services Program; line item 3, which reduces federal funds by \$720,000; and add \$221,300 for educators to match the recommendation for the career ladder. The totals for this motion for FY 2024 are \$48,566,000 from the General Fund, \$7,548,400 from dedicated funds, and \$2,181,700 from federal funds for a total of \$58,296,100, and cap full-time equivalent positions at 409.00; seconded by **Senator Burtenshaw**.

CARRIED:

AYES: 19

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**UNANIMOUS
CONSENT:**

Representative Raybould requested unanimous consent to accept the intent language show below. **Representative Tanner** objected.

MOTION:

Moved by **Representative Raybould** to accept the following intent language; seconded by **Senator Burtenshaw**.

CARRIED:

AYES: 17

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, and Nash

NAYS: 2

Representatives Lambert, and Tanner

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, it was so ordered by
Co-Chairman Grow.

**INTENT
LANGUAGE:**

SECTION_. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Juvenile Corrections any unexpended and unencumbered balances appropriated to the Department of Juvenile Corrections from the General Fund for Youth Assessment Centers for fiscal year 2023, in an amount not to exceed \$4,100,000 from the General Fund, to be used for nonrecurring expenditures related to Youth Assessment Centers for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION_. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Juvenile Corrections any unexpended and unencumbered balances appropriated to the Department of Juvenile Corrections from the General Fund for Cottage Furniture and fixtures at its St. Anthony facility for fiscal year 2023, in an amount not to exceed \$50,000 from the General Fund, to be used for nonrecurring expenditures related to Cottage Furniture and fixtures for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

**UNANIMOUS
CONSENT:**

Requested by **Representative Raybould**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION_. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

**LSO STAFF
PRESENTATION:**

**DEPARTMENT OF CORRECTION - CORRECTIONAL
ALTERNATIVE PLACEMENT NET-ZERO TRANSFER - FY 2023
SUPPLEMENTAL; Christine Otto, Principal Budget and Policy
Analyst, LSO Budget and Policy Analysis**

Ms. Otto explained this supplemental request would move \$1,299,000 capital outlay into operating expenditures since last year the budget was reduced for the lease payment. The division is requesting the transfer to align its budget with the expected expenditures.

**UNANIMOUS
CONSENT:**

Requested by **Representative Handy**, granted by unanimous consent, the FY 2023 budget for the Idaho Department of Corrections was reopened.

MOTION:

Moved by **Representative Handy**, for FY 2023, for the Correctional Alternative Placement Division, a reduction of \$1,299,000 in capital outlay, and an increase of \$1,299,000 in operating expenditures, ongoing from the General Fund; seconded by **Senator Burtenshaw**.

CARRIED:

AYES: 19

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**LSO STAFF
PRESENTATION:**

STATE BOARD OF EDUCATION - IDAHO PUBLIC TELEVISION (IPTV) FY 2024 ORIGINAL; Jared Tatro, Deputy Division Manager, LSO Budget and Policy Analysis

Mr. Tatro reviewed that IPTV operates under the State Board of Education with two functional areas: a statewide delivery system paid for from the General Fund, and content creation. Its budget request is a maintenance adjusted budget, including inflation adjustments and replacement items. **Mr. Tatro** discussed the Governor's Recommendation, Department of Human Resources consolidation, cost allocation, and employee compensation, pointing out the executive carry forward. He summarized IPTV's encumbrances related to the nonprofit which IPTV was trying to purchase. IPTV found an alternative, therefore \$80,000 has been reverted to the General Fund, and IPTV is moving ahead with the alternative \$40,000 plan shown in its updated budget.

MOTION:

Moved by **Representative Raybould**, beginning with the FY 2024 base, include benefit costs, statewide cost allocation, change in employee compensation, and DHR consolidation as part of the JFAC adjusted budget. Then add \$13,000 for inflationary adjustments, \$48,400 for replacement items and include approval for the budget law exemption that provides for the second year of continuous appropriation for the donated funds that are used for the purpose of content production and related services from revenue sources provided by private donations. The totals for this motion for FY 2024 for Idaho Public Television are 14.00 full-time equivalent positions and \$2,933,900 from the General Fund; seconded by **Senator Ward-Engelking**.

CARRIED:

AYES: 17

Senators Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, and Nash

NAYS: 2

Representatives Lambert, and Tanner

ABSENT/EXCUSED: 1

Senator Herndon

The majority having voted in the affirmative, the motion passed and without objection carried the language will be adopted [**CHECK THIS ONE**].
Having heard no objection, it was so ordered by **Co-Chairman Grow**.

**UNANIMOUS
CONSENT:**

Requested by **Representative Raybould**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION 4. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to Idaho Public Television any unexpended and unencumbered balances appropriated to Idaho Public Television from the Idaho Millennium Income Fund for fiscal year 2023 to be used for nonrecurring expenditures for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION 5. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at 8:57 a.m.

Senator Grow
Chair

Erin Miller
Secretary