

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 26, 2016
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Keough, Bair, Mortimer, Brackett, Nuxoll, Johnson, Thayn, Guthrie, Schmidt, Lacey
Representatives Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
**ABSENT/
EXCUSED:** Burtenshaw
CONVENED: **Chairman Bell** called the meeting to order at 8:00 AM.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**
Office of the Governor: Office of Species Conservation

Mr. Houston explained to the committee the purpose of the Office of Species Conservation and the FY 2017 budget request. The Office of Species Conservation was created in 2000. Idaho Law established an agency within the Office of the Governor for the purpose of:

1) providing coordination and cooperation among and between various state and federal agencies with responsibilities for species management under the Endangered Species Act (ESA); 2) developing an integrated state policy toward those species; 3) soliciting and reviewing scientific information; 4) negotiating and implementing conservation plans and agreements; 5) providing the resources and authority necessary to recommend an appropriate management plan for species that may be de-listed under the ESA; and 6) facilitating the development and use of federal and state programs and incentives to provide protections for non-federal landowners willing to assist in the management of federally listed endangered species, threatened species, and petitioned species.

Special line items included in this request are as follows:

Additional one-time funding for the Governor's Sage-Grouse Conservation Strategy to allocate funds towards fire prevention, suppression, and habitat restoration; additional funding for coordination and outreach travel costs; and conversion of a benefited temporary position to 0.63 full-time equivalent position.

CARRIED: **Original Motion**
Office of the Governor
Office of Species Conservation
Appropriation

Moved by **Miller**, seconded by **Brackett**, to approve for introduction \$538,100 General Funds, \$515,000 Dedicated Funds, \$12,825,300 Federal Funds for a total of \$13,878,400 with FTP of 12.63

Ayes: 17

Keough, Johnson, Bair, Mortimer, Brackett, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, King, Gannon

Nays: 0

Ab/Ex: 3

Nuxoll, Thayn, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by **Miller**, granted by unanimous consent, the following legislative intent language was accepted.

SECTION 3. Notwithstanding any other provisions of law, it is the intent of the Legislature that the Office of Species Conservation (OSC) shall be tasked with administering state appropriated funds not to exceed \$500,000 for the period July 1, 2016, through June 30, 2017, for sage-grouse conservation actions, including fire prevention, fire suppression, habitat restoration on nonfederal lands and additional sage-grouse lek monitoring.

PRESENTER: **Ray Houston, Principal Analyst, Division of Budget and Policy Analysis**
Department of Fish and Game

Mr. Houston explained to the committee the complex recommendations and requests made by the Department of Fish and Game. Concerns of committee members were raised by line item 10; The Clagstone Conservation Easement Wildlife in Bonner County.

The department requests federal fund appropriation to purchase its share of a conservation easement. The Clagstone Meadows Forest Legacy project is composed of 13,000 acres of contiguous private forest land. The landowner, Stimson Lumber Company, wishes to sell the development rights valued at \$12.6 million to keep the land in timber production in perpetuity. This transaction will help protect the region's drinking water, protect wetlands, maintain habitat (for elk, deer, moose, bear, forest grouse, waterfowl and a variety of native species), retain local timber jobs, and allow for non-motorized public access to private property.

The landowner will donate 25% of the value or \$3.125 million, and the USDA awarded \$5.5 million through the Idaho Department of Lands. The Trust for Public

Land will raise \$2 million, and the Idaho Department of Fish and Game will contribute \$2 million to complete the transaction.

FAILED: **Substitute Motion**
Department of Fish and Game
Appropriation

Moved by **Monks**, seconded by **Guthrie**, to approve for introduction \$0 General Funds, \$57,571,500 Dedicated Funds, \$46,498,800 Federal Funds for a total of \$104,070,300 with FTP of 558.00

Ayes: 3

Mortimer, Guthrie, Monks

Nays: 14

Keough, Johnson, Bair, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, King, Gannon

Ab/Ex: 3

Nuxoll, Thayn, Burtenshaw

CARRIED: **Original Motion**
Department of Fish and Game
Appropriation

Moved by **Miller**, seconded by **Lacey**, to approve for introduction \$0 General Funds, \$57,571,500 Dedicated Funds, \$48,498,800 Federal Funds for a total of \$106,070,300 with FTP of 558.00

Ayes: 14

Keough, Johnson, Bair, Brackett, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, King, Gannon

Nays: 3

Mortimer, Guthrie, Monks

Ab/Ex: 3

Nuxoll, Thayn, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**

Division of Medicaid

Mr. Tatro explained the operations of the Division of Medicaid, and the FY 2017 budget requests and recommendations. The Division of Medicaid is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability. Services are provided pursuant to state and federal Medicaid requirements.

The division is organized into four budgeted programs: 1) The Medicaid Administration & Medical Management Program which includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho; 2) The Coordinated Medicaid Plan, where beneficiaries covered in this plan primarily consist of those who are age 65 and older; 3) The Enhanced Medicaid Plan where beneficiaries are medicaid-eligible group(s) primarily made up of children and adults (non-elderly) with disabilities, or other individuals with special health needs, such as foster children; and 4) The Basic Medicaid Plan: Where beneficiaries are medicaid-eligible group(s) primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of disease.

CARRIED: **Original Motion**
Department of Health and Welfare
Division of Medicaid
Appropriation

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction \$519,607,200 General Funds, \$303,144,800 Dedicated Funds, \$1,411,052,500 Federal Funds for a total of \$2,233,804,500 with FTP of 209.00

Ayes: 16

Keough, Johnson, Bair, Mortimer, Brackett, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Malek, Monks, King, Gannon

Nays: 0

Ab/Ex: 4

Nuxoll, Thayn, Horman, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, the legislative intent language shown below was accepted.

GENERAL FUND TRANSFERS. As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funds budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense class during fiscal year 2017.

PROGRAM INTEGRITY. Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that the Department of Health and Welfare shall be required to provide those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, the legislative intent language shown below was accepted.

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medicaid Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Services Office and the Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions of, Idaho Code, funding provided for the trustee and benefit payments expenditure class in the Medicaid Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration and Medical Management Program, but shall not be transferred to any other budgeted programs or expenditure class within the Department of Health and Welfare during fiscal year 2017.

MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division shall provide reports biannually to the Legislative Services Office and the Division of Financial Management, on progress in integrating managed care approaches into the state Medicaid system. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than December 31, 2016 and the second report shall be submitted no later than June 30, 2017.

REPORT ON FLEXIBLE RECEIPT AUTHORITY. The Medicaid Division shall provide a report annually, at time of budget submission, to the Legislative Services Office and the Division of Financial Management that describes the need for having additional dedicated receipt authority built into the budget. The additional dedicated

fund appropriation is not to be considered when calculating the estimated need for ongoing Medicaid costs, but rather to be held in reserve and used in lieu of General Funds when non-cognizable receipts are received by the department.

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**

Division of Welfare:

The Division of Welfare, also known as Self-Reliance, provides assistance and support services for eligible families and individuals. Programs administered by the division include: Child Support; Supplemental Nutrition Assistance Program (SNAP or Food Stamps); Child Care; Temporary Assistance for Families in Idaho (TAFI also known as TANF); and Aid to the Aged, Blind, and Disabled (AABD). The division also administers several programs through contracts with local partner organizations that provide food, energy assistance, telephone assistance, and weatherization assistance. In addition, the division determines Medicaid eligibility for the department and the state insurance exchange.

CARRIED: **Original Motion**
Department of Health and Welfare
Division of Welfare
Appropriation

Moved by **Malek**, seconded by **Bair**, to approve for introduction \$40,798,000 General Funds, \$6,928,100 Dedicated Funds, \$121,223,600 Federal Funds for a total of \$168,949,700 with FTP of 635.55

Ayes: 18

Keough, Johnson, Bair, Mortimer, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, King, Gannon

Nays: 0

Ab/Ex: 2

Nuxoll, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by **Malek**, granted by unanimous consent, the legislative intent language shown below was accepted.

ACTUAL AND FORECAST DETAIL REPORTING: The Division of Welfare shall deliver the Self-Reliance Programs Forecast biannually to the Legislative Services Office and Division of Financial Management. The report shall include monthly caseload details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Advanced Premium Tax Credit (APTC), Aid to the Aged, Blind and Disabled (AABD), Food Stamps, and Child Support programs. The Self-Reliance Program's Forecast shall also include expenditure details for all of the named programs with the exception of Medicaid. The format of the report, and any additional information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management. The first report shall be

submitted no later than December 31, 2016, and the second report shall be submitted no later than June 30, 2017.

PRESENTER: **Jared Tatro, Principal Analyst, Division of Budget and Policy Analysis**
Public Health Services:

Mr. Tatro explained to the Committee the Division of Public Health Services and the FY 2017 budget request. The three services under Public Health Services include: the Physical Health Services, the Emergency medical Services, and the Laboratory Services.

CARRIED: **Original Motion**
Department of Public Health and Welfare
Public Health Services
Appropriation

Moved by **Schmidt**, seconded by **Malek**, to approve for introduction \$7,771,900 General Funds, \$41,993,400 Dedicated Funds, \$63,285,100 Federal Funds for a total of \$113,050,400 with FTP of 233.34
1 FTP for business analyst is one-time

Ayes: 17

Keough, Johnson, Bair, Brackett, Thayn, Guthrie, Schmidt, Lacey, Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, King, Gannon

Nays: 1

Mortimer

Ab/Ex: 2

Nuxoll, Burtenshaw

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by **Chairman Bell**.

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, the legislative intent language shown below was accepted.

LEGISLATIVE INTENT REGARDING TRICARE VACCINES. The Legislature continues to recognize the potential gap in coverage created by TRICARE's refusal to participate in the Idaho Immunization Program. The Legislature continues to support and encourage the executive branch in its efforts to negotiate a solution with TRICARE that does not rely on state funded support. Further, it is the intent of the Legislature that moneys appropriated to purchase TRICARE vaccinations are to be used solely for that purpose and any moneys not expended for TRICARE vaccines are to be reverted back to the General Fund at the close of the fiscal year or as soon thereafter as is practicable.

REPORT ON ACCREDITATION STATUS. It is the intent of the Legislature that the Department of Health and Welfare, Division of Public Health Services, provide an annual report to Legislative Services Office and the Division of Financial Management, on the status of becoming an accredited state agency. The format of the report, and the information included therein, shall be determined by the

Legislative Services Office and the Division of Financial Management. The report shall be submitted no later than December 31, 2016.

ADJOURN: There being no further business to come before the Committee, **Chairman Bell** adjourned the meeting at 9:37 AM.

Representative Bell
Chair

Christi Cox
Secretary