

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 05, 2024
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Herndon, Ward-Engelking and Just
Representatives Co-chairman Horman, Miller, Bundy, Raybould, Mickelsen (Furniss), Handy, Lambert, Petzke, Tanner, and Green
ABSENT/ EXCUSED: Senators Adams and Representative(s) Miller
CONVENED: **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **INDIRECT SUPPORT SERVICES- DEPARTMENT OF HEALTH AND WELFARE, LBB 2-63; Alex Williamson, Analyst, LSO Budget and Policy Analysis**

Ms. Williamson presented a Base Review for the Department of Health and Welfare Indirect Support Services including budget detail, organizational structure, and Divisions by Appropriation Bill (see, attachment 1). The Idaho Department of Health and Welfare provides services and regulatory programs in partnership with taxpayers, consumers, and providers to promote economic well-being, support vulnerable children and adults, enhance public health, and encourage self-sufficiency. Indirect Support Services provides policy direction, administrative leadership, and management support necessary for the department to operate. Includes the Division of Management Services, Information Technology Services, Legal Services, the Office of the Director, Regional Administration, and communications. The Division is currently authorized 262.6 FTP.

She provided Five-Year Expenditures for FY 20–FY 24. Estimated expenditures includes the original appropriation, supplementals made, reappropriation, and noncognizable adjustments made by the Governor's office. There was a spike in FY 21 due to a \$65 million noncognizable adjustment for CARES Act funding. The appropriation ended up not being needed and so was reverted at the end of the year, with no spending against it.

She provided the FY 23 Expenditures broken out by percentages. In FY 23 the agency spent \$46,321,833 total, with 55.6% spent on Personnel Costs, 39.4% on Operating Expenditures, 3.3% on Capital Outlay, and 2.7% Trustee and Benefits.

She reviewed the Five-Year Base Snapshot for FY 20–FY24 showing how the Base has changed over the last five years. She highlighted FY 24 (-\$1,558,000) total ongoing enhancement changes driven by DHR consolidation and cost savings moving to the new model. There were no budget enhancements for FY 23. She provided FY 24 Enhancements and the FY 25 Budget Request.

The FY 25 Governor's Recommendation was to transfer \$400,000 from PC to OE to cover a onetime supplemental for Medicaid Program Integrity Unit. There was also a request to transfer \$1,305,200 from PC to OE to cover inflationary items and a onetime supplemental for the Cost Allocation Plan Support of \$296,400. There was a request for onetime enhancements for Replacement Items (facility remodels, IT equipment, vehicles) of \$6,039,800 and an ongoing enhancement for MMIS Operational Data Personnel for \$779,400.

DISCUSSION: **Dean Cameron, Interim Director of Department of Health and Welfare** stood to answer questions before the Committee.

In response to a request from **Representative Tanner** for an update on systems funded by the Committee last year for background checking, document management, and data analytics platforms, Director Cameron stated there were over 1,789,000 system vulnerabilities that were stopped last year, with an average of over 4,000 direct cyber attacks on Medicaid information monthly. Director Cameron stated the Background Check system was implemented in October 2023 and his department is seeing improvements in efficiencies in providing background checks for those caring for vulnerable populations in daycares, emergency services, and nursing homes.

In response to a question from **Co-Chair Horman** about FTP requests and IT salaries, Director Cameron stated the requested salary amount of \$93,000 plus benefits is the going rate and it is a challenge to retain personnel.

In response to a question from **Co-Chair Horman** about MMIS operational Data Personnel, Director Cameron stated that the system consolidates multiple data sources into a single entry, which will increase efficiencies and provide more robust analytics. He also emphasized the Department needs work on is the ability to forecast to help in budget setting down the road.

In response to a question from **Co-Chair Horman** about one time supplementals, Director Cameron stated the Attorney General's office was unable to provide legal services to the Department because they were investigating and the court ruled they could not be on both sides. A judge will make the determination on whether the AG will pay for the Department's representation or the supplemental is required.

In response to a question from **Representative Tanner** regarding FTP counts and transfers from PC to OE, Director Cameron stated he can get to Representative Tanner with exact figures. Director Cameron emphasized that due to the large size of his department there is constant turnover and the department is constantly filling positions, and that the original agency request was not to transfer PC to OE. The department determined there was enough money to transfer and made an amendment to the budget.

LSO STAFF PRESENTATION: LICENSING & CERTIFICATION- DEPARTMENT OF HEALTH AND WELFARE, LBB 2-71; Alex Williamson, Analyst, LSO Budget and Policy Analysis

Ms. Williamson presented a Base Review for the Department of Health and Welfare Licensing & Certification including budget detail, organizational structure, and Divisions by Appropriation Bill (see, attachment 2). Licensing and Certification surveys, inspects, licenses, and certifies health care facilities that require certification or licensure by either state or federal requirements. The program investigates complaints, conducts on-site surveys, and takes appropriate licensure action to protect the health and safety of vulnerable people receiving health- related services and support. Licensing & Certification is currently authorized 71.9 FTP.

She outlined Five-Year Expenditures for FY 20–FY24, showing that appropriation and expenditures have remained fairly consistent for FY 21–FY23, with the agency expending about 81% of its appropriation. She provided FY 23 Expenditures broken out by percentages, with the Division spending \$6,588,400 in FY 23 exclusively for PC and operating expenditures. The Five-Year Base Snapshot for FY 20–FY24 showed the primary driver of any base changes was CEC. There were no ongoing enhancements to note in FY 23, with only one FY 24 enhancement related to HR Consolidation. The FY 25 Budget Request included only one item, a onetime supplemental for contract nurses of \$400,000. The contract nurses would be involved in the federally mandated recertification surveys that need to be completed by the state. The Governor's recommendation, the adjusted agency request, includes a transfer of \$400,000 from PC to OE rather than requesting new dollars.

DISCUSSION: Representative Tanner asked why the division budget keeps increasing and if the variance is PC costs or other factors. In response, **Ms. Williamson** referred to the Five-Year Base Snapshot, Line 8 showing the main source of increase year to year is CEC for allocated positions.

Dean Cameron, Interim Director of Department of Health and Welfare stood to answer questions before the Committee. In response to the same question from **Representative Tanner**, Director Cameron stated the budget variances are related to direct PC costs.

**LSO STAFF
PRESENTATION:**

**DIVISION OF WELFARE- DEPARTMENT OF HEALTH AND
WELFARE, LBB 2-29; Alex Williamson, Analyst, LSO Budget and Policy
Analysis**

Ms. Williamson presented a Base Review for the Department of Health and Welfare Division of Welfare (Self-Reliance) including budget detail, organizational structure, and Divisions by Appropriation Bill (see, attachment 3).

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, and weatherization assistance. In addition, the division determines Medicaid eligibility for the department. The division is organized in two programs: - The Self-Reliance Operations Program is responsible for eligibility determinations and support functions associated with Self-Reliance programs. This includes all personnel and operating funding and functions for the division. - The Benefit Payments Program consists of the trustee and benefit payments to, and on behalf of, clients. Programs include Temporary Assistance for Families in Idaho (TAFI), Work Services, Community Services, the Child Care Program, and Aid to the Aged, Blind, and Disabled (AABD). The Division is a stand-alone budget and has 613.5 FTP authorized.

She provided the Five-Year expenditures for FY20–FY24, showing a bump in FY 21 related to onetime supplementals as well as noncognizable adjustments made by the Governor’s office. The FY 22 increase was related to onetime items as well as reappropriation authority. FY 23 there were onetime supplementals as well as line times. Across the years FY 20–FY 24 the Base has remained fairly constant, around the \$165–\$174 million range.

She provided the FY 23 Expenditures broken out by percentages. In FY 23 the agency expended \$304,060,846, with 69% for TB, 14.4% PC, and 16.5% OE. The Five-Year Base Snapshot showed incremental changes to the base over time. FY 23 line 8 included an ongoing enhancement of \$5 million for the weatherization program. She provided FY 23 Budget Enhancements, FY 24 Budget Enhancements, the FY 25 Budget Request (Supplementals & Enhancements), and the FY 25 Governor’s Recommendation.

The FY 25 Governor’s Recommendation included: Onetime Supplementals of Eligibility Verification System (\$1,082,500 PC to OE) of \$0, E&T Program (agency withdrew request) of \$0, LIHEAP Utility Assistance of \$4,289,200 and Summer EBT (agency moved request to FY 25) of \$0. It included a Onetime Enhancement for LIHEAP Utility Assistance of \$7,173,800. It included Ongoing Enhancements for Federal Data Services Hub of \$1,446,400, Child Care Subsidies of \$11,495,200 and Summer EBT Program of \$1,735,600.

DISCUSSION: **Dean Cameron, Interim Director of Department of Health and Welfare** stood to answer questions before the Committee.

In response to a question from **Senator Cook** about the number of students estimated to participate in the Summer EBT Program was determined, Director Cameron stated there would have been some eligibility determination. The program is based on providing families with \$120 during summer months, but Director Cameron was not sure which families or kids would qualify.

In response to a question from **Co-Chair Grow**, Director Cameron stated that \$14.7 M funding for EBT would come from USDA. **Ms. Williamson** confirmed the amounts pass through the USDA and the request of \$1.7 million is for administrative costs.

In response to a question from **Representative Tanner** regarding the SNAP program, Director Cameron said he could get back to Representative with more information, but that many of kids may be qualifying for multiple programs. There are two separate programs from two separate funding streams; the EBT program is coming from US Department of Agriculture.

In response to a question from **Senator Van Orden** about whether the Committee could see how funds fall between the Department of Health and Welfare teaming with Department of Education, Director Cameron stated that yes the Committee could see that information and that both partners believe they have a shared responsibility and will support each other.

In response to a question from **Representative Lambert** about how many families are on LIHEAP utility assistance, Director Cameron stated 28,510 households.

ADJOURNED: There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at 9:17 a.m.

Senator Grow
Chair

Linsy Heiner
Secretary