

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 10, 2020

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye
Representatives Co-chairman Youngblood, Horman, Anderson, Malek(Amador), Kauffman, Raybould, Syme, Troy, Wintrow, Toone

ABSENT/ EXCUSED: None

CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.

COMMITTEE PRESENTATION: **ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE (EORAC)**
Rep. Wendy Horman, EORAC Co-chairman
The committee's revenue recommendations included presentations from economists, universities, associated taxpayers, industry experts in agriculture, PERSI, executive branch agencies DFA and the Department of Labor, and Idaho Tax Commission. Using a new approach (baseline, pessimistic, and optimistic estimates), a weighted average forecast was used. The recommended revenue of FY 2020 is \$3.961 billion (6.1%) over FY 2019 actuals. Recommended revenue FY 2021 is \$4.1 to \$5.5 billion (4.1% increase over FY 2020 January DFA weighted forecast). Numbers from the Tax Commission, universities, and the Associated Taxpayers were not included in General Fund revenue projections.

UNANIMOUS CONSENT: **Senator Nye** requested unanimous consent to accept the EORAC report. **Chairman Youngblood** called for any objections; hearing no objections, it was so ordered. See [Audio](#) and [Presentation](#).

AGENCY PRESENTATION: **OFFICE OF INFORMATION TECHNOLOGY (OITS)**
Jeff Weak, Administrator
Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office (LSO) See [Audio](#) and [Presentation](#).
OITS operates the state network and coordinated internet, consolidated messaging, telephone, and data and video transmission services. The office also coordinates the Idaho Technology Authority (ITA), which reviews and evaluates the information technology and telecommunications systems used by state agencies, prepares statewide short- and long-range IT and Telecommunications Plans, and establishes statewide policies, standards, and guidelines. The agency completed phase one of the governor's IT modernization initiative, which transformed the environment to professional, secure solutions built to industry-specific frameworks with fewer personnel. In phase two, seven more agencies will be incorporated into IT operations. Performance measures were reviewed.

FY 2020 Line Items: OITS was funded six line items, the largest being \$3,373,000 for technology modernization and consolidation initiatives hires. For Phase II, the agency requests a one-time supplemental of \$688,400.

FY 2021 Line Items: The governor recommended a full replacement item request to be used for software licensing, server infrastructure, and backup systems upgrades, resulting in the governor's recommendation of \$10,418,400. OITS requested three line items: software apps for centralized IT management, vehicles and fuel, and an IT consultant hire. The agency agreed with the recommendation to lease vs. purchase vehicles. **Senator Lee** commented on cybersecurity demands in education and government. OITS operates a security operation center; out of 136 million messages, 81 million potentially malicious messages were blocked, and 13.7 million threats were defended. See [Audio](#) and [Presentation](#).

**AGENCY
PRESENTATION:**

DIVISION OF HUMAN RESOURCES (DHR)

Susan Buxton, Administrator

Robyn Lockett, Principal Budget & Policy Analyst, Legislative Services Office (LSO)

The DHR is organized within the Office of the Governor and is authorized and directed to administer the personnel system of the state workforce. DHR is requesting \$2,458,000 and 16 authorized FTE (2.9% increase from original appropriation), and the governor's recommendation is \$2,513,200 (5.2% increase). Fees collected from state agencies with classified employees supports one dedicated funding source for the division. The division began work to transform from transactional processes to a strategic HR department to include more involvement in deliver and design of government business using best practices. The state is Idaho's largest employer; it is at full employment, and recruitment and retention is a challenge. A current state project will consolidate HR systems to provide a centralized system of the state's workforce.

Performance Measures: DHR has made significant strides in reducing claims in fiscal year 2019 including educational forums, 12 appeal requests, training for a national accredited comprehensive management certification, human resource officer training, cybersecurity training, and salary surveys.

FY 2019 Actual Expenditures: DHR has a total appropriation for FY 2019 of \$2,164,000; \$204,000 in personnel costs was reverted because of four vacancies, which have been filled. DHR is a strictly dedicated fund agency so did not submit a 1 percent cut in FY 2020. If asked, operational or capital costs would be cut.

FY 2020 Line Items: Cybersecurity/phishing training, reclassification of two senior human resource specialists to business partners, and online training development. The governor recommendations include technology initiatives.

FY 2021 Line Items: DHR requested \$25,000 for executive management training in state agencies including federal employment laws; the governor recommended an additional \$79,200, additional staff to assist the personnel complaint line, security software and data center office space, software licensing, and server infrastructure and storage. See [Audio](#) and [Presentation](#).

**AGENCY
PRESENTATION:**

DEPARTMENT OF AGRICULTURE, Pest Control

Rob Sepich, Senior Budget & Policy Analyst, Legislative Services Office (LSO)

Funding is requested to reimburse actual expenditures incurred in FY 2019 for exotic or invasive species monitoring and mitigation, including Japanese Beetles and other exotic pests. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests, can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and countries. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. FY 2019 costs for grasshoppers and Mormon Crickets totaled \$229,500 and were covered by a federal grant that had sustained those programs since 2004. That grant is expected to be fully depleted in FY 2020, and any costs in excess of the remaining grant will be absorbed by the deficiency warrants. The FY 2019 costs included \$37,400 for exotic pest monitoring and \$91,900 for Japanese Beetle treatment.

**UNANIMOUS
CONSENT:**

Senator Burtenshaw requested unanimous consent to reopen the FY 2020 budget for the Department of Agriculture. **Chairman Youngblood** called for any objections; hearing no objections, it was so ordered.

MOTION:

Original Motion

Senator Burtenshaw made a motion for the appropriation and transfer of \$129,300 from the FY 2020 General Fund to the Pest Control Deficiency Warrant Fund. Motion seconded by **Rep. Kauffman**.

CARRIED:

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Malek(Amador), Kauffman, Raybould, Syme, Troy, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the **motion carried**, without objection, and will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood**. See [Audio](#) and [Supplemental Motion](#) and [Ballot](#).

**AGENCY
PRESENTATION:**

**DEPARTMENT OF PARKS AND RECREATION,
Rob Sepich, Senior Budget & Policy Analyst, Legislative Services Office
(LSO)**

The Governor recommended a rescission of \$102,500 from the General Fund to account for savings on two capital development projects completed under budget in the current fiscal year. The well replacement at Round Lake State Park and dock replacement at the Crystal Springs unit of Thousand Springs State Park cost \$139,800 less than originally budgeted; generally these moneys would be reverted at the end of the fiscal year. The Governor recommended reducing the appropriation mid-year as part of the 1% onetime General Fund reduction in FY 2020 for the department, and the savings identified represented 3.7% of the department's FY 2020 General Fund appropriation. The 1% onetime spending reset required of all agencies totaled \$37,300, and \$102,500 is the difference between the 1% reduction and the total savings identified by the department.

**UNANIMOUS
CONSENT:**

Rep. Kauffman requested unanimous consent to reopen the FY 2020 budget for the Department of Parks and Recreation. **Chairman Youngblood** called for any objections; hearing no objections, it was so ordered.

MOTION: Original Motion
Rep. Kauffman made a motion for FY 2020 for the Department of Parks and Recreation in the Capital Development Program a reduction of \$102,500 in onetime capital outlay from the General Fund. Motion seconded by **Senator Burtenshaw**.

CARRIED: **AYES:** 20
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Malek(Amador), Kauffman, Raybould, Syme, Troy, Wintrow, Toone
NAYS: 0
ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the **motion carried** without objection, and will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood**. See [Audio](#) and [Supplemental Motion](#) and [Ballot](#).

AGENCY PRESENTATION: **MILITARY DIVISION, Office of Emergency Management Program**
Christine Otto, Senior Budget & Policy Analyst, Legislative Services Office (LSO)

The Military Division requests \$28,900 be transferred from the General Fund to the Hazard Substance Emergency Response Fund to reimburse the expenditures incurred during FY 2019 for hazardous materials cleanup projects. These programs are carried out under the statutory authority provided in Chapter 71, Title 39, Idaho Code. Number of Cases in FY 2019: 15; Beginning Cash Balance: \$0 - Total Hazmat Incidents: \$34,500 + Amount Recovered from Spillers: \$5,600 = Deficiency Warrant Request: \$28,900

UNANIMOUS CONSENT: **Rep. Syme** requested unanimous consent to reopen the FY 2020 budget for the Military Division. **Chairman Youngblood** called for any objections; hearing no objections, it was so ordered.

MOTION: Original Motion
Rep. Syme moved for FY 2020, for the Military Division, in the Office of Emergency Management Program, the appropriation and transfer of \$28,900 onetime from the General Fund to the continuously appropriated Hazard Substance Emergency Response Fund. Motion seconded by **Senator Burtenshaw**.

CARRIED: **AYES:** 20
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Malek(Amador), Kauffman, Raybould, Syme, Troy, Wintrow, Toone
NAYS: 0
ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the **motion carried**, without objection, and will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood**. See [Audio](#) and [Supplemental Motion](#) and [Ballot](#).

AGENCY PRESENTATION: **STEM ACTION CENTER**
Janet Jessup, Senior Budget & Policy Analyst, Legislative Services Office (LSO)

In FY 2020, the Legislature appropriated \$2,001,200 ongoing to the dedicated STEM Education Fund. The Legislature also appropriated \$1,000,000 onetime from the General Fund for the computer science initiative via a line item, which was transferred to the STEM Education Fund as a cash transfer. The combination of these actions resulted in the agency having sufficient authority to spend the moneys for the computer science initiative and approximately \$1,000,000 from public/private/corporate donors. For FY 2020, the STEM Action Center anticipates receiving private/public/corporate contributions to the STEM Education Fund in excess of \$1,000,000 and requests additional appropriation to spend these contributions. Contributions are not expected to exceed \$2,000,000. This is the second year that the STEM Action Center has made this request, and in anticipation of the continued receipt of contributions, the center has requested the appropriation be ongoing. This supplemental appropriation request was included in the Governor's Recommendation. The request is for \$1,000,000 operating expenditures from the STEM Education Fund (0240), a dedicated fund.

UNANIMOUS CONSENT: **Rep. Troy** requested unanimous consent to reopen the FY 2020 budget for the STEM Action Center. **Chairman Youngblood** called for any objections; hearing no objections, it was so ordered.

MOTION: Original Motion
Rep. Troy moved for FY 2020 for the STEM Action Center an addition of \$1,000,000 in operating expenditures from the STEM Education. Motion seconded by **Senator Crabtree**.

CARRIED: **AYES: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Malek(Amador), Kauffman, Raybould, Syme, Troy, Wintrow, Toone
NAYS: 0
ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the **motion carried**, without objection, and will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood**. See [Audio](#) and [Supplemental Motion](#) and [Ballot](#).

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH & WELFARE, Independent Councils, Domestic Violence Council**
Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office (LSO)

The Domestic Violence Council requests \$1,600,000 in ongoing federal funds with \$1,100,000 in trustee and benefit payments to increase the Victims of Crime Act (VOCA) awards and \$500,000 in operating expenditures to purchase a grant management system to assist the council with managing applications, awards, and financial reporting and to collect and track data. The federal FY 2017 VOCA award was \$9,687,400, the award for federal FY 2018 was \$17,703,100, and the estimated award for federal FY 2019 was for \$12,304,000. The council has about five years to expend the complete grant. This request will allow for increased distributions to the 45 programs throughout the state for increased or enhanced services for eligible crime victims. The Victims of Crime Act of 1984 established the Crime Victim Fund (CVF), which is a major source of funds for the Domestic Violence Council and victims of abuse throughout Idaho and the nation. Millions of dollars have been deposited into the CVF annually from criminal fines, forfeited bail bonds, penalties, and special assessments collected by U.S. Attorneys' Offices, federal U.S. courts, and the Federal Bureau of Prisons. The funding comes from offenders convicted of federal crimes, not from taxpayers. Funding comes from the Victims of Crime Act (VOCA) and will be used to support victims of domestic violence.

**UNANIMOUS
CONSENT:**

Rep. Wintrow requested unanimous consent to reopen the FY 2020 budget for the Department of Health and Welfare. **Chairman Youngblood** called for any objections; hearing no objections, it was so ordered.

Original Motion

Rep. Wintrow moved for FY 2020, for the Domestic Violence Council, an additional \$1,600,000 from the Cooperative Welfare (Federal) Fund and includes \$1,100,000 in ongoing trustee and benefit payments, \$100,000 in ongoing operating expenditures and \$400,000 in onetime operating expenditures. Motion seconded by **Senator Lee**.

CARRIED:

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Malek(Amador), Kauffman, Raybould, Syme, Troy, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 0

The majority having voted in the affirmative, the **motion carried**, without objection, and will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood**. See [Audio](#) and [Supplemental Motion](#) and [Ballot](#).

**AGENCY
PRESENTATION:**

**DEPARTMENT OF HEALTH & WELFARE, Independent Councils,
Developmental Disabilities Council
Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office
(LSO)**

The Developmental Disabilities (DD) Council requests a onetime supplemental appropriation of \$61,600 in federal fund operating expenditures. The council was awarded a portion of a federal grant from the Administration for Community Living (ACL), as awarded to the University of Idaho and further distributed to the DD Council. The grant will last for five years. The amount expended will vary each year depending on the specific work committed by the council. This request also includes an additional allocation of \$14,000 as a result of the Puerto Rico Council being out of compliance; its funding was reallocated across all councils nationwide. The purpose of the grant is to develop and test model approaches for enhancing the quality, effectiveness, and monitoring of home and community-based services (HCBS) for people with developmental disabilities. The grant is further intended to support professionals working directly with people with disabilities; promote the leadership of self-advocates and families; promote the use of supportive decision making, person-centered planning, and competitive integrated employment; address abuse and rights violations in the HCBS delivery system; and increase the capacity of states to provide HCBS in integrated settings. The council is requesting a program transfer from SWITC for the same purpose. However, because of statutory transfer restrictions, the council is also requesting this supplemental appropriation.

MOTION:

Original Motion

Rep. Wintrow moved for FY 2020, for the Developmental Disabilities Council, an additional \$61,600 in onetime operating expenditures from the Cooperative Welfare (Federal) Fund. Motion seconded by **Senator Lee**.

CARRIED:

AYES: 18

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Malek(Amador), Kauffman, Raybould, Syme, Troy, Wintrow, Toone

NAYS: 0

ABSENT/EXCUSED: 2

The majority having voted in the affirmative, the **motion carried**, without objection, and will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood**. See [Audio](#) and [Supplemental Motions](#) and [Ballot](#).

ADJOURN:

There being no further business to come before the committee, **Chairman Youngblood** adjourned the Committee at 10:23 a.m.

Representative Youngblood
Chair

Jenny Miller
Secretary