

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Wednesday, February 15, 2023  
**TIME:** 8:00 A.M.  
**PLACE:** Room C310  
**MEMBERS PRESENT:** Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just  
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Nash  
**ABSENT/ EXCUSED:** None

**Co-Chairman Horman** called the meeting to order at 8:00 a.m.

**Ms. Frances Lippitt**, Analyst, LSO Budget & Policy, gave a brief overview of the Office of the Lieutenant Governor and its budget. She noted the Office is typically granted an exemption from object transfer limitations; it has no audit findings.

**Lieutenant Governor Scott Bedke** cited the statutory authority for the Office. He noted the Office's FY 2023 supplemental appropriation request and explained this would address the budget gap created by decisions in the previous administration.

**Lieutenant Governor Bedke** presented the Office's FY 2024 budget request and explained this appropriation would restore the Office to its constitutional and historical responsibilities; he noted the statutory requirement for the Office to be open during business hours. The appropriation request would also cover travel costs necessary for the Office to travel around the state.

In response to a committee question, **Ms. Lippitt** confirmed travel expenses are covered in the operating expenditures portion of the budget. In response to another question, **Lieutenant Governor Bedke** stated the Office has three budgeted FTP but needs additional funding to actually staff three personnel positions.

**Sen. Daniel Foreman**, Vice-Chairman of the Senate Judiciary and Rules Committee, presented the Committee's report. The Committee supports increased compensation for law enforcement and judges; increased reimbursement rates for housing state inmates in local sheriffs' jails; and full funding for the POST Academy. The Committee also supports monitoring the collection of fines and fees to ensure compliance. Finally, the Committee supports programs reducing recidivism rates.

**Rep. Kevin Andrus**, Chairman of the House Agricultural Affairs Committee, was on the agenda but cancelled his appearance before the Joint Finance-Appropriations Committee.

**Rep. John Vander Woude**, Chairman of the House Health and Welfare Committee, presented the Committee's report. He stated approval for the action taken by the 2022 Legislature to move the Directive Care Registry from the Secretary of State to the Department of Health and Welfare (DHW).

The House Health and Welfare Committee supports continued funding for the Cancer Control Registry and physician recruitment. However, the Committee recommends tracking how many physicians have been recruited with these monies to ensure the financial incentives are benefitting rural communities to gain more physicians.

**Rep. Vander Woude** expressed caution about the amount of appropriated spending on behavioral health and recommended ensuring monies are spent effectively. He noted the sharp increase in federal funding monies allocated to DHW and urged caution about dependence on federal monies. Rep. Vander Woude also expressed caution about the DHW FY 2023 supplemental appropriation request for child-care funding.

**Rep. Vander Woude** expressed support for the managed care model for all of Medicaid, not just the Medicaid Expansion. He noted the recent permission from the federal government to remove non-qualified persons from receiving Medicaid Expansion benefits and stated the Medicaid Expansion budget should have a corresponding decrease. He also expressed concern about the cost of the proposed new computer system as well as other replacement items.

**Sen. Kevin Cook**, Chairman of the Senate Commerce and Human Resources Committee, presented the Committee's report. He noted the legislature makes major decisions affecting individuals, small businesses, large entities, and the entire state. He advised caution to ensure the Legislature reduces inefficiencies without advantaging one business or entity over another.

**Sen. Cook** spoke of the many state agencies' presentations about their difficulties in recruiting and retaining quality staff. He encouraged the Joint Finance-Appropriations Committee (JFAC) to study the proposed Change in Employee Compensation (CEC) numbers and consider how to best help state agencies run efficiently. He also expressed his concerns about cybersecurity for the state. Sen. Cook noted cybersecurity depends on experience in individuals and agencies; if the top-level and most experienced personnel leave, agencies lose institutional knowledge, which puts the state at risk.

**Sen. Cook** observed the necessity in considering not just the initial funding outlay for capital projects but also the costs of staff and maintaining new facilities.

In response to a committee question, **Sen. Cook** explained the Department of Human Resources commissioned a consultant study which determined it was best to consider CEC globally rather than by individual agency.

**Sen. Linda Hartgen**, Chairman of the Senate Agricultural Affairs Committee, presented the Committee's report. She stated many agencies have testified before their committee, expressing appreciation for funding from the Legislature; the Committee believes these projects have been well managed. The Senate Agricultural Affairs Committee supports the CEC, recognizing the difficulty many agencies have in recruiting and retaining quality employees.

**Ms. Alex Williamson**, Analyst, LSO Budget & Policy, gave a brief overview of the State Liquor Division and its budget. The mission of the Division is to provide control over the importation, distribution, sale, and consumption of distilled spirits; to curtail intemperate use of beverage alcohol; and to responsibly optimize the net revenues to the citizens of Idaho. She noted in FY 2023, per statute, an additional portion of the revenues will be distributed to the POST Academy.

**Mr. Jeff Anderson**, Director of the State Liquor Division, cited the statutory authority for the Division and explained its model of distilled spirits distribution. He reviewed the FY 2022 total distributions to state beneficiaries.

**Mr. Anderson** presented the Division's FY 2024 budget. He explained the budget requests include benefit costs, inflationary adjustments, replacement items, statewide cost allocation, and the CEC. FY 2024 line-item budget requests include three FTPs for assistant district manager positions; one FTP for an additional Human Resources specialist; funding for a business technology consultant; funds for the remodel or relocation of two state-operated stores; funding for an incentive program for warehouse employees; and the Department of Human Resources (DHR) consolidation.

In response to a committee question, **Ms. Misty Lawrence**, Budget Bureau Chief, Division of Financial Management, explained the costs associated with the DHR consolidation and how it relates to the FTP request for an additional Human Resources specialist.

**Ms. Williamson** gave a brief overview of the Idaho Lottery and its budget. She explained the FY 2022 Lottery profit distributions to state agencies. The agency has one audit finding. Ms. Williamson explained the finding was related to the implementation of the new accounting standard for leases.

In response to a committee question, **Mr. Anderson**, Director of the Idaho Lottery, clarified a portion of the Idaho Lottery profits are directed to the Permanent Building Fund for facilities maintenance.

**Mr. Anderson** cited the statutory authority for the agency and noted its mission to maximize net income and the resulting annual dividend payment for Idaho public buildings and schools. The Idaho Lottery is a dedicated fund agency and receives no General Funds for operations.

**Mr. Anderson** reported on the projects funded by the FY 2023 budget. He stated FY 2023 sales were affected by large jackpot amounts in the Powerball and Mega Millions lotteries; these large jackpots are unlikely to repeat in FY 2024. Mr. Anderson forecasts sales and dividends in FY 2024 will therefore be lower. He presented the Idaho Lottery's FY 2024 maintenance budget.

**Ms. Williamson** gave a brief overview of the Soil and Water Conservation Commission and its budget. She explained the FY 2022 supplemental appropriation for additional funding for the Water Quality Program for Agriculture (WQPA); this funding was reappropriated in FY 2023. Ms. Williamson also explained the FY 2023 budget line item for \$1.7M in federal funds for the Natural Resource Conservation Service (NCRS); it is anticipated this funding will be ongoing for the next five years.

In response to a committee question, **Ms. Williamson** clarified the WQPA monies were one-time from the General Fund; the NCRS funding was federal monies.

**Mr. Delwyne Trefz**, Administrator of the Soil and Water Conservation Commission, cited the statutory authority for the Commission and stated its mission to facilitate coordinated non-regulatory, voluntary, and locally led conservation by federal, state, and local governments and other partners to conserve, sustain, improve, and enhance soil, water, air, plant, and animal resources. He explained the organization of the Commission.

**Mr. Trefz** reviewed the Water Quality Program for Agriculture (WQPA) projects funded by the FY 2022 and FY 2023 budget appropriations. He explained the FY 2024 budget appropriations will fund the highest-ranked of the 45 unfunded projects currently on file.

**Mr. Trefz** gave further explanation of the FY 2024 line-item budget requests, including compensation for commissioners, including an honorarium and travel costs. Additionally, the budget includes the DHR consolidation and removes the state match for the Conservation Reserve Enhancement Program (CREP) from the FY 2024 base.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:50 a.m.

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Representative Horman  
Chair

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Alyson Jackson  
Secretary