

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 29, 2020

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye.

Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

**ABSENT/
EXCUSED:** None

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

AGENCY PRESENTATION: **IDAHO DEPARTMENT OF ADMINISTRATION (Department); Bryan Mooney, Director**

Jill Randolph, Senior Budget & Policy Analyst, LSO

The Department provides responsive, cost effective, and timely services to Idaho policymakers, public agencies and state employees. The Department is comprised of five divisions: Management Services, Administrative Rules, Public Works, Purchasing and Public Works, Purchasing, and Insurance Management. The Department of Administration has 120 FTPs, and 4 vacancies.

Performance Measures: **Director Mooney** reviewed specific measures and projects accomplished in 2019. No audit findings were reported.

Comparative Summary: Summary illustrates a side-by-side analysis of the agency's request and the governor's recommendation. For FY 2021 the governor recommends an appropriation of \$25,173,600, a decrease on the General Fund of 2 percent.

FY 2019 Actual Expenditures: Funds for the Department's budget are 90 percent from dedicated funds and 10 percent from General Funds. The Department reverted 5.3 percent on all funds.

FY 2020 Line Items. The legislature funded four line items for FY 2020:

- (1) 8.00 FTP and a net zero transfer of \$484,200 within dedicated funds for Chinden Campus Staffing;
- (2) 2.00 FTP and \$160,000 for contract administration personal;
- (3) reduction of 3.00 FTP and \$466,200 to move the Administrative Rules program to the Division of Financial Management; and
- (4) reduction of \$297,000 for technology consolidation and modernization.

Director Mooney detailed progress on these four items. In a supplemental appropriation, the Department requested ongoing personnel costs and onetime operating expenditures from the dedicated Administration and Accounting Services to hire a new Security Operations Division Administrator. This requested was recommended by the Governor, with modifications. Expenditure adjustments included the sick leave rate reduction, a 1 percent onetime General Fund reduction, and removal of onetime expenditures.

FY 2021 Line Items: The Department requested nine line items, all of which were recommended by the governor:

- (1) Self Insured Implementation: funds to conduct an evaluation of self-funding the medical and dental plans;
- (2) Chinden Campus: one FTP to hire a Shipping/Receiving Handler and related equipment;
- (3) Risk Management: one FTP to hire a new loss control program manager;
- (4) Printing Services: a new document management system to replace copier leases;
- (5) Design/Construction: one FTP to hire a project manager within the Division of Public Works;
- (6) Capitol Mall: one FTP to hire a shipping and receiving handler;
- (7) LBJ Room 100 remodeling and updating: OITS will be vacating the space and other state offices will occupy it;
- (8) Projectmates Licenses: an additional 100 user licenses for work efficiencies; and
- (9) Purchasing Consultant: contract a consultant to improve state's purchasing process.

Director Mooney, Keith Reynolds, Deputy Director of the Department; and **Faith Cox**, Administrator of the Risk Management Program, answered numerous questions from the Committee.

FY 2021 Total Appropriation: The Department of Administration requested a total appropriation of \$25,270,000, a 6.4 percent increase. The governor recommended \$25,173,600, a six percent increase. See [Audio](#) and [Presentation](#).

**AGENCY
PRESENTATION:**

**CAPITOL COMMISSION (Commission); Andy Erstad, Commission
Chairman**

Jill Randolph, Senior Budget & Policy Analyst, LSO

The nine-member Idaho State Capitol Commission was created by the Legislature during the 1998 session and was charged with, among other things, developing a master plan for the restoration and refurbishment of the Capitol. On January 9, 2010, the newly restored Capitol Building was rededicated. The Commission is now charged with overseeing its use and historic preservation.

The Capital Commission is funded from three dedicated funds:

(1) the Permanent Endowment Fund, (2) the Capitol Maintenance Reserve Fund, and (3) the Commission Operating Fund. **Ms. Randolph** described how each of these funds operate and which are reappropriated annually by the legislature.

The Comparative Summary illustrates a side-by-side analysis of the agency's request and the governor's recommendation. The Commission's budget is strictly maintenance with no line items or General Funds requested.

FY 2020: The legislature approved onetime reappropriation for any unencumbered and unspent appropriation balance.

FY 2021 Total Appropriation: The Commission requested a total reappropriation of \$2,342,000. The governor recommended this amount.

Chairman Erstad answered questions from the Committee. See [Audio](#) and [Presentation](#).

AGENCY PRESENTATION: BOND PAYMENT PROGRAM (Bond Program); Jill Randolph, Senior Budget & Policy Analyst, LSO

The bond payment program consolidates the payments of the state's bond indebtedness for new buildings which the state has constructed or acquired. Thirteen buildings are paid for with this program, including the Chinden campus which was added last year.

Ms. Randolph and **Keith Reynolds**, Deputy Director of the Department of Administration, described the bond payment process and answered questions from the Committee.

FY 2021 Total Appropriation: The agency requested a total appropriation of \$19,777,000. The governor recommended this amount. See [Audio and Presentation](#).

AGENCY PRESENTATION: PERMANENT BUILDING FUND (PBF), Jan Frew, Administrator, Division of Public Works

Jill Randolph, LSO Analyst

The Permanent Building Fund budget includes construction and maintenance costs for state buildings, including those at universities and community colleges, under the direction of the Permanent Building Fund Advisory Council (PBFAC). The FY 2021 Permanent Building Fund Comparison shows estimated revenues, projected expenditures, and statewide alteration and repair projects.

FY 2020: The Legislature funded \$39,017,100 in FY 2020 for Statewide Building Alterations and Repairs; Asbestos Abatement; Statewide American Disability Act Compliance; Capitol Mall Maintenance; and Chinden Campus Facilities Maintenance.

Additionally, the Legislature included \$31,334,800 in dedicated funds for six capital construction projects: Department of Agriculture Pathology Lab; Division of Military Twin Falls Readiness Center Site Utilities; Division of Public Safety Mica Peak Communication Site; Idaho Department of Correction Wastewater Lagoon Repair; Idaho Department of Correction North Idaho Reentry Center; and Idaho Department of Correction St. Anthony Facility Expansion.

The PBFAC was authorized to reappropriate its unencumbered and unspent appropriation from FY 2019 into FY 2020. Reappropriation required legislative approval and was removed as a onetime expenditure before calculating the FY 2021 Base.

The FY 2021: The PBFAC requested removal of onetime expenditures, and \$36,924,800 in replacement items. The governor recommended these requests. In addition, the PBFAC requested five line items, all of which were recommended by the governor. These fund are to:

- (1) complete construction on the Career-Technical Education (CTE) building at Lewis-Clark State College;
- (2) complete phase II construction of the Canyon Building at the College of Southern Idaho;
- (3) construct a new building at the Juvenile Corrections Center in Nampa;
- (4) replace and upgrade the tower at the Blackfoot Communications site; and
- (5) complete four projects at the new Veterans Cemetery in Blackfoot.

In addition, the governor recommended legislative intent language to redirect

funds from the College of Western Idaho Health Sciences Building to the College of Eastern Idaho Future Tech building.

FY 2021 Total Appropriation: PBFAC requested, and the governor recommended, a total appropriation of \$46,528,600, a 33.9 percent decrease.

Director Frew, Alex Adams, Administrator, DFM, and **Gideon Tolman**, DFM answered questions from the Committee. See [Audio](#) and [Presentation](#).

**AGENCY
PRESENTATION:**

**DIVISION OF VOCATIONAL REHABILITATION (IDVR); Jane
Donnellan, Administrator**

Jill Randolph, Senior Budget & Policy Analyst, LSO

IDVR consists of three programs:

- (1) Vocational Rehabilitation (VR) which provides services to eligible Idahoans with disabilities to assist them in transitioning from unemployment to gainful employment or to maintain employment;
- (2) Extended Employment Services (EES) which provides skill development in a non-integrated setting, or long term on-the-job support in community competitive employment for individuals with the most significant disabilities; and
- (3) Council for the Deaf and Hard of Hearing (CDHH), organized under IDVR for budgetary and administrative support purposes only.

CDHH strives to ensure that individuals who are deaf, hard of hearing, or hearing impaired have a centralized location to obtain resources and information about services available. VR makes up 83 percent of the programs; EES makes up 15 percent; and CDHH makes up 2 percent. IDVR is funded primarily from federal funds, with the General Fund and dedicated funds also contributing. Their highest object expenditure is in trustee and benefit payments which is about 53 percent of their total appropriation. IDVR employs 150 FTP with 6 vacancies.

Performance Measures and Audit. **Administrator Donnelly** reviewed specific measures and projects accomplished in 2019. No audit findings were reported.

FY 2019: **Ms. Randolph** discussed the FY 2019 actual expenditures, net object transfers and reversions.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. For FY 2021 the governor recommends an appropriation of \$28,708,300, a 1.8 percent decrease on the General Fund.

FY 2020: The legislature funded three line items for FY 2020: (1) interpreter training for the CDHH; (2) 1.00 FTP for an interpreter for CDHH, (3) and a reduction of 5.00 FTP for technology consolidation and modernization. Current year standard statewide adjustments recommended by governor include the sick leave rate reduction and 1 percent onetime General Fund reduction.

FY 2021: IDVR requested ontime funding for replacement items. Statewide adjustments recommended by governor include benefit costs, statewide cost allocation, CEC, and a 2 percent ongoing General Fund reduction.

FY 2021 Total Appropriation: IDVR recommended a total appropriation of \$29,114,400, a 1.2 percent increase. The governor recommended \$28,708,300, a 0.2 percent reduction.

Administrator Donnelly , **Dr. Snow** (via interpreter Lauren Seale), and **Sara Stover**, DFM, answered questions from the Committee. See [Audio](#) and [Presentation](#).

AGENCY PRESENTATION: **COMMISSION ON HISPANIC AFFAIRS (Commission); Margie Gonzales, Executive Director**

Jill Randolph, Senior Budget & Policy Analyst, LSO

The Commission provides various services to the Hispanic community and serves as a liaison between the community and government entities. The Commission has one budgeted program, funded 60 percent from General Funds, 30 percent from dedicated funds, and 10 percent from federal funds. The Executive Director's office has a total of 3 FTPs.

Performance Measures: The agency reviewed specific measures and projects accomplished in 2019. One open audit finding was reported. **Director Gonzales** stated that the item has been addressed and corrected.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. For FY 2021 the governor recommended an appropriation of \$392,200, a 9.7 percent increase on the General Fund.

FY 2019: **Ms. Randolph** discussed the FY 2019 actual expenditures, noncognizable increases, and reversions.

FY 2020: The legislature funded two line items for FY 2020. These included \$30,000 for statewide outreach efforts; and \$4,200 for technology consolidation and modernization. Current year standard statewide adjustments recommended by governor include the sick leave rate reduction and 1 percent onetime General Fund reduction. **Director Gonzales** described the impact of the Commission's outreach efforts.

FY 2021: The Commission requested two line items, recommended by the Governor: (1) an Executive Director equity salary increase to bring this position in alignment with similar positions within state government; and (2) a net-zero fund shift from the Federal Grant Fund to the Miscellaneous Revenue Fund. Statewide adjustments recommended by governor include benefit costs, statewide cost allocation, CEC, and a 2 percent ongoing General Fund reduction.

Total Appropriation: The Commission requested a total appropriation of \$401,000, an 8.3 percent increase. The governor recommended \$392,200, a 5.9 percent increase.

Director Gonzales answered questions from the Committee. See [Audio](#) and [Presentation](#).

ADJOURNED: There being no further business to come before the Committee, **Chairman Bair** adjourned the meeting at 10:55 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary