

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 19, 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.

Mr. Dave Jeppesen, Director, Department of Health and Welfare, stated the Division of Public Health provides a wide variety of services, including nutrition services, suicide prevention, food safety, vital records, laboratory services, and more. He explained the Division's FY 2023 supplemental appropriation requests and FY 2024 budget requests.

In response to committee questions, **Mr. Jeppesen** explained the State Health Lab is improving testing capacity for Covid and other testing needs; DHW also used funds to expand testing capacity at four-year institutions for a variety of testing needs. The State Health Lab also provides testing support for long-term care facilities and schools.

Mr. Jeppesen answered questions about the Healthcare Directive Registry, which collects information about Advanced Care Directives (individuals' instructions for end-of-life care). He explained private industry prefers the state to manage the Registry as a neutral, centralized operation. He further explained the Registry has about 70K records and individuals must opt-in to have their information included in the Registry; there is no automatic enrollment process.

In response to committee questions about Rural Provider Loan Repayment, **Ms. Elke Shaw-Tulloch**, Administrator, Division of Public Health, explained the program uses federal funding to provide monies to up to 24 rural providers, including psychiatric providers, nurses, and other medical care. When ARPA monies became available, the Division changed the funding source to ARPA; when ARPA is completed, the Division will move back to another federal fund source. This program makes one-time supplemental appropriation requests for federal funding every year. She explained the grant funding mechanism has changed with ARPA monies, but the program will continue to depend on federal funding.

In response to a committee question, **Mr. Jeppesen** explained the Independent Physician Recruitment Program. This funding, granted through an application process, invests in a physician's practice, whether a startup or existing practice; physicians are expected to pay back the loan. The program is intended to expand rural access to medical care. The Division has not yet finalized the requirements for a physician practice to qualify as "rural." **Co-chairman Grow** noted this state funding was not requested by the Department; it is the Governor's recommendation. He encouraged caution in committing state taxpayer monies.

In response to questions about the Ukrainian Refugee Immunization funding request, **Mr. Jeppesen** explained the FY 2023 supplemental appropriation \$10,300 request funds a communication specialist; once the immunization program ends, the job ends. **Ms. Shaw-Tulloch** further explained the requested spending authority provides support and upgrades to the immunization information system as well as purchasing the actual vaccines.

In response to committee questions, **Mr. Jeppesen** explained the primary reason DHW has a presence at Pride events is through the tobacco cessation program; the Department serves those who need tobacco cessation services. In response to further questions, Mr. Jeppesen noted at the request of several school districts, DHW identified evidence-based, abstinence-oriented sex education curriculum compliant with Idaho Code requirements. He further noted local school boards have sole authority in approving sex education curriculum; parents have the chance to review the curriculum and remove their child from participation.

In response to a committee question, **Mr. Jeppesen** explained the Department's decision process to revert \$99M in the Medicaid budget to the General Fund.

Mr. Nate Osborne, Analyst, LSO Budget & Policy, provided information about the Medical Residency Programs housed under the Division of Health Education. He noted the increased number of medical residents in the State of Idaho is due primarily to past action by the Joint Finance-Appropriations Committee (JFAC) and the Legislature.

Dr. Melissa "Moe" Hagman, Program Director, Boise Internal Medicine Residency Program, stated statistics demonstrate when medical residents stay in-state for their residencies, those physicians stay in-state for their careers. JFAC has helped the annual number of residents increase from nine to thirteen; the total number of residents trained has increased from 134 to 234. She noted as Idaho experiences increasing population growth, the state needs an increasing number of physicians. Dr. Hagman outlined the next five years of the ten-year plan.

Dr. Kristen Aaland, Program Director, Psychiatry Residency Program, stated historically, psychiatry residents spent two years in Seattle, then two years in Idaho. Now psychiatry residents are in Idaho for all four years of their training. In response to a committee question, Dr. Aaland stated the target population of mental health care providers is one psychiatrist to every 19K people; Idaho is well short of that number.

Dr. Patricia Howell-DelTufo, Chief Medical Officer, Eastern Idaho Medical Residencies, stated Idaho's retention rate of medical residents is 50%, which correlates with the national average.

Dr. Dick McLandress, Director, Family Medical Residency Program at Kootenai, described the workforce shortage in primary care in northern Idaho. He stated the three centers for family care residencies are Boise, Pocatello, and Kootenai. Dr. McLandress explained the FY 2024 budget requests for additional residencies.

In response to committee questions, **Dr. McLandress** explained northern Idaho has had a physician shortage for 30 years; the shortage was severe prior to the Covid pandemic; and vaccine mandates had little impact in workforce decline.

In response to a committee question, **Mr. Osborne** explained the funding formula for the residencies and the Governor's requests for the program.

Mr. Osborne gave a broad overview of the health education programs and focused on the medical education program at the University of Utah. The residency program accounts for 47% of the budget; medical education accounts for the remaining 53% of the budget. These monies are used primarily to support the medical students and make up the difference between in-state and out-of-state tuition.

Legislation passed last year outlines mechanisms of repayment for students who do not return to practice in Idaho after their medical school education/residency.

Dr. Benjamin Chan, Associate Dean of Admissions, University of Utah Medical School, and **Dr. Sarah Franklin**, ROOT Program Associate Director, University of Utah Medical School, described the strong ties between Utah and Idaho and outlined several programs that strengthen the ties of health science careers between the two states.

In response to a committee question, **Dr. Beth Botts**, Training Director for Utah/Idaho Psychiatry Residency, University of Utah Medical School, described the Idaho psychiatry residency. The program is a collaboration between the University of Utah and Idaho State University aimed at training psychiatrists in southeast Idaho.

Mr. Tim Hibbard, Analyst, LSO Budget & Policy, introduced the Idaho State Tax Commission. The Commission serves as the constitutional state board of equalization and is comprised of four members. The State Tax Commission has five budgeted divisions: General Services, Audit, Compliance, Revenue Operations, and Property Tax.

In response to a committee question, **Mr. Hibbard** explained the agency submits a 1% placeholder for the Change in Employee Compensation (CEC), pending the Governor's final recommendation. This explains the difference between the agency's request for 1% CEC and the Governor's recommendation for 4% CEC. The CEC Committee will also make a recommendation to JFAC for the final amount of CEC. **Co-chairman Grow** pointed out every state agency will have a 1% placeholder, pending the report from the CEC committee and decisions by JFAC.

Mr. Jeff McCray, Chairman, Idaho State Tax Commission, explained the agency's statutory authority and recent accomplishments, such as improvements in frontline customer service, improvements in the agency website including a mobile-first design, and moving applications for property tax reductions online. Mr. McCray explained the agency's audit findings and the corrective action plan being implemented.

Mr. John Berlasconi, Chief Operating Officer, Idaho State Tax Commission, explained the agency's FY 2023 supplemental appropriation requests and FY 2024 budget requests.

In response to committee questions, **Mr. Berlasconi** explained the \$1.2M supplemental appropriation request to convert the current system to the new subscription-based FAST system. He stated \$1.2M is the maximum cost for the conversion; the subscription fee is \$550K annually. He stated this project would be subject to the competitive bidding process.

In response to a committee question, **Mr. Berlasconi** stated a large amount of the increased call volume to the commission concerned one-time tax rebates and the Empowering Parents grants program. He observed future call volume would increase with the growing numbers of Idaho taxpayers.

Co-chairman Grow stated JFAC prefers an agency to put everything they need into the current year's budget request; supplemental appropriation requests make it harder to track the percentage increase in an agency's budget. **Co-chairman Horman** commented an agency's version of a "maintenance" budget will differ from JFAC's version.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:52 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary