

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 23, 2024

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking and Just

Representatives Co-chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Green

**ABSENT/
EXCUSED:** None

CONVENED: **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **IDAHO SECRETARY OF STATE LBB 6-191 Brooke Dupree, Analyst, Legislative Services Office (LSO) Budget & Policy Analysis**

Ms. Dupree provided a base review for the Idaho Secretary of State's Office including organizational structure and budget detail (see, attachment 1). The Secretary of State is one of the seven constitutional officers in the state of Idaho and the office includes three programs: Administration, Commission on Uniform State Laws, and the Idaho Code Commission. She reviewed full time personnel (FTP) costs, with a five year average appropriated personnel cost of \$2,397,920. She reviewed appropriations and expenditures within the last five years, and emphasized a spike in FY 24 for a \$10,000,000 appropriation for Election Systems Upgrades. She also pointed out FY 20, showing \$2,000,000 to reimburse counties for costs related to the 2020 presidential primary. The five-year base shows maintenance change from - .7% in FY 22 to 8.8% in FY 24, ongoing enhancement changes from -1.6% in FY 21 to 12.8% in FY 24. The overall change in base in FY 24 was 21.7%. Ms. Dupree reviewed the FY 25 budget requests and highlighted ongoing and onetime enhancement requests related to voter guides.

DISCUSSION: **Idaho Secretary of State Phil McGrane** stood for questions from the Committee. **Representative Raybould** asked why the voter guide is still printed in paper rather than digital form to reduce costs. **Secretary McGrane** clarified that his office is obligated by statute to provide a printed pamphlet to all addresses. In response to a question from **Senator Herndon**, he clarified that the ongoing voter guide enhancement amount could be impacted by a potential germane policy bill. In response to a question from **Representative Tanner**, he stated the FY 25 Cybersecurity line item request is for a Cybersecurity Navigator FTP, which is a position that already exists but has been funded by federal money no longer available. In response to a question from **Representative Petske** regarding the election system upgrade appropriation of \$10,000,000, he stated the onetime appropriation covers a five year window, and within the first six months his office has expended \$1.1 million.

LSO STAFF PRESENTATION: IDAHO STATE TREASURER, LBB 6-201 Brooke Dupree, Analyst, LSO Budget & Policy Analysis

Ms. Dupree outlined the Idaho State Treasurer's Office base review including organizational and budget detail (see, attachment 2). The State Treasurer is one of seven statewide elected officials in Idaho, serves as the banker for all Idaho agencies, and acts as custodian of the public school endowment funds. The constitutional and statutory duties of the office include: receiving all revenues and fees due to the state; depositing funds in banks throughout Idaho; paying all accounts; investing surplus moneys not needed for day-to-day operations; and administering Idaho's unclaimed property statutes. She provided five-year averages for FTP and personnel costs, Consolidated Fund Analysis for FY 21 — FY 25, five-year total appropriation and actual expenditures for FY 20 — FY 24, percentage detail for FY 23 expenditures, five-year base percentage changes for FY 20 — FY 24, FY 23 and FY 24 budget enhancements, and FY 25 budget request line item of \$346,000 on an ongoing basis to hire four unclaimed property agents responsible for verifying claims under Idaho statutes and unclaimed property law.

DISCUSSION: **Idaho State Treasurer Julie Ellsworth** stood to answer questions from the Committee. In response to a question from **Senator Cook** about why unclaimed property amounts have increased, she stated increased population growth has driven the increase and provided detail on unclaimed property amounts (see, attachment 3), stating unclaimed property remitted to her division belongs to the people who lost it and new FTPs are needed to ensure her office is in compliance with administering Idaho's unclaimed property statutes. Her office is required to respond to unclaimed property claims within 80 days, and it was determined during legislative audit that the response time was in some cases 200 days. **Co-Chairman Grow** asked for further clarification on the 2022 Idaho Workforce Housing Funds amount of \$50,000,000 shown within the Five-Year Appropriations and Expenditures data. **Laura Steffler, Chief Deputy Treasurer, State Treasurer Office**, confirmed that the amount shown was an accounting categorization rather than an amount spent.

LSO STAFF PRESENTATION: IDAHO COMMISSION ON AGING (ICOA), LBB 6-47 Brooke Dupree, Analyst, LSO Budget & Policy Analysis

Ms. Dupree provided a base review for the ICOA including mission statement, organizational structure, and budget detail (see, attachment 4). The ICOA implements the federal Older American Act and the Idaho Senior Services Act. She detailed FTP amounts and personnel cost, five-year appropriations and expenditures for FY 20 – FY 24, FY 23 expenditures broken out by percentage, five-year base comparisons FY 20 — FY 24, FY 23 budget enhancements, FY 24 budget enhancements, and FY 25 budget requests.

DISCUSSION

Judy B. Taylor, ICOA Director answered questions from the Committee. **Representative Raybould** asked for further detail on who is using ICOA services. **Ms. Taylor** stated 10,222 individuals (52% of people ICOA served) were living in rural communities, and 37% of people served were living alone. In response, to a question from **Senator Cook** about the FY 25 budget request for a Financial Specialist, she stated the position is needed in order to assist in meeting reporting obligations for federal grants. In response to a question from **Senator Herndon**, she outlined the current duties of financial staff within her office and grant reporting requirements. In response to questions from **Co-Chairman Grow** and **Co-Chairman Horman** related to FY 23 line item for dementia caregiver support, **Ms. Taylor** stated ICOA received a direct appropriation for the caregiver support program and there were 72 caregivers enrolled in respite services, providing 3740 hours of respite.

**LSO STAFF
PRESENTATION:**

**IDAHO MILITARY DIVISION, LBB 6-113 Frances Lippitt, Analyst, LSO,
Budget & Policy Analysis**

Ms. Lippitt provided a base review for Military Division including organizational structure, FTPs and budget detail (see, attachment 5). The mission of the Idaho Military Division is to maintain combat and domestic emergency response readiness in the Idaho National Guard; and guide the state, through the Office of Emergency Management, in effectively preparing for, responding to and recovering from all hazards. She reviewed the Consolidated Fund Analysis, estimated and actual expenditures for FY 20 — FY 24, FY 23 expenditures broken out by category percentages, FY 23 expenditures, five-year base snapshot for FY 20 — FY 24 showing 50% maintenance change and 50% ongoing enhancement change, FY 23 — FY 24 budget enhancements, and FY 25 budget requests.

DISCUSSION:

In response to a question from **Representative Miller**, **Ms. Lippitt** stated that the FY 22 delta in estimated and actual expenditures reflects federal funding that never came to the division. In response to a question from **Co-Chairman Grow** about the FY 24 budget enhancement of \$3,750,000 for cybersecurity and its impact on the base, **Ms. Lippitt** stated programs funded under the Infrastructure Investment and Jobs Act, including the cybersecurity amount, run for five years and once the availability period concludes, the funding is removed from the base appropriation. In response to a question from **Senator Burtenshaw** about the \$12,000,000 FY 25 line item for Construction and Facilities Management, **Ms. Lippitt** stated the supplemental is requested on a onetime basis, so to effectively make it ongoing it is being requested as a line item for FY 25.

Major General Michael Garshak, Adjutant General and Director of Idaho Military Division stood to answer questions from the Committee. In response to a question from **Representative Handy** asked about the Youth Challenge Academy under the Idaho Military Division program, he stated there have been 2,000 youth graduates and his department is looking into a second phase categorized as a job challenge program. In response to a question from **Representative Tanner** about whether personnel requests are temporary or ongoing, **Kevin Hickey, Financial Manager, Idaho Military Division** stated the requests are an ongoing request to allow stability to hire temporary employments as determined by the division's needs. In response to a request for clarification from **Senator Adams** about the FY 25 line item called Reverted FY 23 Project Costs, **Mr. Hickey** answered this amount relates to twelve projects that were not included in the transition from Stars to Luma including: simulation buildings,

roof repairs, parking lot construction, sidewalks, museum parking lot and a few others. Mr. Hickey stated he will provide LSO with a full list of the projects.

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at 9:26 a.m.

Senator Grow
Chair

Linsy Heiner
Secretary