

MINUTES

HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, January 25, 2021
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Holtzclaw, Vice Chairman Syme, Representatives Harris, Kingsley, Christensen, Giddings, Wisniewski, Horman, Hanks, von Ehlinger, Weber, Chew (Hoy), Necochea, Toone
**ABSENT/
EXCUSED:** None
GUESTS: Jake Cluff, BB&A

Chairman Holtzclaw called the meeting to order at 1:30 PM.

MOTION: **Rep. Toone** made a motion to approve the minutes of the January 21, 2021 meeting. **Motion carried by voice vote.**

Chairman Holtzclaw welcomed all guests and presenters to the Committee and explained he felt some background "walking around knowledge" of the supplemental budgets both generally and for the Department of Commerce in the fiscal year 2021 would be highly useful to Committee members.

Paul Headlee, Division Manager, Division of Financial Management, defined the supplemental budget as an adjustment to the budget for the current year, which had been set by the legislature in the previous year. He further defined a supplemental budget as a response to an unforeseen circumstance which must include an emergency clause. A supplemental budget generally requests additional funds but may also subtract or reroute unused funds within an agency. Mr. Headlee stated the typical number of supplemental budget requests for a year is around 25-35 but this year the number of requests has increased to around 70. He introduced **Keith Bybee**, Deputy Division Manager, Division of Financial Management and explained that he is assigned to the Department of Commerce and would be better equipped to answer any questions pertaining specifically to agency.

In response to Committee questions **Mr. Headlee** confirmed budgets do become fixed once the legislature adjourns for the year and explained supplemental budgets allow agencies to respond more quickly to unforeseen and time sensitive issues.

In response to Committee questions about the disbursement of a surplus budget for the 2021 fiscal year **David Hahn**, Division of Financial Management, introduced himself and stated the Governor believes money appropriated for fiscal year 2021 should be used in 2021. This puts existing surplus money to work for the state immediately and provides a tangible use such as helping to provide access to broadband for rural areas of the state. Mr. Hahn also explained any specific funds may be designated as having carry over authority, meaning they do not have to be used by a specific date, and may be used until they are gone or the project they are used for is completed.

Alex Adams, Administrator, Division of Financial Management, introduced himself to the Committee to answer questions about the CARES Act. He explained the breakdown of the money currently leftover and explained the Governor's suggestion to use all \$75 million in this year's budget, stating all general fund dollars have effectively been replaced with federal dollars. Mr. Adams also addressed questions about Medicaid, explaining the amount of funding matched by the federal government and how this match works.

Chairman Holtzclaw closed the meeting by reiterating the goal for this meeting was an opportunity for the Committee members to familiarize themselves with the Department of Commerce's supplemental budget as well as supplemental budgets in general and opened the floor for any further questions.

ADJOURN: There being no further business to come before the Committee the meeting was adjourned at 1:54 PM.

Representative Holtzclaw
Chair

Emma Wall
Secretary