

MINUTES  
**SENATE STATE AFFAIRS COMMITTEE**

**DATE:** Tuesday, April 02, 2024

**TIME:** 1:30 P.M.

**PLACE:** Room WW55

**MEMBERS PRESENT:** Chairman Guthrie, Vice Chairman Bernt, Senators Winder, Anthon, Harris, Lee, Toews, Wintrow, and Shea (Ruchti)

**ABSENT/ EXCUSED:** None

**NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENED:** **Chairman Guthrie** called the meeting of the Senate State Affairs Committee (Committee) to order at 1:30 p.m.

**WELCOME:** **Chairman Guthrie** welcomed all to the Committee meeting.

**H 741** **IDAHO LAUNCH GRANT PROGRAM - Amends existing law to revise provisions regarding the Idaho Launch Grant Program and the In-Demand Careers Fund. Representative Petzke** stated that **H 741** changed the Idaho Launch Grant program to address concerns. Only eligible coursework was reimbursed. The definition of "in-demand careers" changed to include more factors than just the number of job openings and excluded careers that required graduate-level education. He stated that there were some technical changes to the eligibility dates to align with school years that ran into June. There was a matrix to prioritize careers. Funds were distributed first based on the career list, then secondly based on financial need via means testing. The Idaho Tax Commission required statutory authorization within **H 741** to conduct means testing. Any funds appropriated for the Advanced Opportunities Program that were not needed could be reassigned to the Launch Grant Program.

**DISCUSSION:** **Senator Lee** asked why the Advanced Opportunities Program was referenced in **H 741**. **Representative Petzke** responded that a line in the original bill specified that extra money appropriated to the Advanced Opportunities Program could go to the Launch Grant Program, but the change allowed the funds to return to the General Fund. **Senator Lee** asked why **H 741** contained language that the Tax Commission verified need. **Representative Petzke** replied the Tax Commission required statutory authorization to provide the data.

**Wendi Secrist**, Executive Director, Idaho Workforce Development Council, responded to Senator Lee that the Tax Commission could not work with the Idaho Workforce Development Council unless allowed by Idaho Code.

**Senator Anthon** desired clarification of the process. He asked to verify that in-demand fields were prioritized by the Workforce Development Council. **Ms. Secrist** responded that the Workforce Development Council used many factors to prioritize in-demand careers. **Senator Anthon** inquired if the lists were filled first based on the needs of the Idaho economy, then additional slots were filled based on financial need. **Ms. Secrist** responded that financial need was only considered after the needs of the economy were considered. **Senator Anthon** asked if the financial need of the students' parents was considered as well. **Ms. Secrist** responded that the process needed to be worked out with the Tax Commission.

**Senator Anthon** commented that the method of financial evaluation was not clear, and he inquired if an administrative rule would follow. **Ms. Secrist** responded that the Workforce Development Council did not have the authority to promulgate rules, and additional study would be conducted over the summer.

**Senator Wintrow** asked what constituted eligible coursework. **Ms. Secrist** replied the universities and colleges had a process to ensure student progress toward the major. **Senator Wintrow** asked if the satisfactory academic progress equation was used to verify course eligibility before payment was made. **Ms. Secrist** replied the college and university definitions of satisfactory academic progress were used.

**Senator Winder** wondered what happened to the students already in the first year of the program. **Ms. Secrist** clarified the class of 2024 was grandfathered in with the current in-demand careers list. Students starting the program in 2025 utilized the new careers list. **Senator Winder** asked if the funds were paid directly to the student or to the school they attended. **Ms. Secrist** responded that the funds were paid to the training provider, and the institution was only paid once student progress was verified.

**Senator Lee** asked how the students paid the money back. **Ms. Secrist** responded the contract was with the students, and repayment was pursued directly with the students. **Senator Lee** remarked that many undergraduate programs had prerequisites. She inquired if these courses were reviewed every quarter or semester. **Ms. Secrist** replied reviews were already built into the process.

**Chairman Guthrie** asked how successful the program was in getting reimbursement from the student. **Ms. Secrist** responded the program had been in place since 2020, and the unrecovered amount was a small percentage of the total.

**Representative Petzke** closed by remarking **H 471** added clarity to the financial need language.

**Senator Lee** highlighted that counties paid \$500 per semester per student, and this amount rose to \$2,000 with the addition of **H 471** requirements. She recommended the 14th Order of Business to address this concern. **Representative Petzke** was open to the amendments, but concerned about the timing.

**Senator Lent** asked Senator Lee if she referred to the Community College taxing districts. **Senator Lee** stated she referred to the \$500 out-of-district funds the counties not within a taxing district paid to students to attend community college. These dollars came from the liquor fund. **Senator Lent** remarked that taxing districts associated with community colleges did not apply to revenue associated with the Launch Grant Program. **Senator Lee** clarified the counties did have the obligation, and this should be addressed.

**Chairman Guthrie** recommended the 14th Order of Business as a safety precaution. **Senator Lent** was amenable to the suggestion.

**MOTION:**

**Senator Lee** moved to send **H 741** to the **14th Order of Business** for possible amendment. **Senator Anthon** seconded the motion. The motion carried by **voice vote**.

**H 751**                    **TAXATION - Amends exiting law to exempt certain farming equipment from sales tax.** **Senator Harris** stated that **H 751** exempted structures and equipment used in the storage of small grains from sales tax. The exempted equipment included augers, dryers, fans, sweep augers, and equipment and supplies used in quality control functions. He remarked there was confusion, and some grain bins were charged sales tax while others were not. Idaho Code exempted the planting, growing, harvesting, storage, and removal from storage of crops from sales tax. Since grain bins were a form of storage, they should be exempted, and **H 751** clarified the language.

**DISCUSSION:**        **Senator Wintrow** inquired if grain bins had always been exempt from sales tax. **Senator Harris** replied the Tax Commission had conducted audits and charged sales tax, but neighboring states did not.

**Senator Anthon** asked if grain bins were exempted under Idaho Code. **Senator Harris** responded that the Tax Commission had conducted audits and charged sales tax. Some people had paid the sales tax, and some had not.

**MOTION:**            **Senator Anthon** moved to send **H 751** to the floor with a **do pass** recommendation. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

**ADJOURNED:**        There being no further business at this time, **Chairman Guthrie** adjourned the meeting at 2:03 p.m.

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Senator Guthrie  
Chair

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Peggy Caraway  
Secretary