

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 12, 2019

TIME: 8:00 A.M.

PLACE: Room C310

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

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

**ABSENT/
EXCUSED:** None

CONVENED: **Chairman Youngblood** called the meeting to order at 8:00 am.

**Office of the Governor
Financial Management**

LSO STAFF PRESENTATION: **Keith Bybee, Deputy Division Manager**, stated the transition of the Office of the Administrative Rules Coordinator to the Division of Financial Management will streamline the executive branch processes, create efficiencies in state government, and promote higher quality rule-making for all rules that will be subject to legislative review. **H 73** passed both bodies and is waiting the signature of the Governor. The action that will be voted on will include the addition of 3.00 FTP, \$268,200 in personnel costs, \$199,900 in operating expenditures, of which \$20,000 is one-time.

MOTION: **Original Motion**
Trailer Appropriation
Moved by **Rep. Anderson**, seconded by **Sen. Nye** in addition to the appropriation made in **S 1168**, move 3 FTP and \$468,100 from dedicated funds.

DISCUSSION: **Rep. Anderson** stated the FY 2020 appropriation will bring the total FTP to 18 and \$2,504,000.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 2

Johnson and Raybould

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.

To listen to this presentation please [click here](#).

Department of Water Resources

**LSO STAFF
PRESENTATION:**

Rob Sepich, Senior Analyst, stated **HJM 4** of 2019 urges the completion of the federal feasibility study and the NEPA analysis required for expanding Anderson Ranch Dam through provisions in the Federal Water Infrastructure Improvements for the Nation (WIIN) Act. The three dam system of Anderson Ranch, Arrowrock, and Lucky Peak Dams provide a total of 1,044,011 acre feet of water. The Water Resources Board (WRB) has dedicated \$3 million as a 50% match to federal funds for a feasibility and environmental study on raising the dam, with the aim to complete the study by May of 2020. The WRB has also engaged in actions to move the Mountain Home Air Force Base (MHAFB) from ground water wells located on-base to surface water piped from C.J. Strike Reservoir on the Snake River. **SJM 104** urges the completion of this water project as the Mountain Home Aquifer is over-drafted by an estimated 30,000 acre feet annually.

**UNANIMOUS
CONSENT:**

On request by **Sen. Bair**, granted by unanimous consent, to reopen the FY 2019 budget for the Department of Water Resources, was reopened.

MOTION:

Original Motion

Trailer Appropriations

Moved by **Sen. Bair**, seconded by **Sen. Burtenshaw** for FY 2019, the appropriation and the State Controller shall transfer \$20,000,000 from the General Fund to the Water Management Fund.

DISCUSSION:

Sen. Bair commented it is good policy to plan for the future.

Rep. Raybould invoked Rule 38 and **Sen. Lee** invoked Rule 39 stating a possible conflict of interest.

CARRIED:

Ayes: 19

Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nayes: 0

Ab/Ex: 1

Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Bair**, granted by unanimous consent to accept sections 2 and 3 of the bill language as follows.

**INTENT
LANGUAGE:**

SECTION 2. That Section 42-1760, Idaho Code, be, and the same is hereby amended to read as follows:

TITLE 42 IRRIGATION AND DRAINAGE — WATER RIGHTS AND RECLAMATION CHAPTER 17 DEPARTMENT OF WATER RESOURCES — WATER RESOURCE BOARD 42-1760. WATER MANAGEMENT ACCOUNT. (1) There is hereby created and established in the trust and agency fund the water management account. All moneys in the account are appropriated continuously to the water resource board to be used and administered by it for the purposes specified in subsection (2) of this section, and shall not be subject to the provisions of the standard appropriations act of 1945 or section 67-3516, Idaho Code. The state treasurer shall invest the idle moneys of the account, and the interest earned on such investments shall be retained by the account.

(2) The board may expend, loan or grant moneys from the water management account for new water projects or the rehabilitation of existing water projects limited to the following purposes: reclamation, upstream storage, offstream storage, aquifer recharge, reservoir site acquisition and protection, water supply, water quality, recreation, and water resource studies, including feasibility studies for qualifying projects. The board shall have the authority to determine which water projects are undertaken pursuant to this section.

(a) Expenditures may be made from the account to provide public moneys for participation in any project constructed with funds from the water resource board revolving development account provided by section 42-1756, Idaho Code.

(b) Grants and loans may be made by the board from the account for any project in the public interest for the projects authorized by this section; no single grant shall exceed \$50,000 unless legislative approval has been obtained.

(c) Expenditures may be made from the account for the costs of the following large water infrastructure projects:

i. Costs associated with the construction of a raise of Anderson Ranch Dam, located on the South Fork of the Boise River;

ii. Costs associated with the Mountain Home Air Force Base water delivery and treatment systems; and

iii. The enlargement or construction of new or existing surface storage reservoirs owned and operated by the United States Bureau of Reclamation or Army Corps of Engineers.

(d) The selection of any new large water infrastructure project selected pursuant to subsection (2)(c)(i)-(iii) must consider and protect existing water rights, and consider the effects of such projects on other water uses, such as water quality, fish and wildlife, recreation, and hydropower, that provide economic value, stability and other benefits to the citizens of the state.

(3) Any large infrastructure project receiving any portion of the funds approved pursuant to subsection (2)(c)(i)-(iii) shall require that at least fifty percent (50%) matching funds to be provided by parties other than the 2 state. In the event of in-kind contributions, the board shall determine the value of the in-kind contribution.

(4) On or before the first day of each regular legislative session, the board shall submit to the legislature a report of any moneys expended or obligated and any work begun and/or completed in the prior or current fiscal year on a project selected pursuant to subsection (2)(c)(i)-(iii).

(5) The director of the department of water resources shall assist the board in any way the board deems necessary to fulfill the policy and purpose of the water management account, including technical evaluation of proposed projects and coordination in state and federal agencies.

SECTION 3. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.

To listen to this presentation please [click here](#).

**Department of Water Resources
Transfer to the Water Management Fund**

**LSO STAFF
PRESENTATION:**

Rob Sepich, Senior Analyst, stated the Legislature passed **H 712** of 2018, which appropriated \$1 million to the Department of Water Resources to address flood damages not covered under **S 1141**. The Water Resource Board received 19 applications for flood management projects and only a total of 14 projects were funded. This will be a one-time transfer from the General Fund to the Water Management fund.

MOTION:

Original Motion

Supplemental

Moved by **Sen. Bair**, seconded by **Sen. Burtenshaw** for FY 2019, a supplemental appropriation of \$1,000,000 for additional projects as determined by the Water Resource Board, to be transferred by the State Controller from the General Fund to the Water Management Fund.

DISCUSSION:

Sen. Bair stated this program will help further repair damage that happened to the state's waterways. In Section 2, of the bill, \$200,000 will be used to establish a baseline water quality in the Snake River because in the future the Federal government will be requiring water ways to be "ever cleaner".

CARRIED:

Ayes: 19

Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, Toone

Nays: 0

Ab/Ex: 1

Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT:**

On request by **Sen. Bair**, granted by unanimous consent to accept sections 2 through 5 of the bill language as follows.

**INTENT
LANGUAGE:**

SECTION 2. USES OF THE WATER MANAGEMENT FUND. Of the moneys appropriated and transferred for the purposes set forth in Section 1 of this act for water quality data collection, up to \$200,000 shall be used for monitoring, data collection, modeling, literature review, economic analysis, and other forms of data gathering and analysis in the upper Snake/Rock Creek subbasin (HUC 17040212, as provided in IDAPA 58.01.02.109.02) in support of the nutrient total maximum daily loads (TMDL) objectives. This process shall be coordinated with the Department of Environmental Quality and the United States Geological Survey.

SECTION 3. USES OF THE WATER MANAGEMENT FUND. The remaining moneys appropriated and transferred in Section 1 of this act for flood prevention and stream repair shall be administered by the Idaho Water Resource Board through a competitive, matching grant process. Notwithstanding the provisions of Section 42-1760(2)(b), Idaho Code, grants may be larger than \$50,000 at the discretion of the board.

SECTION 4. PROJECT PRIORITIZATION. The selection process for the grants authorized in Section 3 of this act shall require the availability of fifty percent (50%) matching funds, and flood prevention and mitigation projects

shall be given priority on a competitive statewide basis throughout Idaho. The Department of Water Resources shall support this competitive grant process using existing personnel and resources.

SECTION 5. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.

To listen to this presentation please [click here](#).

Cash Transfers General Fund and Dedicated Funds

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the Consumer Protection Fund receives revenue from penalty, costs and fees recovered from the Attorney General through litigation or violation of the Consumer Protection Act. Money in the fund, not used by the Attorney General through appropriation, is deposited into the General Fund at the beginning of the following year.

DISCUSSION:

In response to Committee questions, **Mr. Headlee** stated the transfers are at the discretion of the Committee, but some are statutory transfers or based on formulas.

MOTION:

**Original Motion
Attorney General**

Cash transfer from Consumer Protection Fund to General Fund

Moved by **Sen. Agenbroad**, seconded by **Sen. Lee** that notwithstanding the provisions of **Section 48-606, Idaho Code**, there is hereby appropriated and the State Controller shall transfer in FY 2019, \$9,000,000 from the Consumer Protection Fund to the General Fund.

CARRIED:

Ayes: 18

Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone

Nays: 0

Ab/Ex: 2

Johnson and Wintrow

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.

**LSO STAFF
PRESENTATION:**

Paul Headlee, Division Manager, stated the transfer from the Opportunity Scholarship Fund (Corpus) to the Public Education Stabilization fund would be \$3.4 million. JFAC has already taken action on one transfer for \$3.15 million in the Public Schools budget and one appropriation from this fund for \$7 million for additional scholarships for FY 2020. If the \$3.4 million is transferred that would leave approximately \$5.2 million in the fund.

MOTION: **Original Motion**
Public School Support
Cash transfer from Opportunity Scholarships Fund to Public Education Stabilization Fund
Moved by **Rep. Amador**, seconded by **Sen. Ward-Engelking** for FY 2020, that notwithstanding the provisions of **Section 33-4303, Idaho Code**, there is hereby appropriated and the State Controller shall transfer \$3,400,000 from the Opportunity Scholarship Fund to the Public Education Stabilization Fund.

DISCUSSION: In response to Committee questions, **Mr. Headlee** stated the transfer had been discussed by several of the motion makers as an opportunity to put money into the Public Education Stabilization Fund which provides a backstop for short falls in the K-12 appropriation. **Sen. Bair** gave a brief background on the Opportunity Scholarship program. Mr. Headlee continued there was a \$100,000 transfer to pay for evaluations. **Rep. Amador** stated the higher education working group did put together intent language for the State Board of Education to report back annually to the Committee.

CARRIED: **Ayes: 10**
Bair, Burtenshaw, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Kauffman, Amador, Raybould
Nays: 8
Lee, Agenbroad, Crabtree, Grow, Woodward, Troy, Syme, Toone
Ab/Ex: 2
Johnson and Wintrow
The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.

MOTION: **Original Motion**
Public School Support
Cash transfer from the General Fund to the Public Education Stabilization Fund
Moved by **Rep. Horman**, seconded by **Rep. Amador** for FY 2020, that there is hereby appropriated and the State Controller shall transfer \$8,600,000 from the General Fund to the Public Education Stabilization Fund.

DISCUSSION: **Rep. Horman** stated this Committee is under obligation to assess the amount removed from the Public Education Stabilization Fund.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone
Nays: 0
Ab/Ex: 2
Johnson and Wintrow
The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated this is the second year for transfers into the Technology Infrastructure fund.

MOTION: **Original Motion**
Legislative Branch
Cash transfer from the General Fund to the Technology Infrastructure
Moved by **Rep. Raybould**, seconded by **Sen. Lee** for FY 2020, that there is hereby appropriated and the State Controller shall transfer \$8,053,500 from the General Fund to the Technology Infrastructure Stabilization Fund.

DISCUSSION: **Rep. Raybould** stated the Gov Tech line items in the various budgets are captured in this cash transfer.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone
Nays: 0
Ab/Ex: 2
Johnson and Wintrow
The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.

ISO STAFF PRESENTATION: **Paul Headlee, Division Manager**, stated the Disaster Emergency Fund is used by the military division as matching funds to pay for grants on Federally declared disasters. The money in the fund is also available to the Governor to pay for costs associated for declared state emergencies. Mr. Headlee continued that the projected expenditures are estimated to deplete the current balance in the fund by the end of FY 2020 and the \$2 million transfer recommendation was from the Governor.

MOTION: **Original Motion**
Office of the Governor
Cash transfer from the General Fund to the Disaster Emergency Fund
Moved by, **Sen. Grow**, seconded by **Sen. Woodward** for FY 2020, that there is hereby appropriated and the State Controller shall transfer \$2,000,000 from the General Fund to the Disaster Emergency Fund.

CARRIED: **Ayes: 18**
Bair, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Toone
Nays: 0
Ab/Ex: 2
Johnson and Wintrow
The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was ordered by **Chairman Youngblood**.
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ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:05 am.

Representative Youngblood
Chair

Donna Warnock
Secretary