

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 22, 2021

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Co-Chairman Bair, Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking and Nye.
Co-Chairman Youngblood, Representatives Troy, Horman, Syme, Bundy, Giddings, Nate, Green and Nash.

ABSENT/ EXCUSED: Representative Amador

CONVENED: **Co-Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) meeting to order at 8:01 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF ENVIRONMENTAL QUALITY, Jess Byrne, Director; Rob Sepich, LSO Analyst**

The Legislature created the Department of Environmental Quality (DEQ) in the public's interest to protect human health and the environment as its sole mission. The Department is organized into six budgetary programs: Administration and Support Services; the Air Quality Program; the Water Quality; the Coeur d'Alene Basin Project Commission; Waste Management and Remediation; and Idaho National Laboratory Oversight Program.

Historical Summary: The General Fund accounts for 32 percent of the total appropriation for all programs. Federal funds account for 41 percent and the remainder is from dedicated sources.

Organizational Chart: For FY 2021, there were 379.0 authorized FTP, which are split between the State office and six regional offices. FY 2022 requests saw some internal changes, but there were no requests for additional full-time positions (FTP). At the end of December, there were 36 vacant positions, 16.0 of which are currently being filled. There are 11.0 FTP on hold.

Performance Report: DEQ's goals and benchmark performance measures are now outcomes based rather than activity-based. They are monitoring measurable environmental improvements. One of the biggest challenges when issuing permits is the quality and completeness of the applications received. Typically, less than half the applications received are complete.

FY 2020 Actual Expenditure Variance Report: DEQ has six budgetary programs with "bucket funds" that allow them to expend fund sources and allocate those expenses through each of those funds individually. The analyst gave a brief overview of the actual expenditures due to the extensive activity in the programs.

Comparative Summary: DEQ requested a 5 percent increase, and the Governor's recommendation was for a 4.6 percent increase.

FY 2021 Budget: There were 12 line items requested. Additionally there were:

- Reappropriation request of \$363,000 from FY 2020 into FY 2021 for Agricultural Best Management Practices (Ag BMP). There will be legislation in the 2021 session to create the Ag BMP fund.
- A supplemental appropriation was approved for \$311,300 from the Idaho Pollution Discharge Elimination System (IPDES) funding to replace the 5 percent General Fund per the Governor's 2020 holdback and split between other programs;
- A budget realignment with a shift of 2.0 FTP and \$248,900 from Water Quality to Administration. The Governor recommended a \$8.9 million one-time General Fund cash transfer to the Water Pollution Control Fund and \$1 million to the Ag BMP fund
- Base Adjustments: \$2.3 million shift from the General Fund in the Administration and Support Services program from operating expenditures to capital outlay and a \$1.2 million shift in federal funds in the Air Quality Program from operating expenditures to trustee and benefits to pass through and award grants for air-quality improvements.

FY 2022 Budget Request:

Five Line Items:

- \$2.12 million for Bunker Hill Central Treatment Plant (CTP) to assume management and operations of the CTP.
- \$1.5 million for Water Pollution Control Fund Transfer to Triumph Fund to provide remediation.
- \$560,000 for spending authority from the Environmental Remediation Triumph Mining fund to maintain treatment operations and conduct required monitoring.
- \$980,400 Triumph Mine Tunnel Closure – to repair the mine tunnel.
- \$573,200 Coeur d'Alene Lake Study to study the health of the lake.

There were two cash transfers:

- \$279,000 ongoing general fund based appropriation with possible FY 2021 carryover to Ag BMP.
- \$1.5 million from the Water Pollution Control fund into the in the Transformation Fund for the Basin Fund to meet the 10 percent match obligation.

Budget Law Exemptions and Adjustments: DEQ is requesting language be included in its FY 2022 appropriations bill for:

- Reporting requirements for the work that DEQ is doing in the Portland Basin, so that the report is submitted annually to the Governor and the Legislature.
- Use of the Water Pollution Control Fund. Per statute, this fund was set up for specific uses for wastewater and drinking water facility match grants. In this case, the Agency requests setting aside statute and allowing this fund to be utilized.

See [Presentation](#) and [Audio](#).

**AGENCY
PRESENTATION:**

IDAHO SOIL AND WATER CONSERVATION COMMISSION, Teri Murrison, Administrator; Rob Sepich, LSO Analyst

The Soil and Water Conservation Commission has five members who are appointed to staggered five-year terms by the Governor to assist the 50 Soil and Water Conservation Districts (SWCDs) in accordance with Idaho Code. Its mission is to facilitate coordinated non-regulatory, voluntary, and locally led conservation by federal, state, and local governments including Idaho’s conservation districts and other partners, in order to conserve, sustain, improve and enhance soil, water, air, plant, and animal resources.

Historical Summary: There is one budgeted division organized under the Department of Agriculture, but it is a separate entity and receives its own separate appropriation. The General Fund makes up 87 percent of the appropriation and the rest is dedicated funds. The National Fish and Wildlife Foundation grants have been terminated.

Organizational Chart: There are 7.75 FTP, with one position vacant position. The engineer position in eastern Idaho is slated to be filled soon.

Performance Report: **Ms. Murrison** gave a brief overview of core measures that make up the performance report. She noted that the Commission recently revised its measures to more closely reflect Department of Financial Management (DFM) requirements.

Actual Expenditures Variance Report: The original appropriation funded three funds. Of the \$3.4 million total appropriated, approximately \$301,000 was reverted, with most of the reversion coming from federal funds.

Comparative Summary: The Commission requested a 1.9 percent increase, and the Governor recommended a 1.5 percent increase.

FY 2021 Budget: The original appropriation funded two line items that included a reduction of all federal personnel costs and FTP, and funding for the Governor's Information Technology Modernization Initiatives.

FY 2022 Budget Request: There was one line item requested for the removal of 1.0 FTP and for a supplemental authority to transfer \$54,000 in General Fund personnel costs to trustee and benefit payments to increase distributions to the local districts. The FTP was the technical records specialist position that has been vacant since September of 2019 and held open to satisfy General Fund holdbacks.

There was an agenda change: the presentation from the Office of the Governor, “Legal Notice for Rule Making” presented by Paul Headlee, Division Manager, will be presented at another time.

Senator Nye stated he had a conflict of interest pursuant to Rule 38 but intended to vote nonetheless.

See [Presentation](#) and [Audio](#)

**AGENCY
PRESENTATION:**

**DEPARTMENT OF CORRECTION, Pardons and Parole Commission
Jared Hoskins, Principal Analyst**

**UNANIMOUS
CONSENT:**

Requested by **Senator Agenbroad**, granted by unanimous consent, the Commission of Pardons and Parole FY 2021 budget was reopened.

**UNANIMOUS
CONSENT:**

Requested by **Senator Agenbroad**, granted by unanimous consent, the following language was added to the FY 2021 appropriation:

INTENT LANGUAGE: Creation of Federal COVID-19 Relief Fund
The Federal COVID-19 Relief Fund shall be included as a section in the Commission of Pardons and Parole’s FY 2021 supplemental appropriation bill.

MOTION: Moved by **Senator Agenbroad**, seconded by **Representative Syme**, a motion was made to increase a one-time operating expenditure of \$50,000 from the federal COVID-19 Relief Fund for the purpose of extradition transport costs for the Commission of Pardons and Parole in FY 2021.

CARRIED: **AYES: 18**
Bair, Agenbroad, Crabtree, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Giddings, Nate, Green and Nash.
NAYS: 0
ABSENT/EXCUSED: 2 (Senator Grow and Representative Amador)
The majority having voted in the affirmative, the motion passed without objections, and will carry a **do pass** recommendation. Hearing no objection, it was so ordered by **Co-Chairman Bair**.
See [Supplemental Motion](#), [Supplemental](#) and [Audio](#)

MOTION: Moved by **Senator Cook**, seconded by **Representative Syme** , a motion was made for an increase of \$20,000 in one-time operating expenditures from the federal COVID-19 Relief Fund for the purpose of taking minutes at parole hearings.

CARRIED: **AYES: 18**
NAYS: 0
ABSENT/EXCUSED: 2 (Senator Grow and Representative Amador)
The majority having voted in the affirmative, the motion passed without objections, and will carry a **do pass** recommendation. Hearing no objections, it was so ordered by **Co-Chairman Bair**.
See [Supplemental Motion](#), [Supplemental](#) and [Audio](#)

AGENCY PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**
Substance Abuse Disorder Grant
Jill Randolph, LSO ANALYST

UNANIMOUS CONSENT: Requested by **Representative Troy**, granted by unanimous consent, the Commission of Pardons and Parole’s FY 2021 budget was reopened.

MOTION: Moved by **Representative Troy**, seconded by **Senator Agenbroad**, a motion was made for the Department of Health and Welfare, in the Division of Substance Abuse Treatment and Prevention for the addition of \$4,000,000 in ongoing trustee and benefit payments in the Cooperative Welfare (Federal) Fund.

CARRIED: **AYES: 18**
NAYS: 0
ABSENT/EXCUSED: 2 Senator Grow and Representative Amador

The majority having voted in the affirmative, the motion passed without objections, and will carry a **do pass** recommendation. Hearing no objections, it was so ordered by **Co-Chairman Bair**,

See [Supplemental Motion](#), [Supplemental](#) and [Audio](#)

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Bair** adjourned the meeting at 9:31 a.m.

Senator Bair
Chair

Denise B. McNeil
Secretary