

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 08, 2021
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman (Bair), Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye
Representative(s) Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, Nash
ABSENT/ EXCUSED: Representative(s) Co-chairman Youngblood.
CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.

AGENCY PRESENTATION: **IDAHO TRANSPORTATION DEPARTMENT - Transportation Services, Brian Ness Director. Christine Otto, LSO Analyst.**

Dir. Ness started his opening remarks stating how the Idaho Transportation Department using good business principles was able to reduce layers, bureaucracy, and people. Addressing the layers of supervision, the agency was able to speed the decision-making and create more efficiency. A new organization structure took place with the goal to reduce the layers of supervision from nine to five. This simplification left room for more productivity, innovation, and motivated skilled employees. Since July of 2018, ITD has reduced its administrative rules from 80 to 44. The Agency cut their workforce by 10%. Vacancy rate of 5%, last year and down from that this year.

Ms. Otto introduced the summary of the department explaining it is organized into four separate divisions: The Transportation Services Division, the Motor Vehicles Division, the Highway Operations Division, and the Contract Construction and Right-of-Way Acquisition Division. Their total appropriation is based off dedicated and federal funds, for the FY 2021, 58% is from dedicated funds and 42% for federal funds. The organization chart for the Idaho Transportation Department is in line with the open remarks from Dir. Ness.

Dir. Ness spoke about the performance measures, explaining these are based on processes or procedures. One notable measure **Dr. Ness**, pointed out is the agency is currently operating above or close to the target, but Idaho's infrastructure is aging rapidly and is a concern for the department, with the current funding levels is not possible to sustain the roads and bridges in the current conditions.

Ms. Otto introduced the historical summary and explained the **Transportation Services Division** has three budgeted programs: The Administration Program, the Capital Facilities Program, and the Aeronautics Program. For FY 2020 the division was 95% funded by dedicated funds, had a total appropriation just over \$42 million, and a reappropriation just over \$4 million. The expenditures for FY 2020 were \$34.9 million. The difference from the total appropriation was just over \$7.1 million, or 17% of their entire budget.

For FY 2021, the legislature funded four line items. The Capital Facilities and Aeronautics Program that was authorized to reappropriation: 1. LUMA interface 2. Cloud Security Upgrade 3. An Increase to IAAP 4. Increase to Office of Information Technology. From FY 2020 into FY 2021 there was one supplemental request for Building Idaho's Future, the Governor has recommended \$4 million to be transferred from the General Fund into the Aeronautics Fund. This initiative will go towards the Idaho Airport Program and provide grants to small airports. Replacement Items where \$2.9 million to replace items that reached the end of their useful life . There were no line items requested for FY 2022.

The Motor Vehicles Division is about 90% funded from dedicated funds and 10% from federal funds. The FY 2020 expenditure shows a total appropriation of just over \$37.7 million, a reverted of \$7.8 million, and total expenditures of \$29.8 million with a difference of 20.9% with the total appropriation.

For FY 2021, the legislature funded two line-items: one of \$265,800 for county equipment; and one of 3.00 FTP and \$276,600 for the Insurance Compliance Program. For FY 2022 the division requested replacement item; \$912,400 to replace WIFI routers, docking stations, privacy screens, travel keyboards, tablets, and a cisco switch. There were no line items requested for FY 2022.

The Highway Operations Division is funded for FY 2021 by a mixture of dedicated and federal funds, the total appropriation was over \$213 million. For FY 2020 the division had an appropriation of over \$202 million, non-cognizable increases for \$27.3 million due to the Federal Cares Act, and a net object transfer of \$2 million from personnel costs to operating expenditures and capital outlay. For FY 2021 the division had a receipt to appropriation that increased the appropriation by \$636,200, most of the amount is relative to insurance claims. About \$40 million reversed. The difference from total appropriation was 5.9%. For FY 2021 the legislature funded six line-items, these included \$454,400 for highway operations equipment; \$2,754,700 for an Intelligent Transportation System; \$190,000 for a grant management software application; \$1,635,000 for GIS integration initiative; \$3,267,000 for federal funds; and a program transfer of 3.00 FTP and \$276,600 out to fund the Insurance Compliance Program within the Division of Motor.

FY 2021 has a supplemental recommendation by the Governor of \$273,000 onetime from the Federal COVID-19 Relief Fund for the enhanced mobility of seniors and individuals with disabilities. The division received noncognizable funds and transfers approved by the Division of Financial Management for \$25,589,800 from the Cares Act - COVID 19 Fund to be used on public transportation grants. The second entry is for replacement items where the department requested \$24,801,800 to replace radios, data packs, office chairs, office tables, computers and equipment, a drill, drill batteries, various tools, signs, servers, and various trucks and equipment that may be eligible for the Buy Back Program.

For FY 2022 the division requested two line items. One is for personnel costs, the department requests \$3,571,300 from the State Highway (Dedicated) Fund for ongoing personnel costs. The second line item is for a request of \$11,465,000 for federal public transportation grants that were awarded to the division.

The Contract Construction and Right-of-Way Acquisition Division, 42% of the appropriation is from dedicated funds, the other part is from federal funds.

For FY 2021, the appropriation was \$492 million, but the division has a carryover of additional \$250 million, so the total is almost \$800 million for FY 2021. For FY 2021 the legislature funded two line items. These included \$98,744,600 for excess revenue and receipts, and \$1,029,200 for Strategic Initiative Program interest. The division received 250 millions to carryover any unencumbered and unexpended appropriation balance from FY 2020 into FY 2021. There are three supplemental requests from Governor's recommendations. One is for \$6,000,000 onetime for repair and replacement of deficient bridges as a result of the federal omnibus appropriation bill passed in the Coronavirus Relief Act. The second is for a cash transfer of \$122,000,000 from the General Fund for Strategic Initiatives Program, and is to be used for state and local highway improvement projects (\$118,000,000); for bicycle and pedestrian projects (\$2,000,000); and for rail crossing improvement projects (\$2,000,000). The third recommendation is for \$71,023,000 onetime to be used on contract construction as a result of the COVID Relief Act signed into law on December 27, 2020. For FY 2022, the budget has a one line item for an increase in the federal grants, and the division requested reappropriation of all the funds of the division from 2021 into 2022.

LSO STAFF PRESENTATION: **Supplemental Appropriations - Idaho Transportation Department - Highway Operations, COVID-19 Relief Act Funding. Christine Otto, LSO Analyst**

Ms. Otto introduced the supplemental request. The Governor recommended \$273,300 one-time from the federal COVID relief fund for the enhanced mobility of seniors and individuals with disabilities. More information became available and updated amount needed was \$223,500.

UNANIMOUS CONSENT: Requested by **Rep. Green**, granted by unanimous consent, the FY 2021 budget for the Idaho Transportation Department was reopened.

MOTION: Original Motion: Moved by **Rep. Green**, and seconded by **Sen. Woodward**, for the Idaho Transportation Department in the Highway Operations Division an additional \$223,500 one time from the federal COVID relief fund (FY 2021).

CARRIED: **AYES: 20.**
Sen. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye. Rep. Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.

NAYS: 0.
ABSENT/EXCUSED: 0.

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION: **Supplemental Appropriations - Idaho Transportation Department - Contract Construction and Right-of-Way, Surface Transportation Block Grant, COVID-19 Relief Act Funding. Christine Otto, LSO Analyst**

Ms. Otto introduced the supplemental request. The Governor had recommended \$71 million for the surface transportation block grant signed by the President in December 27, 2020. Funds can be used for maintenance, operations, including personnel, and personnel administrative leave, even, to pay contractors payments, work on bridges, and construction projects. The division has decided to use these dollars on construction projects.

House Rule 80 was declared by **Rep. Green and Rep. Youngblood**.

MOTION: Original Motion: Moved by **Sen. J. Woodward**, and seconded by **Rep. Green**, for Fiscal Year 2021 for the Idaho Transportation Department in the Contract Construction and Right-of-Way Acquisition Division \$3,500,000 additional from the State Highway COVID Relief Fund and \$46,500 from the State Highway Local Fund all one time funding for FY 2021.

CARRIED: **AYES: 20.**
Sen. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye. Rep. Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.
NAYS: 0.
ABSENT/EXCUSED: 0.

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Youngblood**.

LSO STAFF PRESENTATION: **Supplemental Appropriations - Office of the Governor- Emergency Rental Assistance, COVID-19 Relief Act.**
Paul Headlee, LSO Division Manager

Mr. Headlee introduced the supplemental request for emergency rental assistance, from the COVID relief bill. The Governor recommends onetime federal funding from the COVID Relief Act, which was signed into law on December 27, 2020. Funding will be overseen by the Idaho Housing and Finance Association and used for rental assistance programs within the parameters established by the Act. The Governor also recommends reappropriation authority for any unencumbered and unexpended balance of this FY 2021 supplemental appropriation into FY 2022. This funding would address long-term – the long-term eviction moratorium in place since March of 2020 by helping property owners satisfy the debt on their property, and funding would be for the eligible grantee, and the landlords, apartment owners, property managers, and not to individual renters. The current amount of funding available at the state level is \$175,746,400, which can be expended through December 31, 2021

Sen. Grow discloses his potential conflict of interest with a close relative who is a major Administrator with the Idaho Housing Authority citing the **Senate Rule 39**.

UNANIMOUS CONSENT: Requested by **Sen. Woodward**, granted by unanimous consent, the FY 2021 budget for the Executive Office of the Governor was reopened.

MOTION: Original Motion: Moved by **Sen. Woodward**, and seconded by **Rep. Amador**, for the executive office of the Governor Fiscal Year 2021, one-time appropriation from the federal COVID-19 relief fund of \$175,746,400.

DISCUSSION **Rep. Nate** opposed the motion both in principle and in execution, encouraging a no vote.

CARRIED: **AYES: 16.**
Sen. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye. Rep. Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.
NAYS: 4.
Crabtree, Horman, Nate, Giddings.
ABSENT/EXCUSED: 0.

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Youngblood**.

DISCUSSION **Mr. Headlee** presented the Section 2 about Emergency Rental Assistance and pointed out the language is relative to increments of \$10 million.
Sen. Woodward request unanimous consent to accept the language on the screen.

UNANIMOUS CONSENT: Requested by **Sen. Woodward**, granted by unanimous consent, the language on the screen is accepted.

LSO STAFF PRESENTATION: **Five Percent (5%) General Fund Rescission for FY 2021, Paul Headlee, LSO Division Manager.**

Mr. Headlee introduced the supplemental request for consideration a rescission of 5% for the state agencies for Fiscal Year 2021. On July 1, Governor Little issued the executive order 2020-14 authorizing a reduction of General Fund spending authority in FY 2021 for all departments, offices, and institutions in the amount to 5% of their General Fund appropriation. Participation in the holdback was optional for elected state constitutional officers, the judicial branch and the legislative branch, and the amount of the holdback is \$96,840,000. The Governor recommends that the Legislature reduce the appropriation for each of these agencies on a one-time basis for FY 2021. This rescission could be taken through an omnibus action and included in a single appropriation bill, and this was the approach used last session for a 1% Fiscal Year 2020 General Fund rescission.

UNANIMOUS CONSENT: Requested by **Sen. Agenbroad**, granted by unanimous consent, the FY 2021 budget for the agency and institutions shown on pages 2 through 7 of the motion packet was reopened.

MOTION: Original Motion: Rescission moved by **Sen. Agenbroad**, and seconded by **Rep. Troy**, for a one-time General Fund rescission for the state agency's offices and institutions shown on pages 2-7 of this packet. The total for the motion is a reduction of \$96,840,000 from the fund.

CARRIED: **AYES: 20.**
Sen. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye. Rep. Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.
NAYS: 0.
ABSENT/EXCUSED: 0.

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Youngblood**.

UNANIMOUS CONSENT: Requested by **Sen. Woodward**, granted by unanimous consent, the language on the screen is accepted.

LSO STAFF PRESENTATION: **Transfer from Public Health Trust Fund (General) to the General Fund.**
Paul Headlee,
LSO Division Manager.

Mr. Headlee introduced a request of a cash transfer that needs to be made to a movement back of \$491,100 from the Public Health Trust Fund General, to the General Fund. Original Motion: Moved by **Sen. Agenbroad**, and seconded by **Rep. Troy**, for FY 2021 appropriation and transfer of up to \$491,100 from the Public Trust Funds to the General Fund.

MOTION: Original Motion: Moved by **Sen. Agenbroad**, and seconded by **Rep. Troy**, for FY 2021 appropriation and transfer of up to \$491,100 from the Public Trust Funds to the General Fund.

CARRIED: **AYES: 20.**
Sen. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye. Rep. Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.
NAYS: 0.
ABSENT/EXCUSED: 0.

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Youngblood**.

UNANIMOUS CONSENT: Requested by **S Sen. Woodward**, granted by unanimous consent, the language on the screen is accepted.

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 10:05 a.m.

Representative Youngblood
Chair

Anna Maria Mancini
Secretary