

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, April 07, 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.
Representatives Co-chairman Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, Nash.

ABSENT/EXCUSED: None

CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **TECHNICAL CORRECTION:**
Office of the State Board of Education – Add 0.5 FTP - Janet Jessup, Senior Analyst.

Ms. Jessup introduced a technical correction for the budget for FY 2022 of the Office State Board of Education. The budget set on March 16th did not include the correct FTP amount. The correct budget created a new cap for the State Board of Education at 56.75 FTP, while previously it was 56.25.

DISCUSSION: **Chairman Youngblood** pointed out the bill related to the budget (House Bill number 226) did not pass, and the relative Senate Bill 1193 is not yet defined. So **Chairman Youngblood** proposed to hold off on this technical correction.

UNANIMOUS CONSENT: Requested by **Co-chair Bair**, granted by unanimous consent, the Technical Correction to add 0.50 FTP to the Office State Board of Education was put in hold.

LSO STAFF PRESENTATION: **SUPPLEMENTAL APPROPRIATIONS:**
Building Idaho's Future, Dept. of Commerce, Cash Transfer to Idaho Opportunity Fund - Keith Bybee, Deputy Division Manager.

Mr. Bybee introduced a series of supplemental requests for Building Idaho's Future.
The Governor requested to reallocate the money saved from the 5% reductions for several purposes, titled Building Idaho's Future. Governor's recommendation of \$36 million for Building Idaho's Future, was composed of \$1 million for the Idaho Opportunity Fund and \$35 million for the broadband projects. House Bill 127, created a new fund for the Idaho Broadband, the present motions would transfer money into this fund from the General Fund.
The Idaho Opportunity Fund has existed since 2006, in one form or another, and it's typically used for economic development infrastructure projects at the local level. There is currently \$4 million in the fund, most of which has been allocated

to projects.

The motion also includes a reallocation of COVID Relief Act funds for Idaho broadband.

The first motion is for Building Idaho's Future, for a Cash Transfer to Idaho Opportunity Fund. As part of Building Idaho's Future, the Governor recommended a cash transfer of \$1,000,000 to the Idaho Opportunity Fund in FY 2021.

The Idaho Opportunity Fund was created in the 2006 session of the Idaho Legislature and was called the Business and Jobs Development Fund. In 2013, the Legislature codified this fund in Section 67-4734, Idaho Code, and defined its uses. These funds are made available at the discretion of the director to offset public costs associated with the recruitment of companies to Idaho. As promulgated by rule, these moneys have been used for public infrastructure projects for cities and counties.

This motion moves cash from the General Fund to the Idaho Opportunity Fund. Most of the current cash balance has been allocated for projects, this will provide for additional economic development projects in the state. The department currently has sufficient appropriation from the Idaho Opportunity Fund to cover additional expenditures.

**UNANIMOUS
CONSENT:**

Requested by **Rep. Green**, granted by unanimous consent, the FY 2021 budget for the Department of Commerce was reopened.

MOTION:

Original Motion: Moved by **Rep. Green**, seconded by **Sen. Crabtree** for the appropriation and transfer of \$1,000,000 from the General Fund to the Idaho Opportunity Fund.

DISCUSSION:

Rep. Nate spoke against the motion, arguing the idea of having the discretionary fund for the Director to use.

CARRIED:

AYES: 18. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

NAYS: 2. . 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**.

**LSO STAFF
PRESENTATION:**

SUPPLEMENTAL APPROPRIATIONS:

Building Idaho's Future, Dept. of Commerce, Cash Transfer to Idaho Broadband Fund - Keith Bybee, Deputy Division Manager.

Mr. Bybee introduced the supplemental appropriation for Building Idaho's Future Program, relative to a Cash Transfer to Idaho Broadband Fund. As part of Building Idaho's Future, the Governor a General Fund appropriation of \$35,000,000 for broadband projects statewide.

With the creation of the Idaho Broadband Fund, through House Bill 127, the recommendation would now move the money to the Idaho Broadband Fund, instead of a General Fund Appropriation.

Funds will be used for providing financial assistance in broadband infrastructure to promote equal access in economic development, public safety, telehealth, and education. Expenditures will be prioritized based on the statewide broadband plan developed by the Idaho broadband advisory board established pursuant to Section 67-4761, Idaho Code, and requires board approval.

MOTION: Original motion: Moved by **Sen. Crabtree**, seconded by **Rep. Syme** for the appropriation and transfer of \$35,000,000 from the General Fund to the Idaho Broadband Fund.

CARRIED: **AYES: 19.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.

NAYS: 1. Riggs.

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: Building Idaho's Future, Dept. of Commerce, Cash Transfer to Idaho Broadband Fund - Keith Bybee, Deputy Division Manager.**

Mr. Bybee introduced the supplemental appropriation for Building Idaho's Future Program. With the previous motion moving \$35,000,000 to the Idaho Broadband Fund, the Department of Commerce requires an appropriation from the Idaho Broadband Fund to make any expenditures.

MOTION: Original Motion: Moved by **Rep. Syme**, seconded by **Sen. Crabtree** for the Department of Commerce, for FY 2021, the appropriation of \$35,000,000 from the Idaho Broadband Fund.

CARRIED: **AYES: 18.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

NAYS: 2. 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**.

**LSO STAFF
PRESENTATION:**

SUPPLEMENTAL APPROPRIATIONS:

Building Idaho's Future, Dept. of Commerce, Appropriation of COVID Relief Funds for Broadband projects - Keith Bybee, Deputy Division Manager.

Mr. Bybee introduced the supplemental appropriation for Building Idaho's Future Program, specifically for the Appropriation of COVID Relief Funds for Broadband projects. This item utilizes unallocated COVID-19 Relief Funds for providing additional financial assistance in broadband infrastructure to promote equal access in economic development, public safety, telehealth, and education. Expenditures will be prioritized based on the statewide broadband plan developed by the Idaho broadband advisory board established pursuant to Section 67-4761, Idaho Code, and requires board approval. These funds need to be expended by Dec. 30, 2021 per United States Treasury guidance.

MOTION:

Original Motion: Moved by **Sen. Crabtree**, seconded by **Rep. Green** for the Department of Commerce for FY 2021 the appropriation of \$10,000,000 from the Federal COVID-19 Relief Fund.

CARRIED:

AYES: 19. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.

NAYS: 0.

ABSENT/EXCUSED: 1. Cook.

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. Crabtree**, granted by unanimous consent, the following language was added:

SECTION 6. REAPPROPRIATION AUTHORITY FOR THE IDAHO BROADBAND FUND.

There is hereby re appropriated to the Department of Commerce any unexpended and unencumbered balances appropriated to the Department of Commerce from the Idaho Broadband Fund for fiscal year 2021 to be used for nonrecurring expenditures related to broadband infrastructure for the period July 1, 2021, through June 30, 2022. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION 7. REAPPROPRIATION AUTHORITY FOR THE FEDERAL COVID-19 RELIEF FUND. There is hereby reappropriated to the Department of Commerce any unexpended and unencumbered balances appropriated to the Department of Commerce from the Federal COVID-19 Relief Fund for the purpose of broadband infrastructure for fiscal year 2021, in an amount not to exceed \$10,000,000, to be used for nonrecurring expenditures related to broadband infrastructure for the period July 1, 2021, through June 30, 2022. The Office of the State Controller shall confirm the reappropriation amount, by

fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein. SECTION 8. OVERSIGHT OF MONEYS. Notwithstanding any other provision of law to the contrary, the Idaho Broadband Advisory Board shall have oversight authority over the distribution or expenditure of the moneys appropriated in Section 5, and re appropriated in Section 7, of this act.

**LSO STAFF
INFORMATION:**

**SUPPLEMENTAL APPROPRIATIONS:
COVID-19 Relief Funds, Dept. of Commerce, Appropriation of COVID
Relief Funds for Idaho Food Bank - Keith Bybee, Deputy Division Manager.**

Mr. Bybee introduced the supplemental appropriation for COVID-19 Relief Funds, specifically for the Appropriation of COVID Relief Funds for Idaho Food Bank.

The Idaho Food Bank serves Idaho families, seniors, and children who are considered food insecure – meaning that, at times they lack the food they need to live healthy, active lives. This can include those who are living below the federal poverty line and may qualify for assistance programs such as the Supplemental Nutrition Assistance Program (SNAP).

It also includes individuals who are struggling to make ends meet but do not qualify for assistance programs based on income. In fact, in Idaho, more than 50 percent of people who are food insecure may not qualify for the SNAP due to their income level. This finding underscores the importance of protecting and strengthening the safety net of public food assistance while also investing in charitable programs that help to fill the gap for people who don't qualify.

The Idaho Food Bank (The Food Bank) has faced the challenge of COVID-19 by continuing all operations statewide and monitoring the increasing levels of food insecurity at a county level. The Food Bank has increased food distribution by an average of 40 percent and is projected to have provided 29 million pounds of food in the year starting in May 2020 and ending April 2021. Two key strategies provided for the majority of the growth of food available: The USDA's Coronavirus Farmer's to Families program (CFAP) and a grant from the State of Idaho through the CARES Act.

This item utilizes unallocated COVID Relief Funds for providing additional financial assistance to the Idaho Food Bank.

These funds need to be expended by Dec. 30, 2021 per United States Treasury Guidance.

MOTION:

Original Motion: Moved by **Rep. Green**, seconded by **Sen. Crabtree** for the Department of Commerce, for FY 2021 the appropriation of \$3,600,000 from the Federal COVID-19 Relief Fund.

CARRIED: **AYES: 19.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Nate, Giddings, Bundy, Green, Nash.

NAYS: 0.

ABSENT/EXCUSED: 1. Cook.

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: **TRAILER APPROPRIATION: Industrial Hemp - H126, Rob Sepich, Senior Analyst.**

Mr. Sepich introduced the trailer appropriation for Industrial Hemp, relative to House Bill 126.

The H126 bill defines industrial hemp and establishes guidelines for the transportation, processing, and eventual sale and production of hemp as an agricultural and industrial commodity. In conforming with the federal Agriculture Improvement Act of 2018, H126 provides a permitting process for transport provided that the substance contains no more than 0.3% of tetrahydrocannabinol (THC).

The bill directs the Department of Agriculture to coordinate with stakeholders to develop a US Department of Agriculture approved plan by September 1, 2021. It also establishes a dedicated Industrial Hemp Administration Fund to collect fees yet to be determined through negotiated rule making.

The actions below add 1.50 FTP, \$100,000 in ongoing personnel costs, and \$50,000 in ongoing operating expenditures from the General Fund, as outlined in the fiscal note of H126.

UNANIMOUS CONSENT: Requested by **Rep. Troy**, granted by unanimous consent, the FY 2021 budget for the Department of Agriculture was reopened.

MOTION: Original Motion: Moved by **Rep. Troy**, seconded by **Sen. Bair** for the Department of Agriculture, in addition to any other appropriation provided by law, the addition of 1.50 FTP and \$150,000 from the General Fund for the fiscal year 2021.

CARRIED: **AYES: 17.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

NAYS: 2. Nate, Giddings

ABSENT/EXCUSED: 1. Cook.

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.**

MOTION: Original Motion: Moved by **Rep. Troy**, seconded by **Sen. Agenbroad** for the Department of Agriculture, in addition to any other appropriation provided by law, the addition of 1.50 FTP and \$150,000 from the General Fund for the fiscal year 2022.

CARRIED: **AYES: 17.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

NAYS: 2. Nate, Giddings

ABSENT/EXCUSED: 1. Cook.

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: **TRAILER APPROPRIATION: Uniform Accounting, Budgeting, and Financial - Reporting Procedures – H73.**
Maggie Smith, Senior Analyst.

Ms. Smith introduced the trailer appropriation for Uniform Accounting, Budgeting, and Financial reporting, relative to House Bill 73.

This bill provides for the uniform accounting, budgeting, and financial reporting procedures for counties, cities, urban renewal agencies, school districts, health districts, and all other local districts.

Funding and authorization for three new positions are provided to the State Controller's Office to create the uniform accounting practices and procedures manual and publish it on the Transparent Idaho website.

The State Controller's Office will also develop a reporting platform within the Transparent Idaho website for local government entities to report their financial data to the state.

One of the positions, a Program Manager, is provided in FY 2021 to begin the project as soon as possible so that initial data may be available by Fall 2021. The remaining two positions, a Software Developer and a Business Analyst, are provided in FY 2022.

One position and associated funding is provided to the Legislative Services Office for a Business Analyst to audit the financial data reported by local government entities.

UNANIMOUS CONSENT: Requested by **Rep. Horman**, granted by unanimous consent, the FY 2021 budget for the Office of the State Controller was reopened.

MOTION: Original Motion: Moved by **Rep. Horman**, seconded by **Sen. Agenbroad** for the fiscal year 2021, for the Office of the State Controller, in the Administration Program, the addition of 1.00 FTP, \$29,200 in ongoing personnel costs, and \$58,800 in ongoing operating expenditures from the General Fund.

CARRIED: **AYES: 17.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

NAYS: 2. Nate, Giddings

ABSENT/EXCUSED: 1. Cook.

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.**

MOTION: Original Motion: Moved by **Rep. Horman**, seconded by **Sen. Agenbroad** for the fiscal year 2022, for the Office of the State Controller, in the Administration Program, the addition of 2.00 FTP, \$292,500 in ongoing personnel costs, and \$1,117,700 in ongoing operating expenditures from the General Fund.

CARRIED: **AYES: 17.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

NAYS: 2. Nate, Giddings

ABSENT/EXCUSED: 1. Cook.

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.**

MOTION: Original Motion: Moved by **Rep. Horman**, seconded by **Sen. Agenbroad** for the fiscal year 2022, for the Legislative Branch, in the Legislative Services Office, the addition of 1.00 FTP and \$92,200 in ongoing personnel costs from the General Fund.

CARRIED: **AYES: 17.** Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

NAYS: 2. Nate, Giddings

ABSENT/EXCUSED: 1. Cook.

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: **BUDGET SETTING: Lieutenant Governor – LBB, 6-139 - Maggie Smith, Senior Analyst.**

Ms. Smith introduced the budget setting for the Lieutenant Governor. This budget is being reconsidered and has been previously set by this Committee, and it is before the Committee once again.

MOTION: Original Motion: Moved by **Rep. Horman**, seconded by **Sen. Bair** for the Lieutenant Governor, beginning with the FY 2022 Base an increase of \$300 for benefit costs, a decrease of \$200 for the statewide cost allocation, and an increase of \$1,600 for change in employee compensation. The totals for FY 2022 are 3.00 FTP, and \$183,100 from the General Fund. This motion also includes exemption from the budget laws restricting the transfer of appropriation between object codes, making this budget lump sum.

SUBSTITUTE MOTION: Substitute Motion: Moved by **Rep. Riggs** seconded by **Rep. Syme**, for the Lieutenant Governor beginning with the FY 2022 base an increase of \$300 for benefit costs, a decrease of \$200 for statewide cost allocation and an increase of \$1,600 for change in employee compensation. Also included is one line item which reduces 0.5 FTP and \$7,400 in personnel costs. The totals for this motion for the FY 2022 are 2.5 FTP and \$175,700 from the general fund. This motion also includes the exemption from the budget laws restricting the transfer of appropriation between object codes, making this budget lump sum.

AMENDED SUBSTITUTE MOTION: Amended Substitute Motion: Moved by **Rep. Giddings**, seconded by **Rep. Nate**, for the Lieutenant Governor beginning with the FY 2022 Base an increase of \$300 for benefit costs, a decrease of \$200 for statewide cost allocation, and an increase of \$1,600 for change in employee compensation. Also included is one line item which provides \$4,000 to help to fund expenses for a new task force, investigating the misuse of K-12 public funds promoting social justice activism and critical race theory. The totals for this motion for the Fiscal Year 2022 are 3.00 FTP and \$187,100 from the General Fund. This motion also includes exemption from the budget laws restricting the transfer of appropriation between object codes, making this budget lump sum.

AMENDED
SUBSTITUTE
MOTION NOT
PASSED: **AYES: 2.** Nate, Giddings.

NAYS: 17. Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.

ABSENT/EXCUSED: 1. Cook.
The majority, having voted in the negative, the amended substitute motion **DID NOT PASS.**

SUBSTITUTE MOTION CARRIED: **AYES: 12.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Ward-Engelking, Nye, Troy, Syme, Green, Nash.
NAYS: 7. Bair, Youngblood, Horman, Amador, Nate, Giddings, Bundy.

ABSENT/EXCUSED: 1. Cook.
The majority, having voted in the affirmative, the substitute motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Youngblood.**

LSO STAFF PRESENTATION: **REPORT:**
Review of American Rescue Plan Act of 2021 (ARPA). Paul Headlee, Division Manager.

Ms. Headlee explained the report relative to the review of the American Rescue Plan Act of 2021 (ARPA).

The report is also available online in the link shown.

The summary shows the overall act and the amount of funding that is available to Idaho. \$5.3 Billion have been identified. The report is structured in three parts, and 45 separate ARPA programs are addressed.

In Part I of the report we identified 31 programs at this time for which there are specified dollar amounts for funding awards and sufficient guidance for the Legislature to consider an appropriation for either the current FY 2021 or for FY 2022.

In Part II of the report, we identified 14 programs at this time for which there are not specified dollar amounts for funding awards or sufficient guidance before considering an appropriation.

In Part III we include descriptions of ARPA provisions that will not flow through the state budget or need an appropriation but may be interesting to the reader. Frequently Asked Questions section has ten common questions that are addressed. Frequent terms have been explained in the Explanation of Fiscal Terms section.

The overview page explains the American Rescue Plan Act of 2021 (ARPA) is the sixth, and most recent, federal COVID-19 relief legislation passed by Congress and was signed into law by **President Biden** on March 11, 2021. Some funding are available for Grant Programs to State Agencies (\$1,271 million), some are available for State and Local Fiscal Recovery Funds (\$1,890 million), and some are available for Economic Stimulus Programs Outside of State Government (\$2,111 million). The total funding available to Idaho is nearly \$5.3 billion.

In Part I, LSO has identified 31 ARPA programs at this time that have specified dollar amounts and sufficient information available for the Idaho Legislature to determine whether to appropriate funds during the 2021 session. Use of funding must fall within one or more of the following four categories: (A) To respond to the COVID-19 health emergency or its negative economic impacts including assistance to households, small businesses, non-profits, or industries such as tourism, travel, and hospitality; (B) To provide premium pay of up to \$13.00 per hour in addition to base pay to workers performing essential work during the COVID-19 health emergency or provide grants to employers with employees performing essential work; (C) To provide government services to the extent of lost revenue from the COVID-19 health emergency, relative to revenues in the fiscal year prior to the pandemic; (D) To make necessary investments in water, sewer, or broadband infrastructure.

Restrictions are that the funds shall not be used to offset a reduction directly or indirectly in net tax revenue resulting from a change in law or to delay the imposition of a tax increase. Further, these funds shall not be deposited into a pension fund.

Payments to the state will be made in two tranches of 50% each of available funds: the first is to occur not later than 60 days after enactment; the second is to occur not earlier than 12 months after the first payment.

Funding is available through December 31, 2024, which is midway through FY 2025.

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