

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, April 12, 2021

TIME: 8:00 A.M.

PLACE: Room C310

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

ABSENT/EXCUSED: None

CONVENED: **Co-Chairman Bair** called the meeting of the Joint Finance-Appropriation Committee (Committee) to order at 8:03 a.m.

LSO STAFF PRESENTATION: **TRAILER APPROPRIATION TO HCR 8 — PAYMENT IN LIEU OF TAXES (PILT). LEGISLATURE**
Rob Sepich, Senior Budget Analyst, LSO
HCR 8 passed the Senate on April 7th, 2021, and it directs a pilot program using technologies to evaluate and appraise federal lands to determine the fair taxable reimbursement value of federal lands within the boundaries of the state. The fiscal note for **HCR 8** details up to \$250,000 from the General Fund to be used by the Federalism Committee to study the impact of Payment in Lieu of Taxes (PILT) paid by the federal government to the State and local units of government. The resolution directs the use of software analysis and modeling programs to compare the payments made by the federal government to real-time fair taxable value of federally-owned lands within the state.

MOTION: Moved by **Representative Horman** for Fiscal Year (FY) 2022 a one-time appropriation of \$250,000 from the General Fund to the Legislature for the purposes of HCR 8, seconded by **Senator Cook**.

CARRIED: **AYES: 18**
Senators Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, and Nye
Representatives Youngblood, Troy, Horman, Amador, Nate, Giddings, Bundy, Green, and Nash
NAYS: 1
Representative Syme
ABSENT/EXCUSED: 1
Senator Ward-Engelking
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 Bair**.
Link to [Audio](#), [Ballot](#), and [Report](#) here.

LSO STAFF PRESENTATION: **TRAILER APPROPRIATION TO S 1084 — OCCUPATIONAL LICENSING SUNSET REVIEWS, LSO**
Christine Otto, Senior Budget Analyst, LSO

S 1084 passed the House on April 8th, 2021, and it creates a Sunset Review Committee that will review all licensing authorities on a rotating basis. The review process is used to determine the appropriateness and significance of existing regulations, and would provide an opportunity to reduce or eliminate unnecessary rules. All licensing authorities would be separated into six groups at the Committee's discretion. The Committee would review at least one group annually, and would provide a report to the Legislature.

The fiscal note for **S 1084** included a 1.00 FTP and \$70,000 for LSO to staff the Committee. There are approximately 442 licenses with multiple licensing authorities pending for review. This FTP would be responsible for all the administrative work for the Committee including gathering materials, providing factual analysis, and assisting the Committee with any additional information as necessary.

MOTION: Moved by **Representative Troy** for FY 2022, for the LSO, 1.00 FTP and \$69,500 ongoing and \$500 one-time from the General Fund, seconded by **Senator Agenbroad**.

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

Links to [Audio](#), [Ballot](#), and [Report](#) here.

LSO STAFF PRESENTATION: **STATE DEPARTMENT OF EDUCATION, COVID-19 RELIEF FUNDING, P-EBT NUTRITION PROGRAM**
Jared Tatro, Principal Budget Analyst, LSO

The Idaho State Department of Education (SDE) — Child Nutrition Program, is working with Idaho Department of Health and Welfare (IDHW) for the pandemic Electronic Benefit Transfer (P-EBT) Program in response to the COVID-19 pandemic. Federal relief legislation provides the U.S. Secretary of Agriculture (USDA) the authority to approve state agency plans to administer P-EBT. While P-EBT was originally authorized by the Families First Coronavirus Response Act, the administrative funding piece came about in the Continuing Appropriations Act and Other Extensions Act (December 2020).

USDA has approved Idaho's P-EBT plan. USDA is reviewing the budget request at this time. Idaho still has a significant amount of work to be done on creating a portal or platform for data gathering. The funds were originally appropriated to IDHW in **H 200**, a supplemental appropriation bill for IDHW for FY 2021. However, the requested appropriation would go to SDE through IDHW given that SDE implements the aforementioned program. This program would last from August, 2020 through September 30, 2021.

There is a proposal to reappropriate to SDE for the Student Services Program any unexpended and unencumbered balances appropriated to SDE from the Federal COVID-19 Relief Fund for services related to the P-EBT school nutrition services program for FY 2021, an amount not to exceed \$1,600,500. The requested funds are to be used for nonrecurring expenditures related to the P-EBT school nutrition services program for the period of July 1, 2021 through June 30, 2022. The State of Idaho Controller's Office shall confirm the reappropriation amount, by fund, expense class, and program, with the LSO prior to processing the approved reappropriation.

DISCUSSION:

Representative Nate asked Mr. Tatro to clarify a possible double allocation of funds to IDHW, thus the possibility of adjusting IDHW's current appropriations. **Mr. Tatro** explained IDHW is the receiving state agency, and would pass the funds to SDE. With the transfer of funds, IDHW would need a portion of the appropriation due to some costs related to it. On the other hand, if IDHW would not need the appropriation for the aforementioned cost, its appropriation could be reduced or reverted at the end of the year depending on the status of **H 200**.

**UNANIMOUS
CONSENT:**

Requested by **Representative Nate**, granted by unanimous consent, the State Board of Education, COVID Relief Funding, P-EBT Nutrition Program FY 2021 supplemental request be held in the Committee until April 13, 2021.

Link to [Audio](#) here.

**LSO STAFF
PRESENTATION:**

**IDAHO GENERAL FUND BUDGET UPDATE
Keith Bybee, Deputy Division Manager, LSO**

There was a two-year budget look for Fiscal Year (FY) 2021 and 2022. **Mr. Bybee** emphasized that in FY 2021, the Legislature's ending balance is \$200 million more than the Governor's recommended budget. The majority of the differences were related to transfer of funds to Budget Stabilization Fund and transfer of funds to Public Education Stabilization Fund. The rest of differences are related to the proposed one-time tax relief, federal tax conformity, and the funds for Build Idaho's Future was moved to FY 2022.

Furthermore, there was a significant difference in the Legislative action budget and the Governor's proposed budget for FY 2022 due to proposed executive legislation on tax relief. The proposed fund is under **H 332**, a legislation that would provide one-time sales/income tax rebate to Idaho taxpayers, and currently in its amending order of business in the Senate.

Mr. Bybee stated that the original appropriation shown in the report would change significantly in the coming days on the grounds that there were three budget legislations that failed in one of the legislative bodies. The Committee needs to set new appropriations for the Attorney General budget, College and University budget, and Idaho Department of Health and Welfare — Division of Welfare budget.

Report on General Fund Comparison by state agencies where discussed at length. **Mr. Bybee** noted that LSO — Budget and Policy Division tracks legislation’s fiscal impact to the General Funds. Legislations listed on the “Bills with Fiscal Impact on Revenue (REV)” category can either increase or decrease revenues contributing to the General Fund, and would be moved to the General Fund Budget Update report after its enactment in both Legislative branches. Moreover, legislations listed in the “Bills that could Require an Appropriation (APP)” and “Non-JFAC Appropriation in Bill (NJA)” categories expend or save funds, and would be included on the General Fund Budget Update report after its passage in JFAC, or after its passage in both House Appropriations Committee and Senate Finance Committee.

Link to [Report](#) here.

**LSO STAFF
PRESENTATION:**

**IDAHO GENERAL FUND BUDGET MONITOR
Keith Bybee, Deputy Division Manager, LSO**

General Fund revenue collections for the month of March were \$298.2 million, which was \$55.2 million more than anticipated by the Division of Financial Management’s (DFM) revenue forecast. General Fund revenues are exceeding the forecast by a total of \$264.6 million, through March. As the budget picture takes shape for the remainder of FY 2021, the estimated ending balance is currently \$651.0 million. There are several actions currently proposed that could reduce the large ending balance that include transfers to the rainy-day accounts and tax relief.

To date, year-over-year revenue collections are up \$455.6 million or 14.5%. Individual income tax collections are up \$275.8 million compared to last year, while sales tax collections and corporate income tax collections are up \$163.3 million and \$26.6 million, respectively, compared to last year. Product taxes are up \$4.9 million but miscellaneous revenues are down to \$14.9 million compared to last year.

Link to [Report](#).

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Bair** adjourned the meeting at 9:05 a.m.

Senator Bair
Chair

Rellie Wisdom
Secretary